

**CASE NO. 23408**

**APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**EXHIBITS**

1. Application and Proposed Notice
2. Landman's Affidavit
3. Geologist's Affidavit
4. Affidavit of Notice
5. Certified Notice Spreadsheet
6. Affidavit of Publication
7. Pooling Checklist

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION****APPLICATION OF MEWBOURNE OIL  
COMPANY FOR COMPULSORY POOLING  
AND A NON-STANDARD SPACING AND  
PRORATION UNIT, LEA COUNTY, NEW MEXICO.**Case No. 23408**APPLICATION**

Mewbourne Oil Company applies for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a non-standard spacing and proration horizontal spacing unit comprised of the NE/4 of Section 33, the E/2 of Section 28, and the E/2 of Section 21, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the NE/4 of Section 33, the E/2 of Section 28, and the E/2 of Section 21 (containing 800 acres), and has the right to drill a well or wells thereon.

2. Applicant proposes to drill the following wells to depths sufficient to test the Bone Spring formation:

(a) the Charolais 33/21 B1GB State Com. Well No. 1H, with a first take point in the SW/4NE/4 of Section 33 and a last take point in the NW/4NE/4 of Section 21; and

(b) the Charolais 33/21 B1HA State Com. Well No. 1H, with a first take point in the SE/4NE/4 of Section 33 and a last take point in the NE/4NE/4 of Section 21.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation in the NE/4 of Section 33, the E/2 of Section 28, and the E/2 of Section 21 for the purposes set forth herein.

EXHIBIT /



4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation in the NE/4 of Section 33, the E/2 of Section 28, and the E/2 of Section 21, pursuant to NMSA 1978 §70-2-17.

5. Applicant also requests approval of a nonstandard spacing and proration unit in the Bone Spring formation (Pearl; Bone Spring Pool) for a unit comprised of the NE/4 of Section 33, the E/2 of Section 28, and the E/2 of Section 21.

6. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying the NE/4 of Section 33, the E/2 of Section 28, and the E/2 of Section 21 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 uncommitted interest owners in the Bone Spring formation (Pearl; Bone Spring/Pool Code 49680) underlying the NE/4 of Section 33, the E/2 of Section 28, and the E/2 of Section 21;
- B. Approving the non-standard spacing and proration unit;
- C. Designating applicant as operator of the wells;
- D. Considering the cost of drilling, completing, testing, and equipping the wells, and allocating the cost thereof among the wells' 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 wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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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 a non-standard spacing and proration unit, Lea 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 NE/4 of Section 33, E/2 of Section 28, and the E/2 of Section 21, Township 19 South, Range 35 East, NMPM. The unit will be dedicated to (a) the Charolais 33/21 B1GB State Com. Well No. 1H, with a first take point in the SW/4NE/4 of Section 33 and a last take point in the NW/4NE/4 of Section 21, and (b) the Charolais 33/21 B1HA State Com. Well No. 1H, with a first take point in the SE/4NE/4 of Section 33 and a last take point in the NE/4NE/4 of Section 21. Applicant also requests approval of a nonstandard spacing and proration unit in the Bone Spring formation (Pearl; Bone Spring Pool) for a unit comprised of the NE/4 of Section 33, the E/2 of Section 28, and the E/2 of Section 21. Also to be considered will be the cost of drilling, completing, testing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells. The unit is located approximately 20-1/2 miles west-southwest of Hobbs, 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  
FOR COMPULSORY POOLING AND APPROVAL  
OF A NON-STANDARD SPACING AND PRORATION  
UNIT, LEA COUNTY, NEW MEXICO.**

**Case No. 23408**

**SELF-AFFIRMED STATEMENT OF BRAD DUNN**

Brad Dunn, being duly sworn upon his 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 been qualified by the Division as an expert petroleum landman.

2. Pursuant to Division Rules, the following information is submitted in support of this application.

3. The purpose of this application is (a) to force pool working interest owners into the Bone Spring horizontal spacing unit described below, and in wells to be drilled in the unit, and (b) to approve a non-standard horizontal spacing and proration unit.

4. In this case Mewbourne seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the NE/4 of Section 33, E/2 of Section 28, and the E/2 of Section 21, Township 19 South, Range 35 East, NMPM. The unit will be dedicated to (a) the Charolais 33/21 B1GB State Com. Well No. 1H, with a first take point in the SW/4NE/4 of Section 33 and a last take point in the NW/4NE/4 of Section 21, and (b) the Charolais 33/21 B1HA State Com. Well No. 1H, with a first take point in the SE/4NE/4 of Section 33 and a last take point in the NE/4NE/4 of Section 21. Applicant also requests approval of a nonstandard spacing and proration unit in the Bone Spring formation (Pearl; Bone Spring Pool) for a unit comprised of the NE/4 of Section 33, the E/2 of Section 28, and the E/2 of Section 21.

The reasons for the non-standard unit are (a) to minimize surface use, and (b) to reduce the cost of surface facilities. In addition, referring to Attachment B, interest ownership is common throughout the well unit, so no interest owner is adversely affected.

5. There is no depth severance in the Bone Spring formation.

EXHIBIT 2



6. A plat outlining the unit being pooled is submitted as Attachment A. Forms C-102 for the wells are part of Attachment A.

7. The tracts in the unit, the leases, and the parties being pooled and their interests, are set forth in Attachment B. The persons noted with an asterisk are being pooled.

8. 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.

9. In order to locate the interest owners, Mewbourne examined the county and federal records, performed internet searches, checked telephone records, and searched Accurant and Whitepages. The addresses were supplied to Mewbourne's attorney for notice purposes.

10. Attachment C contains a sample copy of the proposal letter sent to the interest owners being pooled. It also contains a summary of communications with these parties. Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed wells.

11. Attachment D contains the Authorizations for Expenditure for the proposed wells. The estimated costs of the wells set forth therein are fair and reasonable, and comparable to the cost of other wells of similar depth and length drilled in this area of Eddy County.

12. Mewbourne requests overhead and administrative rates of \$10000/month for a drilling well and \$1000/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. They are also the rates set forth in the proposed Joint Operating Agreement for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

13. Mewbourne requests that the maximum cost plus 200% risk charge be assessed against a non-consenting working interest owner.

14. Mewbourne requests that it be designated operator of the wells.


15. The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.

16. Granting this application is in the interests of conservation and the prevention of waste.

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 16 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.

