#### **CASE NO. 23396**

# APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING AND APPROVAL OF OVERLAPPING WELL UNITS, EDDY COUNTY, NEW MEXICO

#### **EXHIBIT LIST**

- 1. Application and Proposed Notice
- 2. Landman's Affidavit
- 3. Geologist's Affidavit
- 4. Affidavits of Mailing (Exhibits 4-A and 4-B)
- 5. Publication Affidavits (Exhibits 5-A and 5-B)
- 6. Pooling Checklist

#### BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING AND APPROVAL OF OVERLAPPIMG WELL UNITS, EDDY COUNTY, NEW MEXICO.

Case No. 23396

#### **APPLICATION**

Mewbourne Oil Company applies for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a (proximity tract) horizontal spacing unit comprised of the SE¼ of Section 3 and the S½ of Section 2, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and approving overlapping well units, and in support thereof, states:

- 1. Applicant is an interest owner in the SE½ of Section 3 and the S½ of Section 2, and has the right to drill a well thereon.
- 2. Applicant proposes to drill the Swanson 3/2 B2JI Fed. Com. Well No. 2H to a depth sufficient to test the Bone Spring formation, and to dedicate the SE¼ of Section 3 and the N½S½ of Section 2 to the well. The well is a horizontal well, with a first take point in the NW¼SE¼ of Section 3 and a last take point in the NE¼SE¼ of Section 2. The well is closer than 330 feet to the centerline of the well unit.
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the  $SE^{1/4}$  of Section 3 and the  $S^{1/2}$  of Section 2 for the purposes set forth herein.
- 4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests.

**EXHIBIT** 

Therefore, applicant seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying SE¼ of Section 3 and the S½ of Section 2, pursuant to NMSA 1978 §70-2-17.

- 5. The N½SE¼ of Section 3 and the N½S½ of Section 2 is committed to the Swanson 3/2 B2JI Fed. Com. Well No. 1H, and the S½SE¼ of Section 3 and the S½S½ of Section 2 is committed to the Swanson 3/2 B2OP Fed. Com. Well No. 1H. Thus, there are overlapping well units.
- 6. The pooling of all mineral interest owners in the Bone Spring formation underlying the SE¼ of Section 3 and the S½ of Section 2, and approval of the overlapping well units, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interest owners in the Bone Spring formation underlying the  $SE\frac{1}{4}$  of Section 3 and the  $S\frac{1}{2}$  of Section 2;
- B. Approving the request fo overlapping well units;
- C. Designating applicant as operator of the well;
- D. Considering the cost of drilling, completing, testing, and equipping the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Mewbourne Oil Company

Application of Mewbourne Oil Company for compulsory pooling and approval of overlapping well units, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the SE/4 of Section 3 and the S/2 of Section 2, Township 18 South, Range 29 East, NMPM. The unit will be dedicated to the Swanson 3/2 B2JI Fed. Com. Well No. 2H, a horizontal well with a first take point in the NW/4SE/4 of Section 3 and a last take point in the NE/4SE/4 of Section 2. Applicant also requests approval of overlapping well units regarding (a) the Swanson 3/2 B2JI Fed. Com. Well No. 1H, which has the N/2SE/4 of Section 3 and the N/2S/2 of Section 2 dedicated thereto, and (b) the Swanson 3/2 B2OP Fed. Com. Well No. 1H, which has the S/2SE/4 of Section 3 and the S/2S/2 of Section 2 dedicated thereto. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 5 miles southwest of Loco Hills, New Mexico.

# STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF MEWBOURNE OIL COMPANY COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 23396

#### **VERIFIED STATEMENT OF ADRIANA SALGADO**

Adriana Salgado, being duly sworn upon her oath, deposes and states:

- 1. I am a Landman for Mewbourne Oil Company ("Mewbourne") and have personal knowledge of the matters stated herein. I have worked as a landman for 7 years. I hold a Bachelor of Arts Degree in Humanities from the University of Texas of the Permian Basin. I have 4 years of land work experience with Apache Corporation, prior to working at Mewbourne Oil Company. Collectively, I have 11 years of land work experience.
- 2. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:
  - (a) The purpose of this application is to force pool working interest owners into the Bone Spring formation horizontal spacing unit described below, and in wells to be drilled in the unit.
  - (b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests to the well. All interest owners have been located.
  - (c) A plat outlining the unit being pooled is attached hereto as Exhibit 1. Mewbourne seeks an order approving a 480.00-acre horizontal spacing unit in the Bone Spring formation comprised of the S2 of Section 2 and the SE4 of Section 3, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to the Swanson 3/2 B2JI Fed Com #2H. There are no depth severances in the Bone Spring Formation.
  - (d) The parties being pooled and their interests are set forth in Exhibit 2. Their current and correct addresses are also set forth.

2

- (e) Exhibit 3 contains a summary of contacts with the interest owners, together with copies of the proposal letters sent to them and delivery receipts for each.
- (f) In order to locate the interest owners, Mewbourne examined the county records, performed internet searches, checked telephone records, and searched pertinent computer searches.
- (g) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well.
- (h) Mewbourne has the right to pool the overriding royalty owners in the well unit.
- (i) Exhibit 4 is the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depth and length drilled in this area Eddy County.
- (j) Mewbourne requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Eddy County. Mewbourne requests that these rates be adjusted periodically as provided in the standard COPAS. Accounting Procedure.
- (k) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (l) Applicant requests that it be designated operator of the well.
- (m) The attachments to this affidavit were prepared by me or under my supervision or compiled from company business records.
- (n) The granting of this application is in the interests of conservation and the prevention of waste.

<b>VER</b>	IFIC	CAT	MOL

STATE OF TEXAS	)
	) ss
COUNTY OF MIDLAND	)

Adriana Salgado, being duly sworn upon his oath, deposes and states that: She is a Landman for Mewbourne Oil Company; she is authorized to make this verification on its behalf; she has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of her knowledge, information, and belief.

Adriana Salgado

SUBSCRIBED AND SWORN TO before me this 20th day of February, 2023 by Adriana Salgado.

My Commission Expires: 011126

ALEJANDRA KIRKSEY Notary Public, State of Texas Comm. Expires 01-11-2026 Notary ID 131406744

### **EXHIBIT 1**

#### **Section Plat**

Swanson 3/2 B2JI Fed Com #2H SE/4 of Section 3 & S/2 of Section 2 T18S-R29E, Eddy County, NM

Section 3

Section 2

Tract 1	Tract 3	Tract 5	
Tract 2	Tract 4		Tract 6

Tract 1: N2SE of Section 3 - Federal Lease LC 058480

Mewbourne Oil Company EOG Resources Inc.

Tract 2: S2SE of Section - Federal Lease LC 058125

Mewbourne Oil Company EOG Resources Inc.

Tract 3: NWSW of Section 2 - State Lease B-7677

Mewbourne Oil Company

Tract 4: SWSW of Section 2 - State Lease B-5524

Mewbourne Oil Company

\*Indicates parties being pooled.

Tract 5: E2SW of Section 2 - State Lease B-5524

Mewbourne Oil Company Joel R. Miller Energy, LP

Tract 6: SE of Section 2 - State Lease B-6846

Mewbourne Oil Company Mark B. Heinen Mel Riggs

Mark Tisdale

Debra Denise Latham, Ttee of Family Trust under will of Lindley Paul Latham, deceased

**Greg Benton** 

\*John Kennedy

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

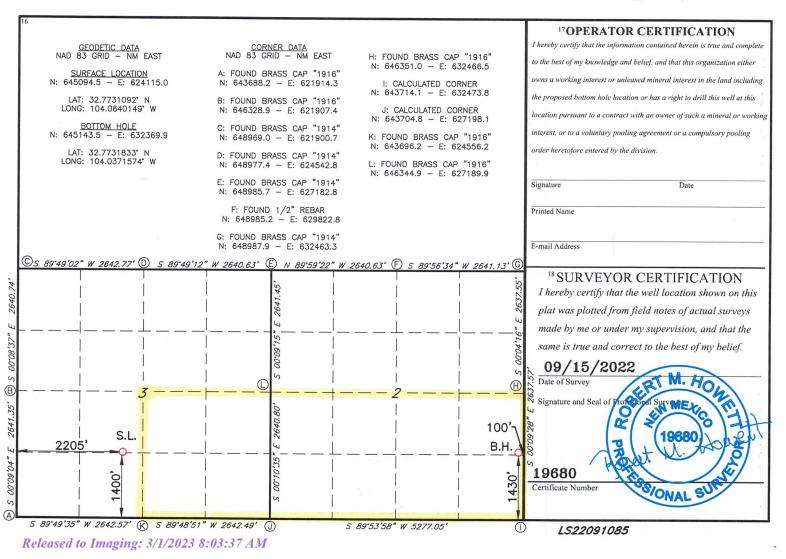
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

■ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PL	AT
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	API Numbe	r		Pool Code 96832 SAND TANK; BONE SPRING				RING	
<sup>4</sup> Property Co	de	SWANSON 3/2 B2JI FED COM  5 Property Name  6 Well Nur  2H					<sup>6</sup> Well Number <b>2H</b>		
7 OGRID	94	MEWBOURNE OIL COMPANY  8 Operator Name 9 Elevation 3508				<sup>9</sup> Elevation <b>3508</b>			
					10 Surface	Location			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line County	
K	3	18S	29E		1400	SOUTH	2205	WEST EDDY	
			11 <b>]</b>	Bottom H	Iole Location	If Different Fro	om Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	2	18S	29E		1430	SOUTH	100	EAST	EDDY
Dedicated Acres 480	3 Joint	or Infill 14 (	Consolidation	Code 15 (	Order No.		Ta .		