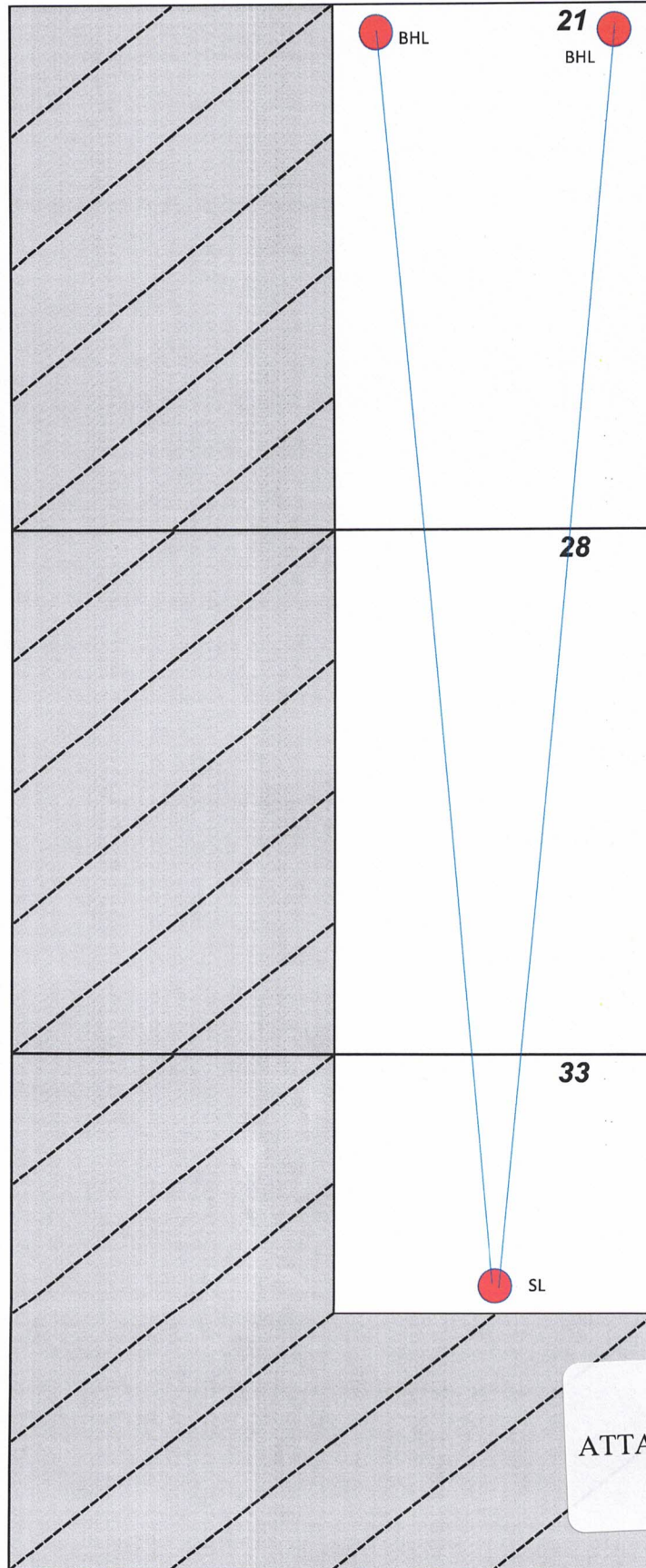


Date: 4/3/2023

A handwritten signature in blue ink, appearing to read 'Brad Dunn', written over a horizontal line.

Brad Dunn

CHAROLAIS 33-21 B1GB STATE COM #1 & CHAROLAIS 33-21 B1HA STATE COM  
#1H  
Sections 33 (NE4), 28 (E2), & 21 (E2), T19S, R35E  
LEA COUNTY, NM



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 PLAT

<sup>1</sup> API Number <b>30-025-48528</b>	<sup>2</sup> Pool Code <b>49680</b>	<sup>3</sup> Pool Name <b>PEARL; BONE SPRING</b>
<sup>4</sup> Property Code <b>333667</b>	<sup>5</sup> Property Name <b>CHAROLAIS 33/21 B1HA STATE COM</b>	<sup>6</sup> Well Number <b>1H</b>
<sup>7</sup> GRID NO. <b>14744</b>	<sup>8</sup> Operator Name <b>MEWBOURNE OIL COMPANY</b>	<sup>9</sup> Elevation <b>3690'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>H</b>	<b>33</b>	<b>19S</b>	<b>35E</b>		<b>2625</b>	<b>NORTH</b>	<b>1250</b>	<b>EAST</b>	<b>LEA</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>21</b>	<b>19S</b>	<b>35E</b>		<b>100</b>	<b>NORTH</b>	<b>400</b>	<b>EAST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>400</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.

LTP 100' FNL + 400' FEL

<p><sup>16</sup></p> <p><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p><u>SURFACE LOCATION</u> N: 589279.2 - E: 810938.7 LAT: 32.6169268° N LONG: 103.4577191° W</p> <p><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <p>A: FOUND BRASS CAP "1912" N: 586582.1 - E: 806900.8</p> <p>B: FOUND 3/8" REBAR N: 589232.5 - E: 806911.6</p> <p>C: FOUND 1" REBAR N: 591876.9 - E: 806871.7</p> <p>D: FOUND 1/2" REBAR N: 597180.6 - E: 806833.3</p> <p>E: FOUND 6"x4"x4" LIMESTONE ROCK N: 599826.9 - E: 806808.3</p> <p>F: FOUND 5/8" REBAR N: 602472.4 - E: 806786.3</p> <p>G: FOUND 8"x4"x6" LIMESTONE ROCK N: 602498.9 - E: 809425.1</p> <p>H: FOUND 1" REBAR N: 602524.6 - E: 812070.3</p> <p>I: FOUND 5/8" REBAR N: 599872.9 - E: 812094.2</p> <p>J: CALCULATED CORNER N: 597212.1 - E: 812121.0</p> <p>K: FOUND 1/2" REBAR N: 594551.3 - E: 812140.3</p> <p>L: FOUND 5/8" REBAR N: 591911.9 - E: 812165.1</p> <p>M: FOUND 14"x4"x4" LIMESTONE ROCK N: 589274.0 - E: 812188.6</p> <p>N: CALCULATED CORNER N: 586624.4 - E: 812193.3</p> <p>O: FOUND 6"x4"x4" LIMESTONE ROCK N: 597200.2 - E: 809485.6</p>	<p>PROJECT AREA 100'</p> <p>PRODUCTION AREA</p> <p>B.H.</p> <p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Ryan McDaniel</i> 1/4/23 Signature Date</p> <p>RYAN MCDANIEL Printed Name</p> <p>RYANMCDANIEL@MEWBOURNE.COM E-mail Address</p> <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>1/05/2021 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>19680 Certificate Number</p> <p>REV: NAME CHANGE 12/10/22</p> <p>LS21010859R</p>
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District I  
1625 N. Francis Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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Form C-102  
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Submit one copy to appropriate  
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-50948</b>	<sup>2</sup> Pool Code <b>49680</b>	<sup>3</sup> Pool Name <b>PEARL; BONE SPRING</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>CHAROLAIS 33/21 B1GB STATE COM</b>	<sup>6</sup> Well Number <b>1H</b>
<sup>7</sup> OGRID NO. <b>14744</b>	<sup>8</sup> Operator Name <b>MEWBOURNE OIL COMPANY</b>	<sup>9</sup> Elevation <b>3688'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>H</b>	<b>33</b>	<b>19S</b>	<b>35E</b>		<b>2385</b>	<b>NORTH</b>	<b>1270</b>	<b>EAST</b>	<b>LEA</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>B</b>	<b>21</b>	<b>19S</b>	<b>35E</b>		<b>100</b>	<b>NORTH</b>	<b>2310</b>	<b>EAST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>400</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.

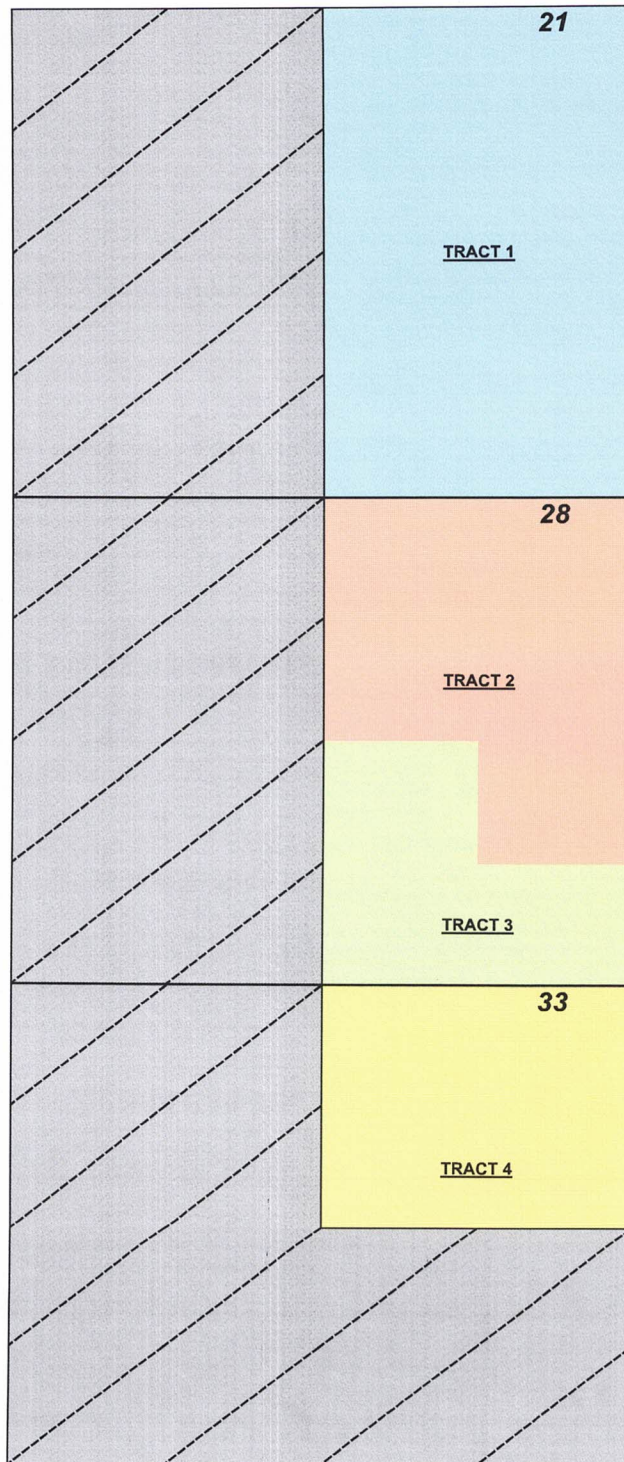
<p><b>16</b></p> <p><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p><u>SURFACE LOCATION</u> N: 589519.0 - E: 810916.6</p> <p>LAT: 32.6175863° N LONG: 103.4577846° W</p> <p><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <p>A: FOUND BRASS CAP "1912" N: 586582.1 - E: 806900.8</p> <p>B: FOUND 3/8" REBAR N: 589232.5 - E: 806911.6</p> <p>C: FOUND 1" REBAR N: 591876.9 - E: 806871.7</p> <p>D: FOUND 1/2" REBAR N: 597180.6 - E: 806833.3</p> <p>E: FOUND 6"x4"x4" LIMESTONE ROCK N: 599826.9 - E: 806808.3</p> <p>F: FOUND 5/8" REBAR N: 602472.4 - E: 806786.3</p> <p>G: FOUND 8"x4"x6" LIMESTONE ROCK N: 602498.9 - E: 809425.1</p> <p>H: FOUND 1" REBAR N: 602524.6 - E: 812070.3</p> <p><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p><u>BOTTOM HOLE</u> N: 602402.2 - E: 809761.7</p> <p>LAT: 32.6530206° N LONG: 103.4611915° W</p> <p>I: FOUND 5/8" REBAR N: 599872.9 - E: 812094.2</p> <p>J: CALCULATED CORNER N: 597212.1 - E: 812121.0</p> <p>K: FOUND 1/2" REBAR N: 594551.3 - E: 812140.3</p> <p>L: FOUND 5/8" REBAR N: 591911.9 - E: 812165.1</p> <p>M: FOUND 14"x4"x4" LIMESTONE ROCK N: 589274.0 - E: 812188.6</p> <p>N: CALCULATED CORNER N: 586624.4 - E: 812193.3</p> <p>O: FOUND 6"x4"x4" LIMESTONE ROCK N: 597200.2 - E: 809485.6</p>	<p><b>17 OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Ryan McDaniel</i> 3/8/23 Signature Date</p> <p>Ryan McDaniel Printed Name</p> <p>RyanMcDaniel@mewbourne.com E-mail Address</p> <p><b>18 SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>02/23/2023 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>19680 Certificate Number</p> <p><b>PROFESSIONAL SURVEYOR</b> NEW MEXICO 19680 ROBERT M. HOWETT</p>
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## SECTION PLAT

East Half (E/2) of Sections 21 & 28, Township 19 South, Range 35 East

Northeast Quarter (NE/4) of Section 33, Township 19 South, Range 35 East

County of Lea, State of New Mexico



ATTACHMENT

13

**Tract 1:** E2 Sec. 21—MULTIPLE FEE LEASES

Mewbourne Oil Company, et al

WPX Energy Permian, LLC

Devon Energy Production Company, L.P.

**Tract 2:** NE4 & NE4SE4 Sec. 28—MULTIPLE FEE LEASES

Mewbourne Oil Company, et al

**Tract 3:** W2SE4 & SE4SE4 Sec. 28—STATE LEASE VC-492

Mewbourne Oil Company, et al

**Tract 4:** NE4 Sec. 33—STATE LEASE VC-521

Mewbourne Oil Company, et al



**TRACT OWNERSHIP**  
**CHAROLAIS 33-21 B1GB STATE COM #1 & CHAROLAIS 33-21 B1HA STATE COM #1H**  
**Sections 33 (NE4), 28 (E2), & 21 (E2), T19S, R35E**  
**LEA COUNTY, NM**

**Sections 33 (NE4), 28 (E2), & 21 (E2), T19S, R35E:**  
**Bone Spring formation:**

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	86.500000%
* WPX Energy Permian, LLC 333 W. Sheridan Ave. Oklahoma City, Oklahoma 73102	9.000000%
* Devon Energy Production Company, L.P. 333 W. Sheridan Ave. Oklahoma City, Oklahoma 73102	4.500000%
	<hr/> 100.000000%

**\* Total interest being pooled: 13.500000%**

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**OWNERSHIP BY TRACT**

**E/2 SECTION 21**

Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	66.250000%
* WPX Energy Permian, LLC 333 W. Sheridan Ave. Oklahoma City, Oklahoma 73102	22.500000%
* Devon Energy Production Company, L.P. 333 W. Sheridan Ave. Oklahoma City, Oklahoma 73102	11.250000%
	<hr/> 100.000000%

**NE/4 & NE/4SE/4 SECTION 28**

Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	100.000000%
	<hr/> 100.000000%