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



### **EXHIBIT 2**

# TRACT OWNERSHIP Swanson 3/2 B2JI Fed Com #2H S/2 of Section 2 & SE/4 of Section 3, Township 18 South, Range 29 East Eddy County, New Mexico

#### **Bone Spring Formation:**

	% Leasehold Interest
Mewbourne Oil Company 500 West Texas, Ste. 1020 Midland, Texas 79701	51.747616%
EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706	40.666667%
Mark B. Heinen 122 Mountain Spring Drive Boerne, Texas 78006	2.106667%
Mel Riggs 2513 Regency Oaks Drive Midland, Texas 79705	1.690000%
Mark Tisdale 6951 Sundrise Cirle Midland, Texas 79707	1.690000%
Joel R. Miller Energy, LP P.O. Box 3003 Midland, Texas 79702	1.500000%
OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, Texas 77046-0521	0.233333%
Debra Denise Latham, Trustee of Family Trust under Will of Lindley Paul Latham, deceased 954 River Forest Drive New Braunfels, Texas 78132	0.162500%
Greg Benton P.O. Box 52408 Midland, Texas 79710	0.067763%

\*John Kennedy 1724 Normandy Lane Midland, Texas 79705

0.135454%

Total

100.00000%

\*Total interest being pooled: 0.135454%

### **EXHIBIT 3**

#### Summary of Communications Swanson 3/2 B2JI Fed Com #2H

Company Na	me: John Kennedy		
Date:	Communicated with:	Comments/Actions:	
11/22/2022	John Kennedy	Mailed well proposals via certified mail dated 11/22/2020	
11/23/2022		Certified Mail receipt showed successful delivery at 3:43 PM	
2/7/2023	John Kennedy	Mailed well proposal again explaining change of spacing unit via	
		certified mail dated 2/7/2023	
2/14/2023		Certified Mail receipt showed successful delivery at 11:11 AM	

#### MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020 Midland, Texas 79701 Phone (432) 682-3715 Fax (432) 685-4170

November 22, 2022

Via Certified Mail

John Kennedy 1724 Normandy Lane Midland, Texas 79705

Re:

Swanson 3/2 B2JI Fed Com #2H Well – Pooling Order

Sections 3 & 2, T18S, R29E Eddy County, New Mexico

Mr. Kennedy,

Attached for your information and further handling is a copy of the referenced pooling order dated December 22, 2021 regarding the following proposed well:

Proposed Wells	Pooling Order #	Your WI	Your Cost
Swanson 3/2 B2JI Fed Com #2H	R-21962	0.067681%	\$5,687.84

Pursuant to ordering paragraph number 22 on page 2 of the order, enclosed is a copy of our AFE dated November 16, 2022 regarding your 0.067681% working interest in the captioned proposed well. The enclosed AFE is an estimated well cost for the proposed well. Pursuant to ordering paragraph number 23 on page 2 of the pooling order, please sign and return the AFEs within 30 days of your receipt of same in the event you elect to participate in the proposed well. Should you participate in the well, please send me your check for the amount listed in the table above within 60 days of your receipt of this letter made payable to Mewbourne Oil Company.

Should you have any questions regarding the above, please email me at <u>asalgado@mewbourne.com</u> or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Adriana Salgado Landman

asalgado.

#### Adriana Salgado

From: Sent: webmaster@simplecertifiedmail.com Wednesday, November 23, 2022 3:43 PM

To:

Adriana Salgado

Subject:

[EXT] Document Delivered



#### **Document Delivered**

A document with a tracking code of 9414836104262056630194 and reference number of Swanson 3 2 B2JI Fed Com 2H Proposal was successfully delivered to John Kennedy

This is an "Advisory Notice" from information provided by the United State Postal Service, and may not accurately reflect the delivery status of the item. Please check the Delivery Information Report in SimpleCertifiedMail.com to ensure the item was "Delivered" and not "Returned"

If you have questions or concerns, please let us know.

Regards,

The Client Services Group-Assistance

SimpleCertifiedMail.com 111 Commonwealth Court, Suite 103 Carv, NC 27511-4447

888-462-1750 ext. 2 | assistance@simplecertifiedmail.com

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#### MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020 Midland, Texas 79701 Phone (432) 682-3715 Fax (432) 685-4170

February 7, 2023

Via Certified Mail

John Kennedy 1724 Normandy Lane Midland, Texas 79705

Re:

Swanson 3/2 B2JI Fed Com #2H Well Proposal Sections 3 & 2, T18S, R29E Eddy County, New Mexico

Mr. Kennedy,

I recently proposed the attached AFE via the Pooling Order #R-21962 for the Swanson 3/2 B2JI Fed Com #1H on 11/22/2022. However, the same attached AFE is today being proposed as a new well proposal since it has a different spacing unit as the #1H well and the Pooling Order mentioned above will not suffice for this well.

Mewbourne Oil Company ("Mewbourne") hereby proposes to drill the referenced horizontal Bone Spring well. The referenced well will be drilled as stated below:

1. The Swanson 3/2 B2JI Fed Com #2H will be at a surface location 1400' FSL & 2205' FWL in Section 3, T-18-S, R-29-E and a bottom hole location approximately 1430' FSL & 100' FEL in Section 2, T-18-S, R-29-E, Eddy County, New Mexico. We anticipate drilling to an approximate true vertical depth of 6,846 feet and an approximate measured depth of 14,809 feet. The estimated cost to casing point for this well is \$2,787,500 and estimated cost of producing well is \$8,403,900.

These costs are more fully detailed in the AFE enclosed herewith. If you do not wish to participate in the wells, Mewbourne is interested in discussing other options for your interest.

Enclosed is an original of Mewbourne's AFE for the well. To make your election to participate in the proposed well, properly execute and return the AFE. You will also need to provide your "Well Information" requirements. As a reminder, Mewbourne's AFEs provide all participants the opportunity to opt out of the "Extra Expense Well Control Insurance" that Mewbourne purchases for each well it drills. If you do opt out, you must provide evidence that you have adequate "Well Control Insurance".

Feel free to contact me if you have any questions. I can be reached by phone at (432) 682-3715 or via email at asalgado@mewbourne.com.

Sincerely,

MEWBOURNE OIL COMPANY

Adriana Salgado Landman

asalgado.

Released to Imaging: 3/1/2023 8:03:37 AM

#### Adriana Salgado

From:

Alex Kirksey

Sent:

Tuesday, February 14, 2023 11:11 AM

To:

Adriana Salgado

Subject:

FW: [EXT] Document Delivered

From: webmaster@simplecertifiedmail.com <webmaster@simplecertifiedmail.com>

Sent: Monday, February 13, 2023 5:07 PM
To: Alex Kirksey <a href="mailto:akirksey@mewbourne.com">akirksey@mewbourne.com</a>

Subject: [EXT] Document Delivered



#### **Document Delivered**

A document with a tracking code of 9414836104262433252407 and reference number of SWANSON 3 2 B2JI FC NO 2 WELL PROPOSAL was successfully delivered to JOHN KENNEDY

This is an "Advisory Notice" from information provided by the United State Postal Service, and may not accurately reflect the delivery status of the item. Please check the Delivery Information Report in SimpleCertifiedMail.com to ensure the item was "Delivered" and not "Returned"

If you have questions or concerns, please let us know.