**W/2SE/4 & SE/4SE/4 SECTION 28**

Mewbourne Oil Company, et al  
500 West Texas, Ste. 1020  
Midland, Texas 79701

100.000000%

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100.000000%

**NE/4 SECTION 33**

Mewbourne Oil Company, et al  
500 West Texas, Ste. 1020  
Midland, Texas 79701

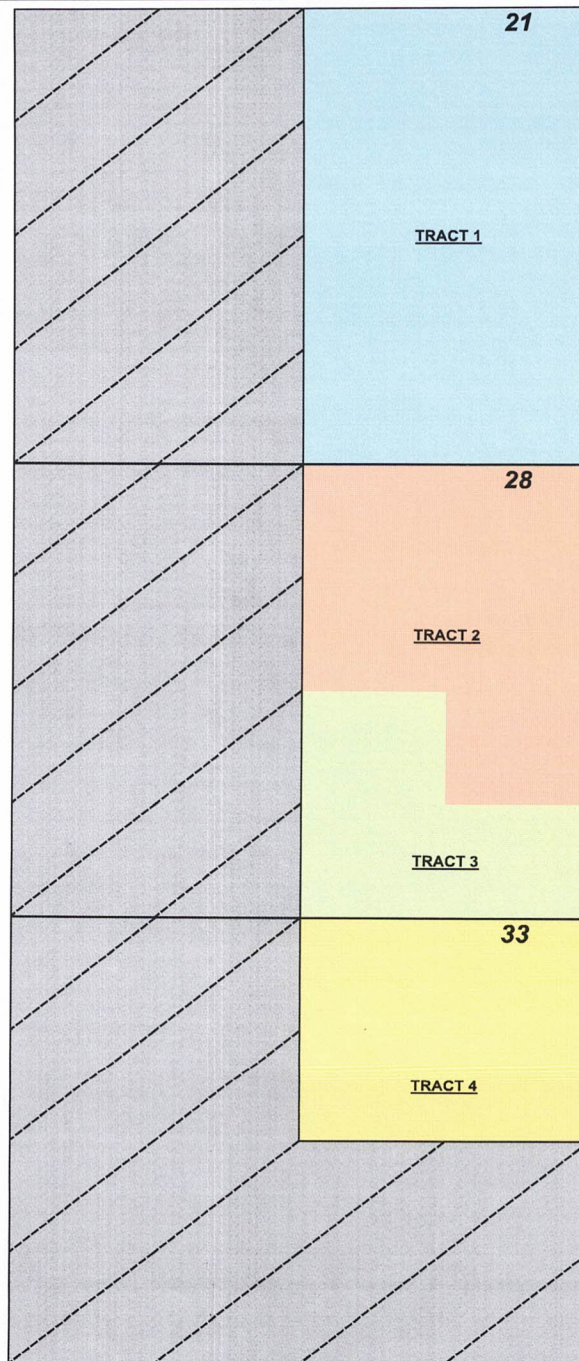
100.000000%

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100.000000%

**RECAPITUALTION FOR CHAROLAIS 33/21 B1HA STATE COM #1H & CHAROLAIS  
33/21 B1GB STATE COM #1H WELLS**

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
1	320.00	40.000000%
2	200.00	25.000000%
3	120.00	15.000000%
4	160.00	20.000000%
<b>TOTAL</b>	<b>800.00</b>	<b>100.000000%</b>





### Summary of Communications

#### **CHAROLAIS 33-21 BIGB STATE COM #1 & CHAROLAIS 33-21 BIHA STATE COM #1H**

##### WPX Energy Permian, LLC

- 1) 1/3/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 1/5/2023: Well proposal letter with AFEs delivered to WPX.
- 3) 2/8/2023: Emailed Jake Nourse & Aaron Young regarding WPX's interest and their desire to participate with Mewbourne as Operator
- 4) 2/9/2023: Email exchange with Aaron Young at WPX regarding their interest in this unit. Aaron alluded to how WPX may prefer to participate under the pooling order.
- 5) 3/2/2023: Follow-up email with Aaron Young seeking their participation under the Joint Operating Agreement. No response.
- 6) 3/22/2023: WPX has still not elected to participate in these wells

##### Devon Energy Production Company, L.P.

- 1) 1/3/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 1/5/2023: Well proposal letter with AFEs delivered to Devon.
- 3) 2/8/2023: Emailed Jake Nourse & Aaron Young regarding Devon's interest and their desire to participate with Mewbourne as Operator
- 4) 2/9/2023: Email exchange with Aaron Young at Devon regarding their interest in this unit. Aaron alluded to how Devon may prefer to participate under the pooling order.
- 5) 3/2/2023: Follow-up email with Aaron Young seeking their participation under the Joint Operating Agreement. No response.
- 6) 3/22/2023: Devon has still not elected to participate in these wells

ATTACHMENT



# MEWBOURNE OIL COMPANY

FASKEN CENTER  
500 WEST TEXAS, SUITE 1020  
MIDLAND, TX 79701

TELEPHONE (432) 682-3715

January 3, 2023

Via Certified Mail

WPX Energy Permian, LLC  
Devon Energy Production Company LP  
333 W. Sheridan Ave.  
Oklahoma City, Oklahoma 73102  
Attn: Permian Land Manager

Re: Proposed Horizontal Bone Spring Wells  
CHAROLAIS 33/21 B1HA STATE COM #1H  
CHAROLAIS 33/21 B1GB STATE COM #1H  
NE4 of Section 33, T19S-R35E  
E2's of Sections 28 & 21, T19S-R35E  
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form an 800.00 acre Working Interest Unit ("WIU"), covering the E/2 of the captioned Section 21, the E/2 of the captioned Section 28, and the NE/4 of the captioned Section 33 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Mewbourne Oil Company as Operator hereby proposes to drill the following horizontal Bone Spring wells:

1. CHAROLAIS 33/21 B1HA STATE COM #1H will have a surface location 2625' FNL & 1250' FEL of the captioned Section 33, and a bottom hole location approximately 100' FNL & 500' FEL in the captioned Section 21. We anticipate drilling to an approximate total vertical depth of 9,336' and an approximate total measured depth of 22,415'. The E/2NE/4 of the captioned Section 33, the E/2E/2 of the captioned Section 28, and the E/2E/2 of captioned Section 21 will be dedicated to the well as the proration unit.
2. CHAROLAIS 33/21 B1GB STATE COM #1H will have a surface location 2605' FNL & 1250' FEL of the captioned Section 33, and a bottom hole location approximately 100' FNL & 2310' FEL in the captioned Section 21. We anticipate drilling to an approximate total vertical depth of 9,398' and an approximate total measured depth of 22,450'. The W/2NE/4 of the captioned Section 33, the W/2E/2 of the captioned Section 28, and the W/2E/2 of captioned Section 21 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling are our AFE's dated December 14, 2022 for the captioned proposed wells. In the event your firm elects to participate in the proposed wells, please execute the enclosed AFE's and return them to me within thirty (30) days.

Our proposed Operating Agreement will have COPAS rates of \$10,000/month while drilling, \$1000/month for a producing well, and a non-consent penalty of 100%/300%. Should you wish to

participate, please email me at [bdunn@mewbourne.com](mailto:bdunn@mewbourne.com) and I will promptly email you a copy of the Charolais 33/21 Operating Agreement dated December 28, 2022, for your review.

To discuss further or if you have any questions regarding the above, please email me at [bdunn@mewbourne.com](mailto:bdunn@mewbourne.com) or call me at (432) 682-3715. Thank you.

Sincerely,

**MEWBOURNE OIL COMPANY**

A handwritten signature in blue ink, appearing to read 'Brad Dunn', with a stylized flourish at the end.

Brad Dunn  
Petroleum Landman





January 10, 2023

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9414 8361 0426 2275 3452 82.**

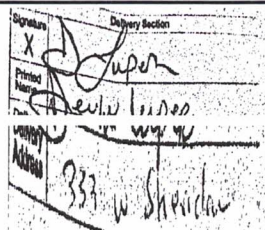
#### Item Details

<b>Status:</b>	Delivered, PO Box
<b>Status Date / Time:</b>	January 10, 2023, 8:33 am
<b>Location:</b>	OKLAHOMA CITY, OK 73102
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™
	Return Receipt Electronic
<b>Recipient Name:</b>	Permian Land Manager

#### Recipient Signature

Signature of Recipient:

Address of Recipient:



Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,  
United States Postal Service®  
475 L'Enfant Plaza SW  
Washington, D.C. 20260-0004

Permian Land Manager  
WPX Energy Permian LLC  
333 West Sheridan Ave.  
Oklahoma City, OK 73102  
Reference #: Charolais

## MEWBOURNE OIL COMPANY

## AUTHORIZATION FOR EXPENDITURE

Well Name: <b>CHAROLAIS 33/21 B1GB STATE COM #1H</b>		Prospect: <b>CHAROLAIS</b>	
Location: <b>SL: 2605 FNL &amp; 1250 FEL (33); BHL: 100 FNL &amp; 2310 FEL (21)</b>		County: <b>LEA</b>	ST: <b>NM</b>
Sec. <b>33</b>	Blk: <b></b>	Survey: <b></b>	TWP: <b>19S</b> RNG: <b>35E</b> Prop. TVD: <b>9398</b> TMD: <b>22450</b>