Regards,

The Client Services Group-Assistance

	County: Ede	dy		ST:
Sec. 3 Blk: Survey: TWP: 18	RNG:	29E Prop. TV	/D: 6846	TMD: 148
INTANGIBLE COSTS 0180	CODE	TCP	CODE	cc
Regulatory Permits & Surveys	0180-0100		0 0180-0200	
Location / Road / Site / Preparation	0180-0105	\$50,00	0 0180-0205	\$
Location / Restoration	0180-0106	\$200,000	0 0180-0206	\$
Daywork / Turnkey / Footage Drilling 16 days drlg / 3 days comp @ \$29000/d	0180-0110	\$495,60	0 0180-0210	\$
Fuel 1700 gal/day @ \$3.9/gal	0180-0114		0 0180-0214	
Alternate Fuels	0180-0115		0180-0215	
Mud, Chemical & Additives	0180-0120	\$40,000		-
Mud - Specialized	0180-0121		0 0180-0221	
Horizontal Drillout Services		0.00,000	0180-0222	
Stimulation Toe Preparation		- ii-	0180-0223	
Cementing	0180-0125	\$120,000	0 0180-0225	\$
Logging & Wireline Services	0180-0123			
Casing / Tubing / Snubbing Services			0 0180-0230	\$2
Mud Logging	0180-0134		0 0180-0234	\$
011 1 11	0180-0137	\$35,000		
Stimulation 37 Stg 14.9 MM gal / 18.7 MM lb Stimulation Rentals & Other			0180-0241	\$2,1
			0180-0242	\$23
Water & Other 100% FW f/ Mesquite @ \$0.85/bbl	0180-0145	\$35,000	0180-0245	\$3
Bits	0180-0148	\$82,200	0180-0248	
Inspection & Repair Services	0180-0150		0180-0250	
Misc. Air & Pumping Services	0180-0154		0180-0254	\$
Testing & Flowback Services	0180-0158	\$12,000	0180-0258	\$2
Completion / Workover Rig	0100-0100	\$12,000	0180-0258	
Rig Mobilization	0400 0404	6400.000		\$
Transportation	0180-0164	\$120,000		
Welding, Construction & Maint. Services	0180-0165		0180-0265	\$2
Contract Services & Supervision	0180-0168	\$4,000	0180-0268	\$
	0180-0170	\$42,000	0180-0270	\$4
Directional Services Includes Vertical Control	0180-0175	\$221,000		
Equipment Rental	0180-0180	\$128,200	0180-0280	\$1
Well / Lease Legal	0180-0184		0180-0284	
Well / Lease Insurance	0180-0185		0180-0285	
Intangible Supplies	0180-0188		0180-0288	\$
Damages	0180-0190			
Pipeline Interconnect, ROW Easements		\$30,000	0180-0290	\$1
Company Supervision	0180-0192		0180-0292	\$
Overhead Fixed Rate	0180-0195		0180-0295	\$4
	0180-0196		0180-0296	\$2
Contingencies 5% (TCP) 5% (CC)	0180-0199	\$107,700	0180-0299	\$19
TOTAL		\$2,260,900		\$4,15
TANGIBLE COSTS 0181				
Casing (19.1" - 30")	0181-0793	* 1		
Casing (10.1" – 19.0") 340' - 13 3/8" 54.5# J-55 ST&C @ \$76.3/ft		607 700		
10 10 01 0 1 0 0 0 0 0 0 0 0 0 0 0 0 0	0181-0794	\$27,700		
	0181-0795	\$74,100		
256 1 256 11 1 110 21 40 10 455.05/11	0181-0796	\$389,800		
			0181-0797	\$31
10:00 110 000-1110 000-1110	H I		0181-0798	\$8
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft		205 000		
Fubing         5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft           Drilling Head         5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft	0181-0860	\$35,000		
Fubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section	0181-0860	\$35,000		\$3
Fubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger	0181-0860	\$35,000	0181-0870	
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Tubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift	0181-0860	\$35,000	0181-0870 0181-0871	\$3 \$5
Fubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Fubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump	0181-0860	\$35,000	0181-0870 0181-0871 0181-0880	\$5 \$2
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump	0181-0860	\$35,000	0181-0870 0181-0871 0181-0880 0181-0886	\$5 \$2 \$
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Prilling Head  Fubing Head & Upper Section  Horizontal Completion Tools  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB	0181-0860	\$35,000	0181-0870 0181-0871 0181-0880 0181-0886 0181-0890	\$5 \$2 \$ \$11
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Prilling Head  Tubing Head & Upper Section  Horizontal Completion Tools  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR	0181-0860	\$35,000	0181-0870 0181-0871 0181-0880 0181-0886 0181-0890 0181-0892	\$5 \$2 \$ \$11 \$10
Fubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 H Sep/2 V Sep/4 VHT	0181-0860	\$35,000	0181-0870 0181-0871 0181-0880 0181-0886 0181-0890 0181-0892 0181-0895	\$5 \$2 \$ \$11 \$10 \$8
Fubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Prilling Head  Fubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Exparation / Treating Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment	0181-0860	\$35,000	0181-0870 0181-0871 0181-0880 0181-0886 0181-0890 0181-0892	\$5 \$2 \$ \$11 \$10 \$8
Fubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment  Dil/Gas Pipeline-Pipe/Valves&Misc (1/4) Facility Gas Work + GL Injection	0181-0860	\$35,000	0181-0870 0181-0871 0181-0880 0181-0886 0181-0890 0181-0892 0181-0895 0181-0898	\$5 \$2 \$ \$11 \$10
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment  Dil/Cas Pipeline-Pipe/Valves & Misc (1/4) Facility Gas Work + GL Injection  Vater Pipeline-Pipe/Valves & Misc	0181-0860	\$35,000	0181-0870 0181-0871 0181-0880 0181-0896 0181-0890 0181-0892 0181-0895 0181-0898	\$5 \$2 \$ \$11 \$10 \$8 \$5
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Tubing Head & Upper Section  Horizontal Completion Tools  Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps  (1/4) TP/CP/Circ pump  (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment  (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Deparation / Treating Equipment  Automation Metering Equipment  (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment  Dil/Gas Pipeline-Pipe/Valves & Misc  On-site Valves/Fittings/Lines&Misc	0181-0860	\$35,000	0181-0870 0181-0871 0181-0880 0181-0886 0181-0890 0181-0892 0181-0895 0181-0900 0181-0901	\$5 \$2 \$11 \$10 \$8 \$5 \$2
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Tubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment Oil/Gas Pipeline-Pipe/Valves & Misc  On-site Valves/Fittings/Lines&Misc  On-site Valves/Fittings/Lines&Misc  Vellhead Flowlines - Construction	0181-0860	\$35,000	0181-0870 0181-0871 0181-0880 0181-0896 0181-0896 0181-0892 0181-0895 0181-0898 0181-0900 0181-0901 0181-0906	\$5 \$2 \$ \$11 \$10 \$8 \$5 \$2 \$9
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section  Horizontal Completion Tools  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment Oil/Gas Pipeline-Pipe/Valves&Misc  On-site Valves/Fittings/Lines&Misc  Vellhead Flowlines - Construction  Cathodic Protection	0181-0860	\$35,000	0181-0870 0181-0871 0181-0880 0181-0886 0181-0890 0181-0895 0181-0895 0181-0895 0181-0900 0181-0901 0181-0906 0181-0907	\$5 \$2 \$ \$11 \$10 \$8 \$5 \$2 \$9
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment  Dil/Gas Pipeline-Pipe/Valves&Misc  Valer Pipeline-Pipe/Valves & Misc  On-site Valves/Fittings/Lines&Misc  Vellhead Flowlines - Construction  Cathodic Protection  Electrical Installation	0181-0860	\$35,000	0181-0870 0181-0871 0181-0880 0181-0880 0181-0890 0181-0892 0181-0895 0181-0900 0181-0901 0181-0901 0181-0901 0181-0907	\$5 \$2 \$11 \$10 \$8 \$5 \$2 \$9 \$20
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section  Horizontal Completion Tools  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment  Dil/Cas Pipeline-Pipe/Valves & Misc  On-site Valves/Fittings/Lines&Misc  Vellhead Flowlines - Construction  Cathodic Protection  Electrical Installation  Equipment Installation	0181-0860	\$35,000	0181-0870 0181-0871 0181-0880 0181-0880 0181-0890 0181-0892 0181-0892 0181-0900 0181-0901 0181-0901 0181-0900 0181-0900 0181-0901 0181-0909	\$5 \$2 \$11 \$10 \$8 \$5 \$2 \$9 \$20 \$2
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Tubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment  Dil/Gas Pipeline-Pipe/Valves & Misc  On-site Valves/Fittings/Lines&Misc  Vellhead Flowlines - Construction Cathodic Protection  Electrical Installation  Equipment Installation  Dil/Gas Pipeline - Construction (1/4) Gas Line	0181-0860		0181-0870 0181-0871 0181-0880 0181-0880 0181-0890 0181-0892 0181-0895 0181-0900 0181-0901 0181-0901 0181-0900 0181-0901 0181-0909 0181-0909	\$5 \$2 \$111 \$10 \$8 \$5 \$2 \$9 \$20 \$2
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment  Dil/Gas Pipeline-Pipe/Valves & Misc  On-site Valves/Fittings/Lines&Misc  Wellhead Flowlines - Construction  Zathodic Protection  Equipment Installation  Equipment Installation  Equipment Installation  (1/4) Gas Line	0181-0860		0181-0870 0181-0871 0181-0880 0181-0886 0181-0895 0181-0895 0181-0895 0181-0900 0181-0901 0181-0906 0181-0908 0181-0909 0181-0909 0181-0910 0181-0910	\$55 \$22 \$ \$11 \$10 \$85 \$55 \$22 \$20 \$20 \$21 \$11 \$11
Fubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Prilling Head  Fubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Element (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment Dil/Gas Pipeline-Pipe/Valves&Misc (1/4) Facility Gas Work + GL Injection  Nater Pipeline-Pipe/Valves&Misc (1/4) Facility Gas Work + GL Injection  Nater Pipeline-Pipe/Valves&Misc (1/4) Facility Gas Work + GL Injection  Nater Pipeline-Pipe/Valves & Misc On-site Valves/Fittings/Lines&Misc (1/4) Facility Gas Work + GL Injection  Nater Pipeline- Construction (1/4) Gas Line  Water Pipeline - Construction (1/4) SWDL	0181-0860		0181-0870 0181-0871 0181-0880 0181-0880 0181-0890 0181-0892 0181-0895 0181-0900 0181-0901 0181-0901 0181-0900 0181-0901 0181-0909 0181-0909	\$5 \$2 \$11 \$10 \$8 \$5 \$2 \$9 \$20 \$2
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Tubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  missions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment  Dil/Gas Pipeline-Pipe/Valves & Misc  On-site Valves/Fittings/Lines&Misc  Vellhead Flowlines - Construction  athodic Protection  Electrical Installation  Equipment Installation  Equipment Installation  Equipment Installation  (1/4) Gas Line	0181-0860		0181-0870 0181-0871 0181-0880 0181-0886 0181-0895 0181-0895 0181-0895 0181-0900 0181-0901 0181-0906 0181-0908 0181-0909 0181-0909 0181-0910 0181-0910	\$55 \$22 \$11 \$10 \$85 \$55 \$22 \$20 \$20 \$21 \$11 \$11 \$11
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Prilling Head  Fubing Head & Upper Section  Horizontal Completion Tools  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment Dil/Gas Pipeline-Pipe/Valves&Misc  On-site Valves/Fittings/Lines&Misc  Vellhead Flowlines - Construction  Cathodic Protection  Lectrical Installation  Equipment Construction (1/4) Gas Line  Vater Pipeline - Construction (1/4) SWDL	0181-0860	\$526,600	0181-0870 0181-0871 0181-0880 0181-0886 0181-0895 0181-0895 0181-0895 0181-0900 0181-0901 0181-0906 0181-0908 0181-0909 0181-0909 0181-0910 0181-0910	\$55 \$22 \$11 \$105 \$85 \$55 \$22 \$20 \$20 \$21 \$31 \$11 \$11 \$12 \$2
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Prilling Head Fubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR Separation / Treating Equipment (1/4) 4 H Sep/2 V Sep/4 VHT Automation Metering Equipment Oil/Gas Pipeline-Pipe/Valves&Misc On-site Valves/Fittings/Lines&Misc Vellhead Flowlines - Construction Cathodic Protection Electrical Installation Equipment Installation Equipment Installation Equipment Installation Equipment Installation (1/4) Gas Line Vater Pipeline - Construction (1/4) SWDL  TOTAL  SUBTOTAL	0181-0860		0181-0870 0181-0871 0181-0880 0181-0886 0181-0895 0181-0895 0181-0895 0181-0900 0181-0901 0181-0906 0181-0908 0181-0909 0181-0909 0181-0910 0181-0910	\$5 \$2 \$11 \$10 \$5 \$5 \$2 \$2 \$2 \$2 \$2 \$2 \$2 \$2 \$2 \$2 \$2 \$2 \$2