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$10,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$50,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$62,500
Daywork / Turnkey / Footage Drilling	42 days drlg / 4 days comp @ \$29,000/d	0180-0110	\$1,300,800	0180-0210	\$123,900
Fuel	1700 gal/day @ \$3.90/gal	0180-0114	\$297,400	0180-0214	\$411,500
Alternate Fuels		0180-0115		0180-0215	\$125,000
Mud, Chemical & Additives		0180-0120	\$50,000	0180-0220	
Mud - Specialized		0180-0121	\$200,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$225,000
Stimulation Toe Preparation				0180-0223	\$50,000
Cementing		0180-0125	\$140,000	0180-0225	\$50,000
Logging & Wireline Services		0180-0130	\$2,300	0180-0230	\$459,200
Casing / Tubing / Snubbing Service		0180-0134	\$25,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$35,000		
Stimulation	63 Stg 25.08 MMgal & 25.08 MMLbs			0180-0241	\$3,250,000
Stimulation Rentals & Other				0180-0242	\$320,000
Water & Other	600 Mbbls FW @ \$0.90/bbl	0180-0145	\$40,000	0180-0245	\$574,000
Bits		0180-0148	\$104,100	0180-0248	\$5,000
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$75,000
Welding, Construction, & Maint. Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$134,600	0180-0270	\$68,100
Directional Services	Includes vertical control	0180-0175	\$666,400		
Equipment Rental		0180-0180	\$310,000	0180-0280	\$43,800
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,100	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$30,000	0180-0290	\$10,000
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$206,400	0180-0295	\$74,400
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$203,800	0180-0299	\$303,400
<b>TOTAL</b>			<b>\$4,279,900</b>		<b>\$6,371,300</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	1850' - 13 3/8" 54.5# J-55 ST&C @ \$76.30/ft	0181-0794	\$150,800		
Casing (8.1" - 10.0")	5800' - 9 5/8" 40# HCL80 LT&C @ \$60.83/ft	0181-0795	\$376,800		
Casing (6.1" - 8.0")	9500' - 7" 29# HPP110 BT&C @ \$59.83/ft	0181-0796	\$607,000		
Casing (4.1" - 6.0")	13100' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33.47/ft			0181-0797	\$468,300
Tubing	9005' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.60/ft			0181-0798	\$130,800
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Pumping Unit Systems	(1/2) TP/CP/CIRC PUMP			0181-0885	\$11,500
Service Pumps	(1/2) (6)OT/(5)WT/(1)GB			0181-0886	\$203,000
Storage Tanks	(1/2) (2)VRT/(1)VRU/(1)FLARE/(3)KO/(1)AIR			0181-0890	\$137,700
Emissions Control Equipment	(1/2) (2)H SEP/(1)V SEP/(2)VHT			0181-0892	\$65,800
Separation / Treating Equipment	(1/2) AUTOMATION/FIBER/METERS			0181-0895	\$87,700
Automation / Metering Equipment	(1/2) FACILITY WORK + GL INJECTION			0181-0898	\$23,400
Oil/Gas Pipeline, Valves, & Misc.	(1/2) SWDL PIPE/FITTINGS			0181-0900	\$7,500
Water Pipeline, Valves, & Misc.	(1/2) BATTERY VALVES & FITTINGS			0181-0906	\$180,000
On-Site Valves, Fittings, Lines	WELLHEAD FLOWLINES & CONSTRUCTION			0181-0908	\$37,800
Cathodic Protection				0181-0909	\$0
Electrical Installation				0181-0910	\$157,800
Equipment Installation				0181-0920	\$125,000
Oil/Gas Pipeline Construction	(1/2) GAS LINE CONSTRUCTION				\$20,000
Water Pipeline Construction	(1/2) SWDL CONSTRUCTION				\$7,500
<b>TOTAL</b>			<b>\$1,169,600</b>		<b>\$1,786,300</b>
<b>SUBTOTAL</b>			<b>\$5,449,500</b>		<b>\$8,157,600</b>
<b>TOTAL WELL COST</b>			<b>\$13,607,100</b>		

Extra Expense Insurance

☐ I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.  
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

☐ I elect 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's well control insurance.

Prepared by: <b>H. Buckley</b>	Date: <b>12/14/2022</b>
Company Approval: _____	Date: _____
Joint Owner Interest: _____ Amount: _____	Signature: _____
Joint Owner Name: _____	

ATTACHMENT



## MEWBOURNE OIL COMPANY

## AUTHORIZATION FOR EXPENDITURE

Well Name: <b>CHAROLAIS 33/21 B1HA STATE COM #1H</b>		Prospect: <b>CHAROLAIS</b>	
Location: <b>SL: 2625 FNL &amp; 1250 FEL (33); BHL: 100 FNL &amp; 500 FEL (21)</b>		County: <b>LEA</b>	ST: <b>NM</b>
Sec. <b>33</b>	Blk: <b></b>	Survey: <b></b>	TWP: <b>19S</b> RNG: <b>35E</b> Prop. TVD: <b>9336</b> TMD: <b>22415</b>

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$10,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$50,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$62,500
Daywork / Turnkey / Footage Drilling	42 days drlg / 4 days comp @ \$29,000/d	0180-0110	\$1,300,800	0180-0210	\$123,900
Fuel	1700 gal/day @ \$3.90/gal	0180-0114	\$297,400	0180-0214	\$411,500
Alternate Fuels		0180-0115		0180-0215	\$125,000
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Mud - Specialized		0180-0121	\$200,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$225,000
Stimulation Toe Preparation				0180-0223	\$50,000
Cementing		0180-0125	\$140,000	0180-0225	\$50,000
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Mud Logging		0180-0137	\$35,000		
Stimulation	63 Stg 25.08 MMgal & 25.08 MMLbs			0180-0241	\$3,250,000
Stimulation Rentals & Other				0180-0242	\$320,000
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Well / Lease Insurance		0180-0185	\$5,100	0180-0285	
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Damages		0180-0190	\$30,000	0180-0290	\$10,000
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	\$5,000
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Contingencies	5% (TCP) 5% (CC)	0180-0199	\$203,800	0180-0299	\$303,400
<b>TOTAL</b>			<b>\$4,279,900</b>		<b>\$6,371,300</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
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Casing (10.1" - 19.0")	1850' - 13 3/8" 54.5# J-55 ST&C @ \$76.30/ft	0181-0794	\$150,800		
Casing (8.1" - 10.0")	3600' - 9 5/8" 40# HCL80 LT&C @ \$60.83/ft	0181-0795	\$233,900		
Casing (6.1" - 8.0")	9500' - 7" 29# HPP110 BT&C @ \$59.83/ft	0181-0796	\$607,000		
Casing (4.1" - 6.0")	13065' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33.47/ft			0181-0797	\$467,000
Tubing	8980' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.60/ft			0181-0798	\$130,400
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Pumping Unit Systems	(1/2) TP/CP/CIRC PUMP			0181-0885	\$11,500
Service Pumps	(1/2) (6) OT/(5) WT/(1) GB			0181-0886	\$203,000
Storage Tanks	(1/2) (2) VRT/(1) VRU/(1) FLARE/(3) KO/(1) AIR			0181-0890	\$137,700
Emissions Control Equipment	(1/2) (2) H SEP/(1) V SEP/(2) VHT			0181-0892	\$65,800
Separation / Treating Equipment	(1/2) AUTOMATION/FIBER/METERS			0181-0895	\$87,700
Automation / Metering Equipment	(1/2) FACILITY WORK + GL INJECTION			0181-0898	\$23,400
Oil/Gas Pipeline, Valves, & Misc.	(1/2) SWDL PIPE/FITTINGS			0181-0900	\$7,500
Water Pipeline, Valves, & Misc.	(1/2) BATTERY VALVES & FITTINGS			0181-0906	\$180,000
On-Site Valves, Fittings, Lines	WELLHEAD FLOWLINES & CONSTRUCTION			0181-0908	\$37,800
Cathodic Protection				0181-0909	\$0
Electrical Installation				0181-0910	\$157,800
Equipment Installation				0181-0920	\$125,000
Oil/Gas Pipeline Construction	(1/2) GAS LINE CONSTRUCTION				\$20,000
Water Pipeline Construction	(1/2) SWDL CONSTRUCTION				\$7,500
<b>TOTAL</b>			<b>\$1,026,700</b>		<b>\$1,784,600</b>
<b>SUBTOTAL</b>			<b>\$5,306,600</b>		<b>\$8,155,900</b>
<b>TOTAL WELL COST</b>		<b>\$13,462,500</b>			

Extra Expense Insurance

☐ I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.  
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

☐ I elect 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's well control insurance.

Prepared by: <b>H. Buckley</b>	Date: <b>12/14/2022</b>
Company Approval: _____	Date: _____
Joint Owner Interest: _____ Amount: _____	Signature: _____
Joint Owner Name: _____	



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

**APPLICATION OF MEWBOURNE OIL COMPANY  
FOR COMPULSORY POOLING AND APPROVAL OF A NON-STANDARD SPACING  
AND PRORATION UNIT, LEA COUNTY,  
NEW MEXICO.**

**Case No. 23408**

**SELF-AFFIRMED STATEMENT OF JORDAN CARRELL**

Jordan Carrell 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 on the 1<sup>st</sup> Bone Spring Sand top. It shows that structure is dipping to the southwest across the proration unit. It also shows all the Bone Spring horizontal wells in the area, a line of cross-section, and the location of the proposed Charolais 33/21 B1HA State Com #1H and Charolais 33/21 B1GB State Com #1H.

- (b) Attachment B is a cross section of the 1<sup>st</sup> Bone Spring interval and shows the planned target zone for each well.

The well logs on the cross-section give a representative sample of the Bone Spring Formation in this area. The sand is continuous and uniformly thick across the well units.

4. I conclude from the maps that:

- (a) The horizontal spacing units are justified from a geologic standpoint.
  - (b) The target zones are continuous and of relatively uniform thickness across the well units.
  - (c) Each quarter-quarter section in the well units will contribute more or less equally to production from the target zone.
  - (d) There is no faulting or other geologic impediment in the area which will affect drilling of the subject wells.

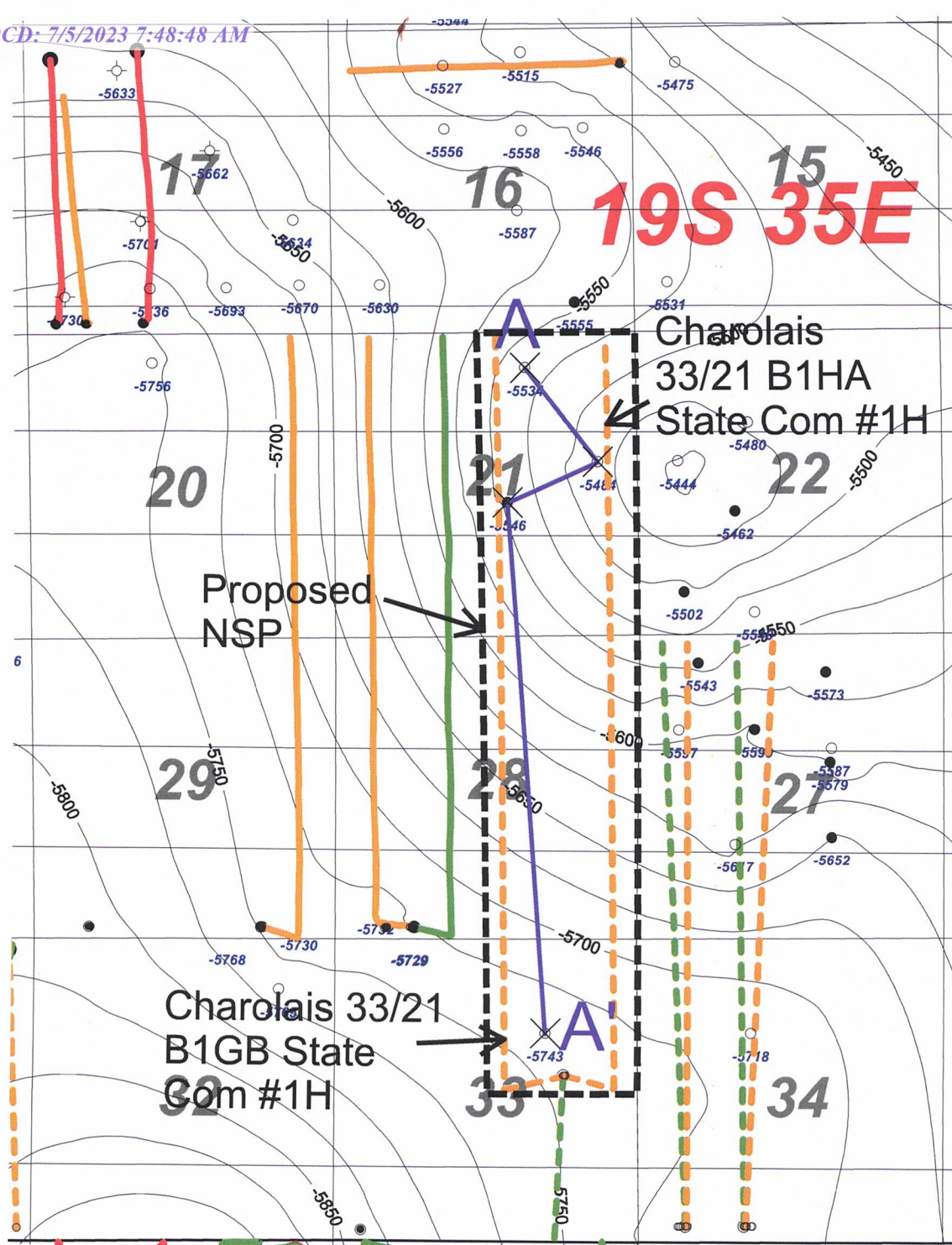
EXHIBIT **3**

5. Attachment C contains the horizontal drilling plans for the proposed wells.

6. 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 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: 3-28-2023

Jordan Carrell  
Jordan Carrell



Wells deeper than 7000'


TD  
1st BSPG Sd  
structure top  
(subsea)

BSPG Horizontal Color Code

- 1st BSPG Sd Well
- - - - 1st BSPG Sd Permit
- 2nd BSPG Sd Well
- - - - 2nd BSPG Sd Permit
- 3rd BSPG Sd Well

1 inch = 2200 feet



 <b>Mewbourne Oil Company</b>		
<b>Charolais 33/21 B1HA &amp; B1GB State Com #1H</b> <b>1st BSPG Sand Structure Contour Map</b> <b>C.I. = 25'</b>		
3/28/23	Lea County	New Mexico
	Scale: 1" = 2200'	JRC