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 VRT/2 VSep/4 VHT  Automation Metering Equipment  Dil/Gas Pipeline-Pipe/Valves&Misc (1/4) Facility Gas Work + GL Injection  Nater Pipeline-Pipe/Valves & Misc  On-site Valves/Fittings/Lines&Misc  Vellhead Flowlines - Construction  Zathodic Protection  Electrical Installation  Equipment Installation  Equipment Installation  Oli/Gas Pipeline - Construction (1/4) Gas Line  Vater Pipeline - Construction (1/4) SWDL  TOTAL  SUBTOTAL	0181-0860	\$526,600 \$2,787,500	0181-0870 0181-0871 0181-0880 0181-0880 0181-0890 0181-0892 0181-0895 0181-0990 0181-0901 0181-0901 0181-0907 0181-0909 0181-0909 0181-0909 0181-0909 0181-0909	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Subtomation Metering Equipment  Dil/Gas Pipeline-Pipe/Valves&Misc (1/4) Facility Gas Work + GL Injection  Nater Pipeline-Pipe/Valves& Misc  On-site Valves/Fittings/Lines&Misc  Wellhead Flowlines - Construction  Zathodic Protection  Equipment Installation  Equipment Installation  Equipment Installation  Equipment Installation  Oli/Gas Pipeline - Construction (1/4) Gas Line  Vater Pipeline - Construction (1/4) SWDL  TOTAL  SUBTOTAL  TOTAL WELL COST		\$526,600 \$2,787,500 \$8,40	0181-0870 0181-0871 0181-0880 0181-0880 0181-0892 0181-0892 0181-0895 0181-0895 0181-0901 0181-0901 0181-0906 0181-0907 0181-0908 0181-0909 0181-0910 0181-0920 0181-0920	\$1 \$1 \$1 \$1 \$1 \$2 \$2 \$2 \$2 \$2 \$1 \$1 \$1 \$1 \$1 \$2 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment Dil/Gas Pipeline-Pipe/Valves&Misc (1/4) Facility Gas Work + GL Injection  Nater Pipeline-Pipe/Valves & Misc On-site Valves/Fittings/Lines&Misc  Vellhead Flowlines - Construction  Cathodic Protection  Lectrical Installation  Equipment Installation  Equipment Installation  Guipment Installation  Guipment Installation  (1/4) Gas Line  Vater Pipeline - Construction (1/4) SWDL  TOTAL  TOTAL  SUBTOTAL  TOTAL WELL COST  I elect to be covered by Operator's Extra Expense Insurance and pay my propor Operator has secured Extra Expense Insurance covering costs of well control, clean up and redril facility in starkets above average covering costs of well control, clean up and redril facility is restored above average covering costs of well control, clean up and redril facility is restored above average covering costs of well control, clean up and redril facility in scharcket above average covering costs of well control, clean up and redril facility in the control insurance policy.	tionate share	\$526,600 \$2,787,500 \$8,40 of the premium.	0181-0870 0181-0871 0181-0880 0181-0880 0181-0892 0181-0892 0181-0892 0181-0903 0181-0901 0181-0901 0181-0907 0181-0909 0181-0909 0181-0910 0181-0920 0181-0920	\$1 \$1 \$1 \$1 \$5 \$2 \$2 \$2 \$2 \$2 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment Tautomation Metering Equipment (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment Dil/Gas Pipeline-Pipe/Valves&Misc (1/4) Facility Gas Work + GL Injection  Water Pipeline-Pipe/Valves&Misc (1/4) Facility Gas Work + GL Injection  Water Pipeline-Pipe/Valves & Misc On-site Valves/Fittings/Lines&Misc (1/4) Gas Line  Wellhead Flowlines - Construction  Cathodic Protection  Electrical Installation  Equipment Installation  Equipment Installation  Electrical Installation  Electrical Installation  (1/4) Gas Line  Vater Pipeline - Construction (1/4) SWDL  TOTAL  SUBTOTAL  TOTAL  TOTAL  SUBTOTAL  I elect to be covered by Operator's Extra Expense Insurance and pay my propor Operator has secured Extra Expense Insurance policy. If neither box is checked above, non-operating working interest owner elects to be covered by Operator, if available, at the specified rate. Operator conditions.	tionate share	\$526,600 \$2,787,500 \$8,40 of the premium.	0181-0870 0181-0871 0181-0880 0181-0880 0181-0892 0181-0892 0181-0892 0181-0903 0181-0901 0181-0901 0181-0907 0181-0909 0181-0909 0181-0910 0181-0920 0181-0920	\$5 \$2 \$11 \$110 \$5 \$5 \$2 \$2 \$2 \$2 \$2 \$11 \$11 \$11 \$12 \$2 \$1,44
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 VRT/2 VRU/Flare/4 WO/AIR  Separation Metering Equipment (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment Oil/Gas Pipeline-Pipe/Valves & Misc  On-site Valves/Fittings/Lines&Misc  Wellhead Flowlines - Construction  Cathodic Protection  Electrical Installation  Equipment Installation  Equipment Installation  Equipment Installation  Oil/Gas Pipeline - Construction (1/4) Gas Line  Vater Pipeline - Construction (1/4) SWDL  TOTAL  SUBTOTAL  TOTAL  TOTAL  TOTAL WELL COST  I elect to be covered by Operator's Extra Expense Insurance and pay my propor Operator has secured Extra Expense Insurance covering costs of well control, clean up and redril relect to purchase my own well control insurance policy.  If neither box is checked above, non-operating working interest owner elects to be covered by Operator in available, at the specified rate. Operator Conditions.  Prepared by:  And Total	tionate share ting as estimate the reserves the right	\$526,600 \$2,787,500 \$8,40 of the premium.	0181-0870 0181-0871 0181-0880 0181-0880 0181-0892 0181-0892 0181-0892 0181-0903 0181-0901 0181-0901 0181-0907 0181-0909 0181-0909 0181-0910 0181-0920 0181-0920	\$5 \$2 \$11 \$11 \$10 \$8 \$5 \$2 \$2 \$2 \$2 \$2 \$11 \$11 \$11 \$12 \$2 \$1,44
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment  Dil/Gas Pipeline-Pipe/Valves&Misc (1/4) Facility Gas Work + GL Injection  Water Pipeline-Pipe/Valves&Misc  On-site Valves/Fittings/Lines&Misc  Vellhead Flowlines - Construction  Cathodic Protection  Electrical Installation  quipment Installation  quipment Installation  quipment Installation  (1/4) Gas Line  Vater Pipeline - Construction (1/4) SWDL  TOTAL  SUBTOTAL  TOTAL  TOTAL  SUBTOTAL  TOTAL  Subtotal  I elect to be covered by Operator's Extra Expense Insurance and pay my propor Operator has secured Extra Expense Insurance policy. If neither box is checked above, non-operating working interest owner elects to be covered by Operator. If available, at the specified rate. Operato conditions.  Prepared by:  Andy Taylor  Date:	tionate share	\$526,600 \$2,787,500 \$8,40 of the premium.	0181-0870 0181-0871 0181-0880 0181-0880 0181-0892 0181-0892 0181-0892 0181-0903 0181-0901 0181-0901 0181-0907 0181-0909 0181-0909 0181-0910 0181-0920 0181-0920	\$6 \$1 \$11 \$10 \$5 \$2 \$2 \$2 \$2 \$2 \$2 \$11 \$11 \$11 \$11 \$11 \$
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation Metering Equipment (1/4) Facility Gas Work + GL Injection  Nater Pipeline-Pipe/Valves& Misc  On-site Valves/Fittings/Lines&Misc  Wellhead Flowlines - Construction  Sectrical Installation  Equipment Installation  Equipment Installation  Supplement Construction (1/4) Gas Line  Water Pipeline - Construction (1/4) SWDL  TOTAL  SUBTOTAL  TOTAL  SUBTOTAL  TOTAL  SUBTOTAL  TOTAL  Substorial Flow in the Secured Extra Expense Insurance and pay my proport operator has secured Extra Expense Insurance covering costs of well control, clean up and refrible to the covered by Operator's Extra Expense Insurance overing costs of well control, clean up and refrible to whe secured Extra Expense Insurance covering costs of well control, clean up and refrible to whe secured Extra Expense Insurance covering costs of well control, clean up and refrible to whe secured Extra Expense Insurance covering costs of well control, clean up and refrible to whe secured Extra Expense Insurance covering costs of well control, clean up and refrible to whe secured Extra Expense Insurance policy.  In either box is checked above, non-operating wriving Interest owner elects to be covered by Operator agrees that item 0180-0245 will be provided by operator, if available, at the specified rate. Operator Company Approval:  Andy Taylor  Date:	tionate share elling as estimated erator's well con reserves the right	\$526,600 \$2,787,500 \$8,40 of the premium.	0181-0870 0181-0871 0181-0880 0181-0880 0181-0892 0181-0892 0181-0892 0181-0903 0181-0901 0181-0901 0181-0907 0181-0909 0181-0909 0181-0910 0181-0920 0181-0920	\$1 \$1 \$1 \$1 \$5 \$2 \$2 \$2 \$2 \$2 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1
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Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Emissions Control Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation Metering Equipment (1/4) Facility Gas Work + GL Injection  Nater Pipeline-Pipe/Valves& Misc  On-site Valves/Fittings/Lines&Misc  Wellhead Flowlines - Construction  Sectrical Installation  Equipment Installation  Equipment Installation  Supplement Construction (1/4) Gas Line  Water Pipeline - Construction (1/4) SWDL  TOTAL  SUBTOTAL  TOTAL  SUBTOTAL  TOTAL  SUBTOTAL  TOTAL  Substorial Flow in the Secured Extra Expense Insurance and pay my proport operator has secured Extra Expense Insurance covering costs of well control, clean up and refrible to the covered by Operator's Extra Expense Insurance overing costs of well control, clean up and refrible to whe secured Extra Expense Insurance covering costs of well control, clean up and refrible to whe secured Extra Expense Insurance covering costs of well control, clean up and refrible to whe secured Extra Expense Insurance covering costs of well control, clean up and refrible to whe secured Extra Expense Insurance covering costs of well control, clean up and refrible to whe secured Extra Expense Insurance policy.  In either box is checked above, non-operating wriving Interest owner elects to be covered by Operator agrees that item 0180-0245 will be provided by operator, if available, at the specified rate. Operator Company Approval:  Andy Taylor  Date:	tionate share elling as estimated erator's well con reserves the right	\$526,600 \$2,787,500 \$8,40 of the premium.	0181-0870 0181-0871 0181-0880 0181-0880 0181-0892 0181-0892 0181-0892 0181-0903 0181-0901 0181-0901 0181-0907 0181-0909 0181-0909 0181-0910 0181-0920 0181-0920	\$1 \$1 \$1 \$1 \$5 \$2 \$2 \$2 \$2 \$2 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1
Tubing 5900' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft  Drilling Head  Fubing Head & Upper Section  Horizontal Completion Tools Completion Liner Hanger  Subsurface Equip. & Artificial Lift  Service Pumps (1/4) TP/CP/Circ pump  Storage Tanks (1/4) 6 OT/5 WT/1 GB  Electrogage Tanks (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 VRT/2 VRU/Flare/4 KO/AIR  Separation / Treating Equipment (1/4) 4 H Sep/2 V Sep/4 VHT  Automation Metering Equipment Oil/Gas Pipeline-Pipe/Valves & Misc  Oil/Gas Pipeline-Pipe/Valves & Misc  Nater Pipeline-Pipe/Valves & Misc  Vellhead Flowlines - Construction  Cathodic Protection  Construction  Cathodic Protection  Cathodic Prot	tionate share elling as estimated erator's well con reserves the right	\$526,600 \$2,787,500 \$8,40 of the premium.	0181-0870 0181-0871 0181-0880 0181-0880 0181-0892 0181-0892 0181-0892 0181-0903 0181-0901 0181-0901 0181-0907 0181-0909 0181-0909 0181-0910 0181-0920 0181-0920	\$1 \$1 \$1 \$1 \$5 \$2 \$2 \$2 \$2 \$2 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1 \$1

## STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING AND APPROVAL OF OVERLAPPING WELL UNITS, EDDY COUNTY, NEW MEXICO.

Case No. 23396

#### SELF-AFFIRMED STATEMENT OF CHARLES CROSBY

COUNTY OF MIDLAND	)
	) ss
STATE OF TEXAS	)

Charles Crosby deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in these cases. I have been qualified by the Division as an expert petroleum geologist.
  - 3. The following geological plats are attached hereto:
  - (a) Attachment A is a structure map of a portion of T18S-R29E on the base of the Second Bone Spring Sand. It shows that structure dips gently to the southeast. It also shows Second Bone Spring wells in the area, and a line of cross-section used on Attachment B.
  - (b) Attachment B is a cross section showing the Second Bone Spring Sand, the target zone for the proposed well. The well logs on the cross-section give a representative sample of the Second Bone Spring Sand in this area. The sand is continuous and uniformly thick across the well unit.
- 4. I conclude from the maps that:
  - (a) The horizontal spacing unit is justified from a geologic standpoint.
  - (b) The target zone is continuous and of relatively uniform thickness across the well unit.
  - (c) Each quarter-quarter section in the well unit will contribute more or less equally to production.

EXHIBIT

- (d) There is no faulting or other geologic impediment in the area which will affect the drilling of the subject well.
- 5. The proposed well unit for the Swanson 3/2 B2JI Fed. Com. Well No. 2H is the SE/4 of Section 3 and the S/2 of Section 2, Township 18 South, Range 29 East, NMPM. The proposed unit overlaps the well units for (i) the Swanson 3/2 B2JI Fed. Com. Well No. 1H, which has the N/2SE/4 of Section 3 and the N/2S/2 of Section 2 dedicated thereto, and (ii) the Swanson 3/2 B2OP Fed. Com. Well No. 1H, which has the S/2SE/4 of Section 3 and the S/2S/2 of Section 2 dedicated thereto.

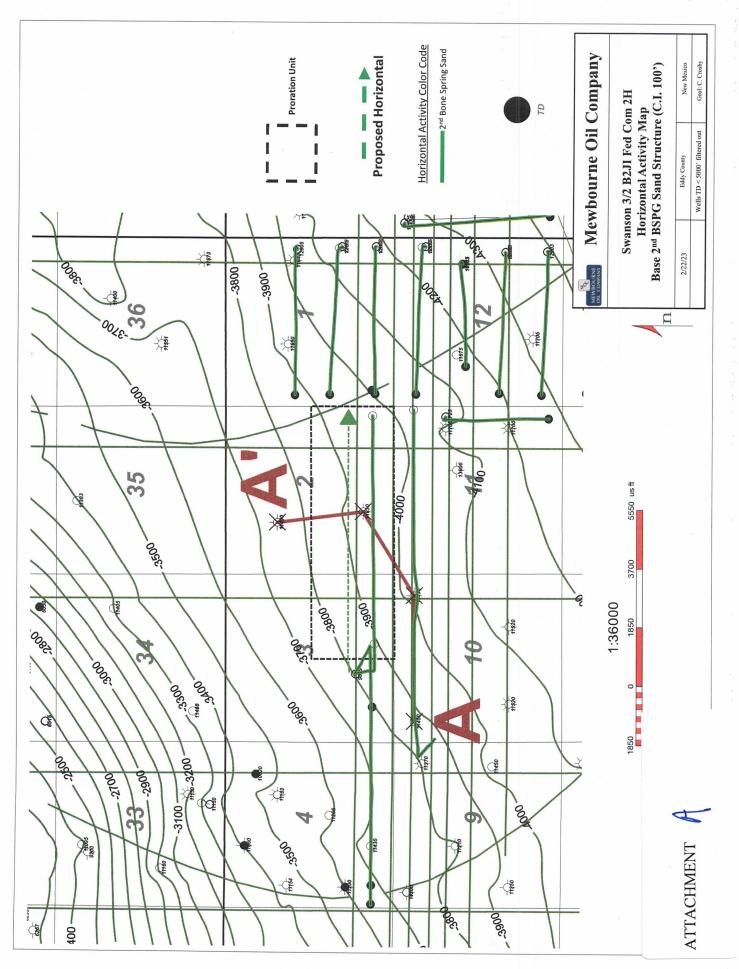
The Swanson 3/2 B2JI Fed. Com. Well No. 1H and the Swanson 3/2 B2OP Fed. Com. Well No. 1H are <u>Lower</u> Second Bone Spring Sand wells, while the proposed well is an <u>Upper Second Bone Spring Sand well</u>. There is roughly 550 feet of vertical separation between the two horizons, in addition to horizontal separation. <u>See</u> Attachment B. Therefore, Mewbourne expects no interference between the wells and no adverse effects on correlative rights.

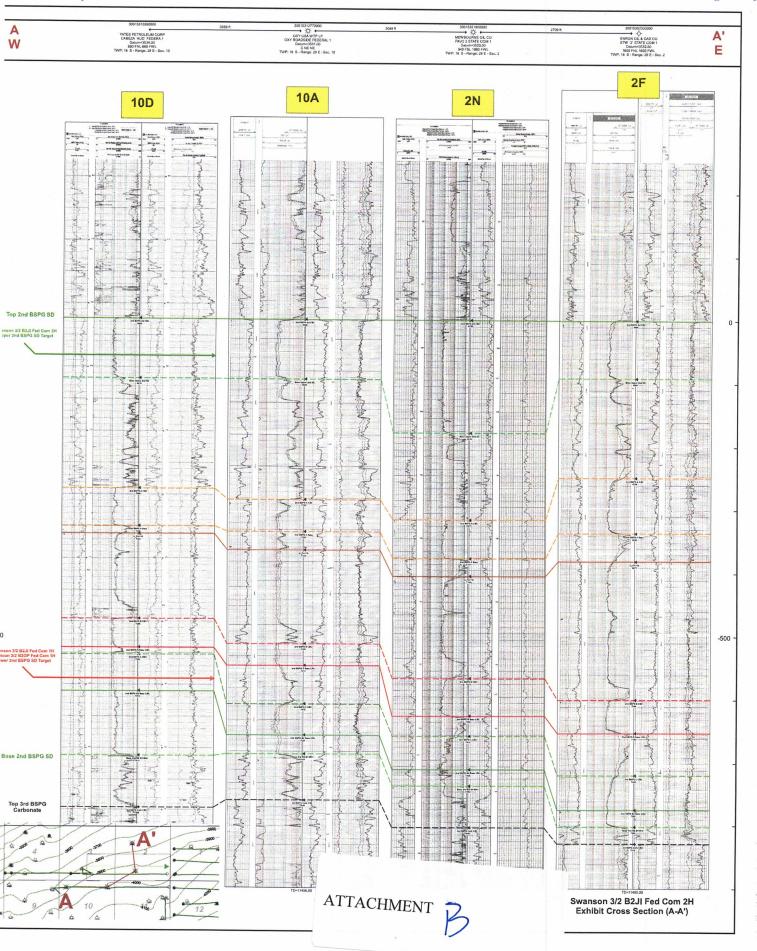
- 6. Referring to Attachment A, there is a preference for laydown wells in this area. A review of the geology, and production from offsets, indicates that laydown wells are a reasonable way to develop the reservoir in this area.
- 7. Attachment C is the horizontal drilling plan for the proposed well. The producing interval of the well will be orthodox.

I understand that this Self-Affirmed Statement will be used as written testimony in these cases. I affirm that my testimony in paragraphs 1 through 7 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 2/23/23

Charles Crosby





OCD: 2/28/2023 7:33:44 PM True North: -0.15° Magnetic North: 6.87° Received by Page 23 of 49 GL @ 3508.00 Well @ 3536.00usft (Patterson 558) +N/-S +E/-W Northing 645094.50 Easting 624115.00 Latittude Longitude -104.064015 Magnetic Fiel 0.00 0.00 32.773109 Company: Mewbourne Oil Company Strength: 47648.2nT Dip Angle: 60.40° Date: 2/6/2023 Well: Swanson 3-2 B2JI Fed Com 2H **DESIGN TARGET DETAILS** County: Eddy County, New Mexico (NAD 83) Name KOP v2 Model: HDGM2023 TVD +N/-S +E/-W Easting 624130.55 Rig: Patterson 558 Latitude Longitude 5991.08 30.42 15.55 645124 92 32.773193 32.773183 -104.063964 -104.037157 To convert a Magnetic Direction to a Grid Direction, Add 6.871° Wellbore: Wellbore #1 PBHL v2 LP v2 49.00 31.70 6846 00 8254.90 645143.50 632369.90 To convert a Magnetic Direction to a True Direction, Add 7.017° East To convert a True Direction to a Grid Direction, Subtract 0.146° Design: Design #2 645126.20 582.39 624697.39 32,773192 -104.062120 Date: 14:44, February 20 2023 Geodetic System: US State Plane 1983 Datum: North American Datum 1983 SURVEY PROGRAM Ellipsoid: GRS 1980 Zone: New Mexico Directional Zone: New Mexico Eastern Zone System Datum: Mean Sea Level Depth From Depth To 14758.04 Survey/Plan 0.00 Design #2 (Wellbore #1) MWD+HRGM 1800 2100 2400 2700 3000 West(-)/East(+) (300 usft/in) 3300 3600 3900 4200 4500 4800 5100 5400 5700 6000 6300 6600 6900 7200 7500 7800 8100 8400 300 600 900 1200 1500 1800 1800 Section 4 Section 3 1500 1500 1200 1200 Begin 10.00°/100' Build 900 900 Swanson 3-2 B2JI Fed Com 1H Begin Vertical Hold 600 Samsonite 3-4 B2KL Fed Con 600 SHL-WLH G4S Unit #1 300 1648' FSL Hardline PBHL 300 300 Begin 2.00°/100' Drop Swanson 3-2 B2JI Fed Com 2H (300 LP Hold 0.39° Inc, 27.08° Azm Begin 89.39° Lateral -300 KOP, 2.00°/100' Build 991' FSL Hardline -600 Pavo 2 State Com -600 Samsonite 3-4 B1NM Fed Com 1H -900 SHL-WLH G4S Unit #2 -900 -1200 -1200 -1500 1500 1800 300 600 900 1200 1500 1800 2100 2400 2700 3000 3300 3600 3900 4200 4500 4800 5100 5400 5700 6000 6300 6600 6900 7200 7500 West(-)/East(+) (300 usft/in) West(-)/East(+) (50 usft/in) -100 -50 0 50 250 +250 -200 150 200 2000 -200 160-West(-)/East(+) (40 usft/in) 200 +160 200 Section 4 -200 -160 -120 -80 80 120 Swanson 3-2 B2JI Fed Com 2H 1700 Begin 10.00°/100' Build 00 150 150 (ujJlsn 100 120 n 3-2 B2JI Fed Com 1H 100-120 Vertical Section at 89.66° (400 usft/in) 1400 -800 400 800 1200 South(-)/North(+) (50 Begin Vertical Hold 3-4 B2KL Fed Com 80 South(-)/North(+) (40 -80 1100 -50 KOP, 2.00°/100' Build Begin 2.00°/100' Drop (40 3-4 B1NM Fed Com 1H 400 40 (50 usft/in) South(-)/North(+) KOP Hold 0.39° Inc. 27.08° Azm ann. -50 -50 1200 -40- Hold 0.39° Inc, 27.08° Azm 40 -100 -100 KOP, 2.00°/100' Build 1600 -80 -80 -150 -150 Swanson 3-2 B2JI Fed Com 2H -120<del>1...</del> -200 (light 2000 -250 -200 -150 -100 -50 0 50 West(-)/East(+) (50 usft/in) 250 -120 -160 -120 -80 -40 0 40 West(-)/East(+) (40 usft/in) 80 120 160 200 West(-)/East(+) (50 usft/in) 8100 8150 8200 8250 8300 (400 8350 8400 2400 필 2800 SECTION DETAILS 150 150 Dleg 0.00 0.00 MD TVD +N/-S +E/-W TFace Annotation usft/in) 0.00 0.00 0.00 0.00 을 3200 0.00 0.00 0.000 0.00 100 PBHL 100 0.000 KOP, 2.00°/100' Build (20 0.06 30.36 30.42 27.08 27.08 1019.69 5971.39 0.03 15.52 2.00 27.082 0.000 0.03 15.70 Hold 0.39° Inc, 27.08° Azm Begin 2.00°/100' Drop 1019.69 0.39 3600 South(-)/North(+) 50 Swanson 3-2 B2JI Fed Com 2F 15.73 15.73 Begin Vertical Hold Begin 10.00°/100' Build 5991.20 0.00 0.00 5991.08 15.55 2.00 180.000 (50 30.42 31.70 0.00 4000 6191.19 0.00 0.00 6191.08 15.55 0.000 89.39 F-0 usft/in) 582.39 89.871 582.56 Begin 89.39° Lateral 14758.04 89.39 89.87 6846.00 8254.90 0.000 8255 05 PBHL I E 4400 -50 -50 00 4800--100 8100 8150 8200 8250 8300 West(-)/East(+) (50 usft/in) 8350 8400 Begin 2.00°/100' Drop 5200 Begin Vertical Hold 5600 ATTACHMENT KOF Begin 10.00°/100' Build 6000 Begin 89.39° Lateral PBHL 6400 800 400 0 400 800, 1200 1600 2000 2400 3600 73200 3600 Released to Imaging: 3/1/2023 8:03:37 AM 4000 4400 4800 5200 5600 6000 6400 6800 7200 8000 8400 8800 Vertical Section at 89.66° (400 usft/in)

# STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING AND APPROVAL OF OVERLAPPING WELL UNITS, EDDY COUNTY, NEW MEXICO.