ATTACHMENT

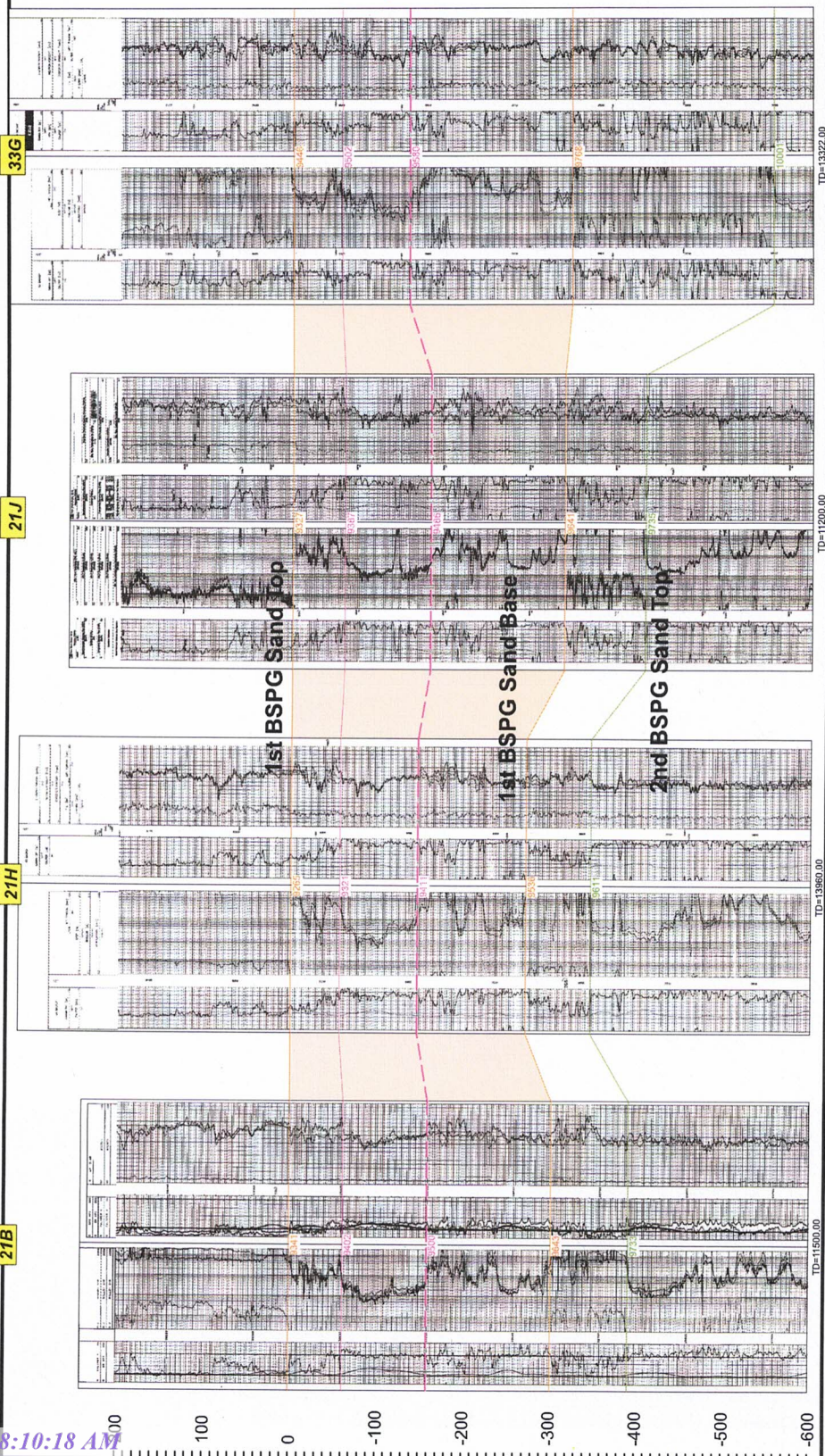
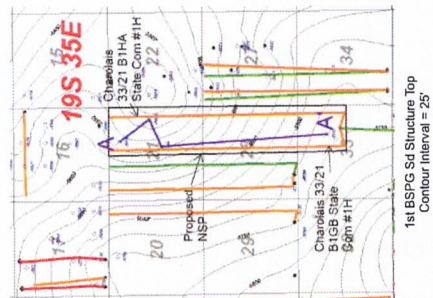




300252928700

DOMINION OKLAHOMA TEXAS EXPL & PROD  
MCINTOSH 1  
TWP. 19 S - Range: 35 E - Sec. 21  
Reference=KB  
Datum=3807.00

**target depth  
for both wells**

B  
ATTACHMENT





Company: Mewbourne Oil Company  
 Site: Charolais/Sand Chute  
 Well: Charolais 33-21 B1GB State Com #1H  
 Project: Lea County, NM (NAD83) NMEZ Grid  
 Rig: Patterson 270

**STRYKER**  
 DIRECTIONAL

## ANNOTATIONS

MD	Inc	Azi	TVD	+N/S	+E/W	Vsect	Departure	Annotation
2800.00	0.00	0.00	2800.00	0.00	0.00	0.00	0.00	Begin 2.00°/100' Build
3350.08	11.12	256.29	3352.57	-12.75	-52.28	-53.80	53.80	Begin 11.12° Tangent
8337.55	11.12	256.29	8740.52	-240.42	-985.75	-151.45	1014.65	Begin 2.00°/100' Drop
8893.61	0.00	0.00	8793.09	-253.17	-1038.02	-159.47	1068.45	Begin Vertical Hold
9093.61	0.00	0.00	8693.00	-253.17	-1038.02	-159.47	1068.45	KOP, Begin 10.00°/100' Build
10001.37	90.78	359.49	9568.00	327.53	-1043.19	419.36	1649.16	Begin 90.78° Lateral
22556.69	90.76	359.49	9396.00	12883.20	-1154.90	12934.86	14205.33	PBHL

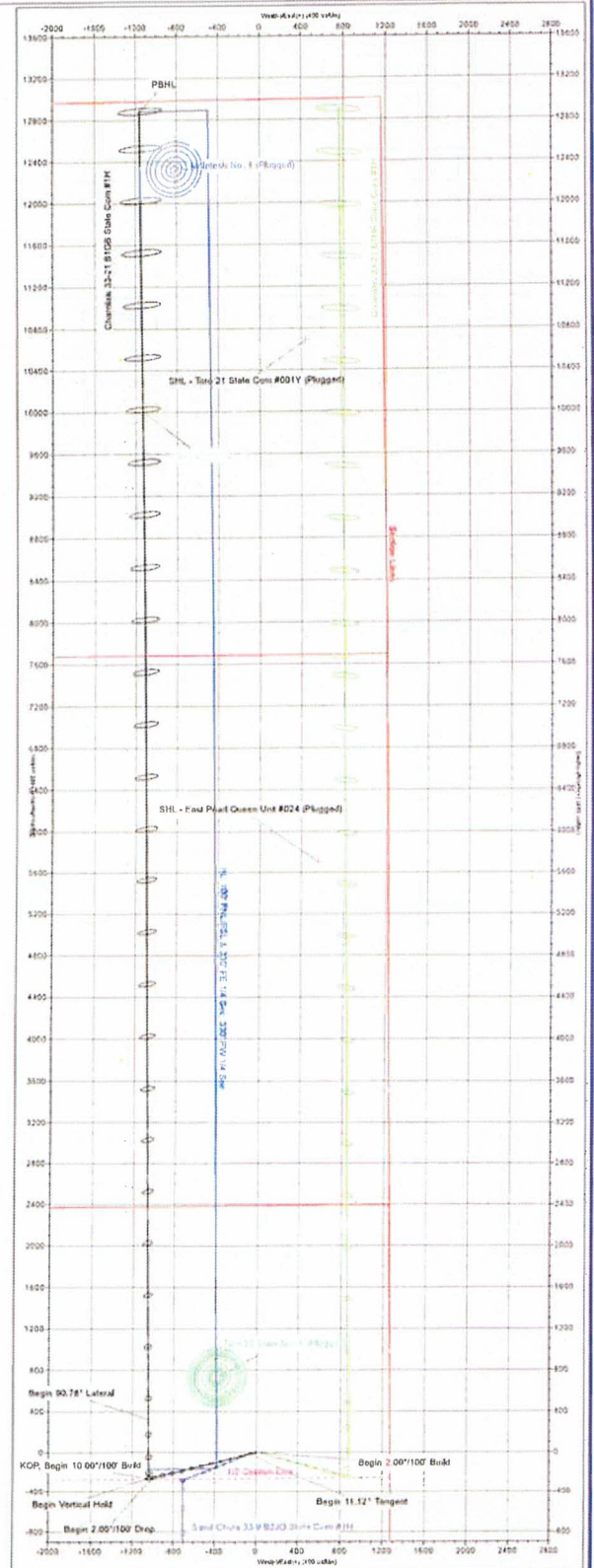
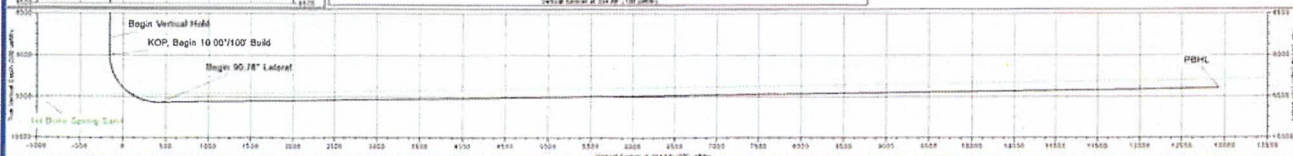
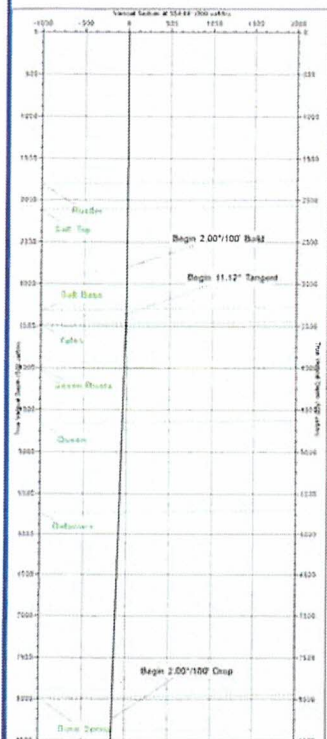
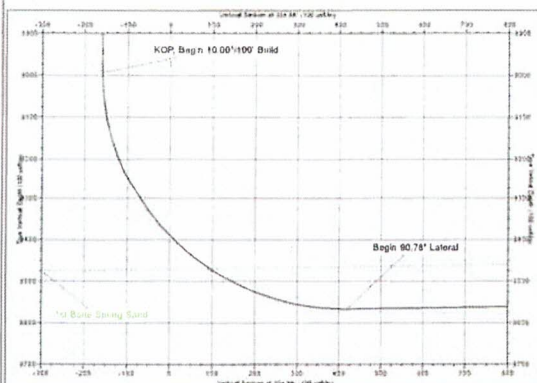
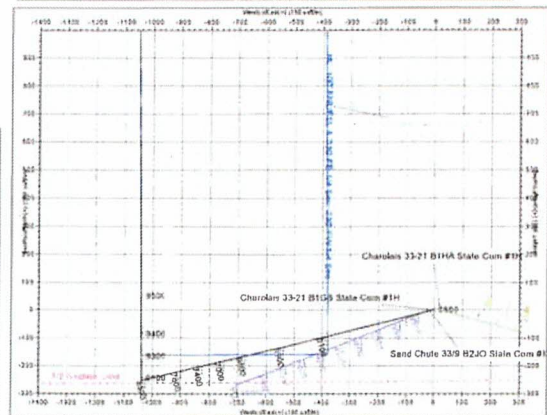
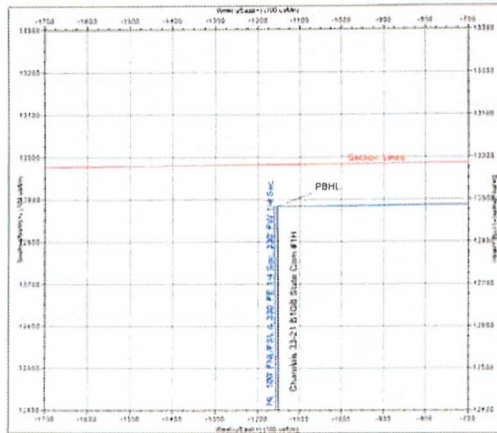
Grid North is 0.47° East of True North (Grid Convergence)  
 To convert a Magnetic Direction to a Grid Direction, Add 5.85°  
 To convert a Magnetic Direction to a True Direction, Add 6.32° East