Case No. 23396

#### SELF-AFFIRMED STATEMENT OF NOTICE

James Bruce deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am an attorney for Mewbourne Oil Company.
- 3. Mewbourne Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
- 4. Notice of the application was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Attachment A.
  - 5. Applicant has complied with the notice provisions of Division Rules.
- 6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date:

James Bruce

**EXHIBIT** 

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone) (505) 660-6612 (Cell) (505) 982-2151 (Fax)

jamesbruc@aol.com

February 8, 2023

#### <u>CERTIFIED MAIL - RETURN RECEIPT REQUESTED</u>

To: Persons Listed on Exhibit A

Ladies and gentlemen:

ATTACHMENT



Enclosed is a copy of an application for compulsory pooling and approval of overlapping well units (Case No. 23396), filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, seeking an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a (proximity tract) horizontal spacing unit comprised of the SE/4 of Section 3 and the S/2 of Section 2, Township 18 South, Range 29 East, NMPM. The unit will be dedicated to the Swanson 3/2 B2JI Fed. Com. Well No. 2H, a horizontal well with a first take point in the NW/4SE/4 of Section 3 and a last take point in the NE/4SE/4 of Section 2. Applicant also requests approval of overlapping well units: The proposed well unit overlaps (a) the well unit for the Swanson 3/2 B2JI Fed. Com. Well No. 1H, which has the N/2SE/4 of Section 3 and the N/2S/2 of Section 2 dedicated thereto, and (b) the well unit for the Swanson 3/2 B2OP Fed. Com. Well No. 1H, which has the S/2SE/4 of Section 2 dedicated thereto.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, March 2, 2023. During the current circumstances, state buildings are closed to the public and the hearing will be conducted remotely. To view the hearing docket and to determine how to participate in an electronic hearing, go to <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>, or contact Marlene Salvidrez at <a href="mailto:Marlene.Salvidrez@emnrd.nm.gov">Marlene.Salvidrez@emnrd.nm.gov</a>. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than five business days before the hearing date. This statement may be filed online with the Division at <a href="mailto:ocd.hearings@emnrd.nm.gov">ocd.hearings@emnrd.nm.gov</a>, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need

to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Ver truly yours,

James Bruce

Attorney for Mewbourne Oil Company

#### EXHIBIT A

John Kennedy 1724 Normandy Lane Midland, Texas 79705

Elizabeth Najar 827 N. Hawthorne Lane Indianapolis, Indiana 46219

George Najar 3904 Allendale Street Colleyville, Texas 76034

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MIDLAND, TX 79705 February 13, 2023, 1:32 pm

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**USPS Tracking Plus®** 

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Return Receipt (hardcopy)

Return Receipt (hardcopy)

Return Receipt (hardcopy)

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Adult Signature Required

Adult Signature Restricted Delivery \$

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Midland, Texas 79705

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See Reverse for instructions

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	City, State, ZIP+4* PS Form 3800, April 2015 PSN 7530-02-000-9047	See Reverse for Instructions

## STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING AND APPROVAL OF OVERLAPPING WELL UNITS, EDDY COUNTY, NEW MEXICO.

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James Bruce deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am an attorney for Mewbourne Oil Company.
- 3. Mewbourne Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
- 4. Notice of the application was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Attachment A.
  - 5. Applicant has complied with the notice provisions of Division Rules.
- 6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date:

2/28/23

James Bruce

**EXHIBIT** 

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

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jamesbruc@aol.com

February 8, 2023

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To: Persons Listed on Exhibit A

Ladies and gentlemen:

ATTACHMENT

Enclosed is a copy of an application for compulsory pooling and approval of overlapping well units (Case No. 23396), filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, seeking an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a (proximity tract) horizontal spacing unit comprised of the SE/4 of Section 3 and the S/2 of Section 2, Township 18 South, Range 29 East, NMPM. The unit will be dedicated to the Swanson 3/2 B2JI Fed. Com. Well No. 2H, a horizontal well with a first take point in the NW/4SE/4 of Section 3 and a last take point in the NE/4SE/4 of Section 2. Applicant also requests approval of overlapping well units: The proposed well unit overlaps (a) the well unit for the Swanson 3/2 B2JI Fed. Com. Well No. 1H, which has the N/2SE/4 of Section 3 and the N/2S/2 of Section 2 dedicated thereto, and (b) the well unit for the Swanson 3/2 B2OP Fed. Com. Well No. 1H, which has the S/2SE/4 of Section 3 and the S/2S/2 of Section 2 dedicated thereto. OU ARE BEING NOTIFED ONLY AS TO THE OVERLAPPING WELL UNIT PORTION OF THE APPLICATION; YOU ARE NOT BEING FORCE POOLED.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, March 2, 2023. During the current circumstances, state buildings are closed to the public and the hearing will be conducted remotely. To view the hearing docket and to determine how to participate in an electronic hearing, go to <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>, or contact Marlene Salvidrez at <a href="mailto:Marlene.Salvidrez@emnrd.nm.gov">Marlene.Salvidrez@emnrd.nm.gov</a>. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than five business days before the hearing date. This statement may be filed online with the Division at <a href="mailto:ocd.hearings@emnrd.nm.gov">ocd.hearings@emnrd.nm.gov</a>, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need

to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

James Bruce

Attorney for Mewbourne Oil Company

#### EXHIBIT A

Joel R. Miller Energy, L.P. P.O. Box 3003 Midland, TX 79702

OXY Y-1 Company Attention: Robert Gunn 5 Greenway Plaza, Suite 110 Houston, TX 77046

Mark B. Heinen 122 Mountain Spring Drive Boerne, TX 78006

Mel Riggs 2513 Regency Oaks Drive Midland, TX 79705

Mark Tisdale 6951 Sunrise Circle Midland, TX 79707

Debra Denise Lathan, Trustee of the Family Trust U/W/O Paul Lathan 954 River Forest Drive New Braunfels, TX 78132

Greg Benton P.O. Box 52408 Midland, Texas 79710

Robert Thomas 5723 Hillcrest Place Midland, TX79707

Mike Pollard 42089 Crooked Stick Drive Whitney, TX 76692

EOG Resources, Inc. Midland Division – Land Department P.O. Box 2267 Midland, Texas 79702 Earl Russell Emmons John Charles Emmons 134 Nesmith Road Abilene, TX 79602

David Najar 827 North Hawthorne Lane Indianapolis, IN 46219

Jeffrey Najar 3417 West Wyndam Lane Durham, NC 27705

Susan Nishio 5613 Excalibur Place Columbus, OH 43235

George Najar, Personal Representative of the Estate of Roland Najar 3904 Allendale Street Colleyville, TX 76034 tal Service<sup>™</sup>

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Complete items 1, 2, 3.  Complete items 1, 2, 3.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.  1. Article Addressed to:  Eog Resources, Inc.  Bog Resources, Inc.  Eog Resources, Inc.  Bog Resources, Inc.  Eog Resources, Inc.  Bog Resources, Inc.  Complete items 1, 2, 3.  Complete items 1, 3.  Comp	P.O. Bard Texas 79702  Midland, Texas 79702  Midland, Texas 79702  3. Sell Charles    3.	PS Form 3811, July 2020 PSN 7530-02-000-9053

as o that we can return the calcular by your attach this card to the back of the mallpiece, or on the front if space permits.  1. Article Addressed to:  Robert Thomas 5773 Hillcrest Place Midland, TX79707  Robert Thomas 5773 Hillcrest Place Midland, TX79707
Robert Thomas 9723 Hillorest Place Midland, TX79707 3. Service Midland, TX79707 3. Service Place

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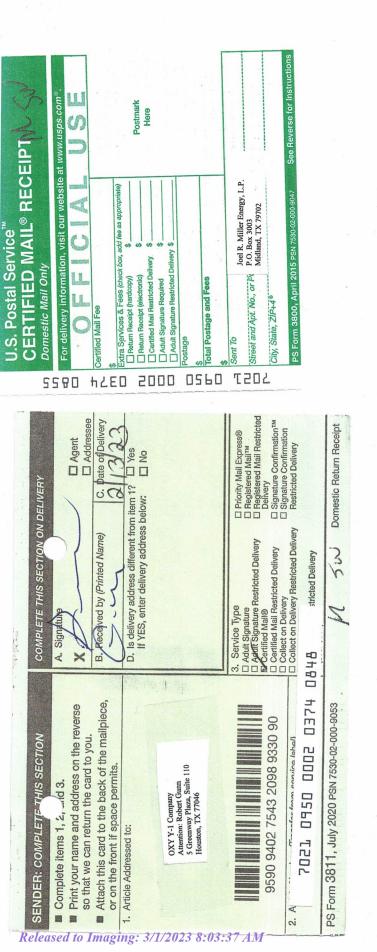
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### **Carlsbad Current Argus.**

#### Affidavit of Publication Ad # 0005586097 This is not an invoice

JAMES BRUCE ATTORNEY AT LAW POBOX 1056

SANTA FE, NM 87504

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

02/08/2023

Subscribed and sworn before me this February 8,

2023:

State of WI, County of Brown NOTARY PUBLIC

My commission expires

EXHIBIT

KATHLEEN ALLEN Notary Public

State of Wisconsin

5.A

Ad # 0005586097 PO #: 5586097 # of Affidavits: 1

This is not an invoice

NOTICE

To: John Kennedy, Longfellow LH, LLC, Elizabeth Najar, and George Najar, or your heirs, devisees, successors, or assigns: Mewbourne Oil Company has filed an application with the New Mexico cation with the New Mexico Oil Conservation Division (Case No. 23396) seeking an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a (proximity tract) horizontal spacing unit comprised of the SE/4 of Section 3 and the S/2 of Section 2, Township 18 South, Range 29 East, NMPM. The unit will be dedicated to the Swanson 3/2 B2JI Fed. Com. Well No. 2H, a horizontal well with a first take point in the Oil Conservation Division first take point in the NW/4SE/4 of Section 3 and a last take point in the NE/4SE/4 of Section 2. Applicant also requests approval of overlapping well units: The proposed well unit The proposed well unit overlaps (a) the well unit for the Swanson 3/2 B2JI Fed. Com. Well No. 1H, which has the N/25E/4 of Section 3 and the N/25/2 of Section 2 dedicated thereto, and (b) the well unit for the Swanson 3/2 B2OP Fed. Com. Well No. 1H, which has the S/25E/4 of 1H, which has the S/2SE/4 of Section 3 and the S/2S/2 of Section 2 dedicated thereto. Also to be considered will be the cost of drilling, com-pleting, testing, and equip-ping the well and the allocaping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, testing and equipping the well. This matter is scheduled for hearing on March 2 2023 at hearing on March 2, 2023 at 8:15 a.m. During the current circumstances, state build-ings are closed to the public and the hearing will be conducted remotely. To view the hearing docket and to determine how to participate in an electronic hearing, go to https://www.emnr d.nm.gov/ocd/hearing-info/, or contact Marlene Salvidrez at Marlene.Salvidrez@emnr d.nm.gov. You are not required to attend this hearquired to attend this hear-ing, but as an owner of an interest who may be affect-ed by the application, you may appear and present tes-timony. Failure to appear at that time and become a parthat time and become a party of record will preclude you from contesting this matter at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than five business days before the hearing date. This statement may be filed online with the Division at 0 cd.hearings@emnrd.nm.gov, and should include: The name of the party and his or name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will

need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the attorney for applicant, James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, jame sbruc@aol.com. The unit is located approximately 5 miles southwest of Loco Hills, New Mexico. #5586097, Current Argus, Feb. 8, 2023

## **Carlsbad Current Argus.**

# Affidavit of Publication Ad # 0005592366 This is not an invoice

JAMES BRUCE ATTORNEY AT LAW POBOX 1056

SANTA FE, NM 87504

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

02/14/2023

Legal Clerk

Subscribed and sworn before me this February 14,

2023:

State of WI, County of Brown

NOTARY PUBLIC

My commission expires

KATHLEEN ALLEN Notary Public State of Wisconsin

**EXHIBIT** 

Ad # 0005592366 PO #: # of Affidavits: 1

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#### NOTICE

To: Joel R. Miller Energy, L.P., OXY Y-1 Company, Mark B. Heinen, Mel Riggs, Mark Tisdale, Debra Denise Lathan as Trustee of the Family Trust U/W/O Paul Lathan, Greg Benton, Robert Thomas, Mike Pol-lard, EOG Resources, Inc., Earl Russell Emmons, John Charles Emmons, David Najar, Jeffrey Najar, Susan Nishio, and George Najar as Personal Representative of the Estate of Roland Najar, or your heirs, devisees, successors, or assigns: Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division (Case No. 23396) seeking an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a (proximity tract) horizontal spacing unit comprised of the SE/4 of Section 3 and the S/2 of Section 2, Township 18 South, Range 29 East, NMPM. The unit will be dedicated to the Swanson 3/2 B2JI Fed. Com. Well No. 2H, a horizontal well with a first take point in the NW/4SE/4 of Section 3 and a last take point in the NE/4SE/4 of Section 2. Applicant also requests approval of overlapping well units: The proposed well unit overlaps (a) the well unit for the Swanson 3/2 B2JI Fed. Com. Well No. 1H, which has the N/2SE/4 of Section 3 and the N/2S/2 of Section 2 dedicated thereto, and (b) the well unit for the Swanson 3/2 B2OP Fed. Com. Well No. 1H, which has the S/ZSE/4 of Section 3 and the S/2S/2 of Section 2 dedicated thereto. Also to be considered will be the cost of drilling, completing, testing, and equip-ping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, testing and equipping the well. YOU ARE BEING NOTIFED ONLY AS TO THE OVERLAPPING WELL UNIT PORTION OF THE APPLICATION; YOU ARE NOT BEING FORCE POOLED. This matter is scheduled for hearing on March 2, 2023 at 8:15 a.m. During the current os 15 a.m. During the current circumstances, state buildings are closed to the public and the hearing will be conducted remotely. To view the hearing docket and to determine how to participate in an electronic base. pate in an electronic hear-ing, go to https://www.emn rd.nm.gov/ocd/hearinginfo/, or contact Marlene Salvidrez at Marlene.Salvidr ez@emnrd.nm.gov. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a

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COMPULSORY POOLING APPLICATION CHECKLIST		
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS		
Case: 23396	APPLICANT'S RESPONSE	
Date: mmarch 2, 2023		
Applicant	Mewbourne Oil Company	
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID 14744	
Applicant's Counsel:	James Bruce	
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling and Approval of Overlapping Well Units, Eddy County, New Mexico	
Entries of		
Appearance/Intervenors:		
Well Family	Swanson Bone Spring wells	
Formation/Pool		
Formation Name(s) or Vertical	Bone Spring	
Extent:	Some Spring	
Primary Product (Oil or Gas):	Oil	
Pooling this vertical extent:	Entire Bone Spring formation	
Pool Name and Pool Code:	Sand Tank Bone Spring/Pool Code 96832	
Well Location Setback Rules:	Standard Rules for horizontal wells – 330' and 100' setbacks	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	480 acres	
Building Blocks:	40 acres	
Orientation:	West-East	
Description: TRS/County	SE/4 §3 and S/2 §2, Township 18 South, Range 29 East, NMPM, Eddy County	
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non- standard unit requested in this application?	EXHIBIT 6	
Description: TRS/County  Standard Horizontal Well  Spacing Unit (Y/N), If No,  describe and is approval of non-	SE/4 §3 and S/2 §2, Township 18 South, Range 29 East, NMPM, Edition County Y	
Other Situations		
Depth Severance: Y/N. If yes, description	N	
Proximity Tracts: If yes, description	N	
Proximity Defining Well: if yes,		

description	
Applicant's Ownership in Each	Exhibit 2-1
Tract	
Well(s)	
Name & API (if assigned),	Add wells as needed
surface and bottom hole	Add wells as needed
location, footages, completion	
target, orientation, completion	
status (standard or non-	
standard)	
Well #1	Swanson 3/2 B2JI Federal Com. Well No. 2H
	API No. 30-025-Pending
	SHL: 1400 FSL & 2205 FWL §3
	BHL: 1430 FSL & 100 FEL §2
	FTP: 1430 FSL & 2540 FEL §3
	LTP: 1430 FSL & 100 FEL §2
	Second Bone Spring/TVD 6846 feet/MD 14809 feet
Well #2	
Horizontal Well First and Last	See above
Take Points	
Completion Target (Formation,	See above
TVD and MD)	
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision	
Costs  Requested Biole Channel	Exhibit 2, page 2
Requested Risk Charge  Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of	EXNIBIT 1
Hearing (20 days before hearing)	Exhibits 4-A and 4-B
Proof of Published Notice of	Exhibits 4 A dilu 4-b
Hearing (10 days before hearing)	Exhibits 5-A and 5-B
Ownership Determination	
Land Ownership Schematic of	
the Spacing Unit	Exhibit 2-1
Tract List (including lease	
numbers and owners)	Exhibit 2-1
If approval of Non-Standard	
Spacing Unit is requested, Tract	
List (including lease numbers	
and owners) of Tracts subject to notice requirements.	Evhibit 2.1
notice requirements.	Exhibit 2-1

Pooled Parties (including ownership type)	Exhibits 2-1 and 2-2; Working Interest Owners
Unlocatable Parties to be Pooled	None
Ownership Depth Severance	Tronc
(including percentage above &	
below)	No Depth Severance
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-3
List of Interest Owners (i.e.	EXHIBITE 2.5
Exhibit A of JOA)	Exhibits 2-1 and 2-2
Chronology of Contact with	
Non-Joined Working Interests	Exhibit 2-3
Overhead Rates In Proposal	
Letter	
Cost Estimate to Drill and	
Complete	Exhibit 2-4
Cost Estimate to Equip Well	Exhibit 2-4
Cost Estimate for Production	
Facilities	Exhibit 2-4
Geology	
Summary (including special	
considerations)	Exhibit 3
Spacing Unit Schematic	Exhibits 2-1 and 3-A
Gunbarrel/Lateral Trajectory	
Schematic	Exhibit 3-B
Well Orientation (with	
rationale)	West-East Exhibits 3 and 3-C
Target Formation	Second Bone Spring Sand
HSU Cross Section	Exhibit 3-B
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 2-1
Tracts	Exhibit 2-1 Exhibit 2-1
Summary of Interests, Unit	
Recapitulation (Tracts)	Exhibits 2-1 and 2-2
General Location Map (including	
basin)	Exhibit 3-A
Well Bore Location Map	Exhibit 2-1
Structure Contour Map - Subsea	
Depth	Exhibit 3-A
Cross Section Location Map	
including wells)	Exhibit 3-A

Cross Section (including Landing Zone)	Exhibit 3-B
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
<b>Printed Name</b> (Attorney or Party	
Representative):	James Bruce
Signed Name (Attorney or Party	
Representative):	Janus Suce
Date:	February 28, 2023