Acumula to Grid North  
 True North: -0.47°  
 Magnetic North: 5.85°  
 Magnetic Field  
 Strength: 47553.5 nT  
 Dip Angle: 69.21°  
 Date: 3/1/2023  
 Model: IGRF 2015

US State Plane 1983  
 New Mexico Eastern Zone  
 Created By: HLM  
 Date: 15-07, March 16 2023  
 Plan: Design #2

ATTACHMENT C







Company: Mewbourne Oil Company  
 Site: Charolais/Sand Chute  
 Well: Charolais 33-21 B1HA State Com #1H  
 Project: Lea County, NM (NAD83) NMEZ Grid  
 Rig: Patterson 270

**STRYKER**  
 DIRECTIONAL

# ANNOTATIONS

MD	Inc	Azi	TVD	NF-S	E/W	Vsect	Departure	Annotation
2000.00	0.00	0.00	2000.00	0.00	0.00	0.00	0.00	Begin 2.00"/100' Build
2501.99	10.04	105.63	2499.43	-11.82	42.25	-9.40	43.87	Begin 10.04" Tangent
7073.14	10.04	105.63	7000.57	-225.53	809.68	-180.13	840.77	Begin 2.00"/100' Drop
7575.13	0.00	0.00	7500.00	-238.35	851.92	-189.52	884.64	Begin Vertical Hold
9047.25	0.00	0.00	8972.12	-238.35	851.92	-189.52	884.64	KOP: Begin 10.00"/100' Build
9956.83	90.96	359.49	9545.00	344.17	846.73	381.75	1467.17	Begin 90.96" Lateral
22516.42	90.96	359.49	9335.00	12901.50	734.70	12922.40	14025.01	PBHL

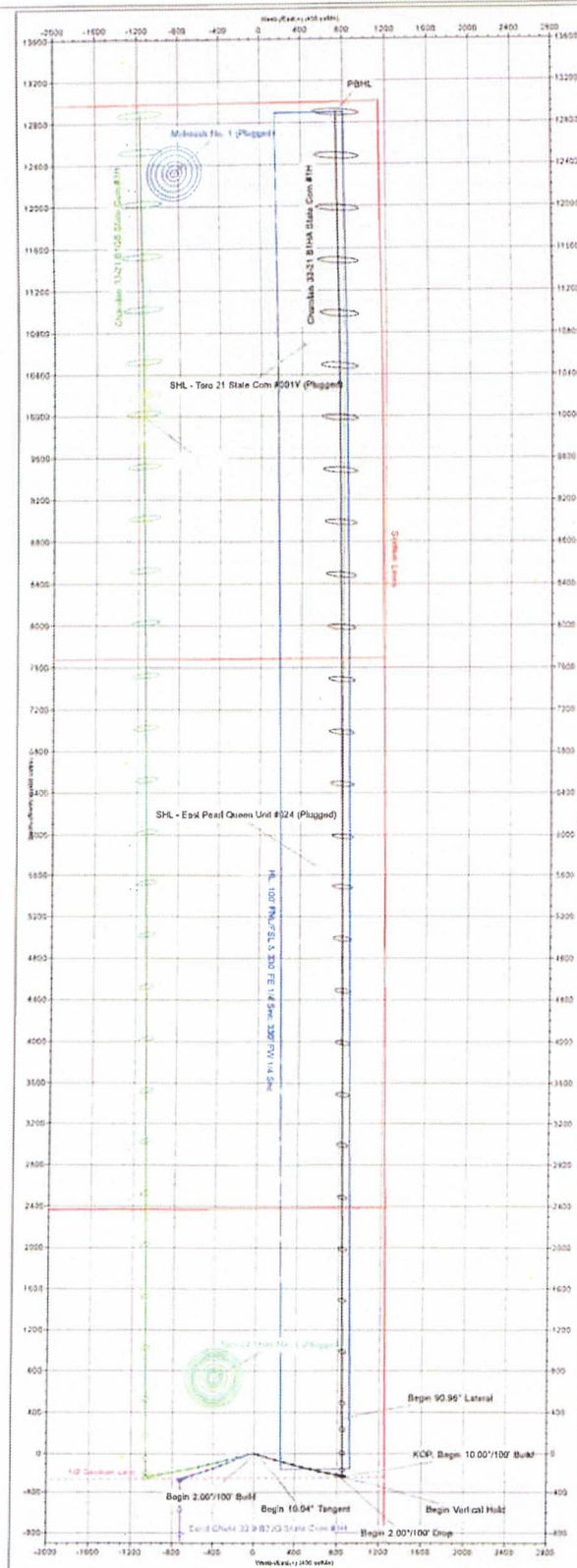
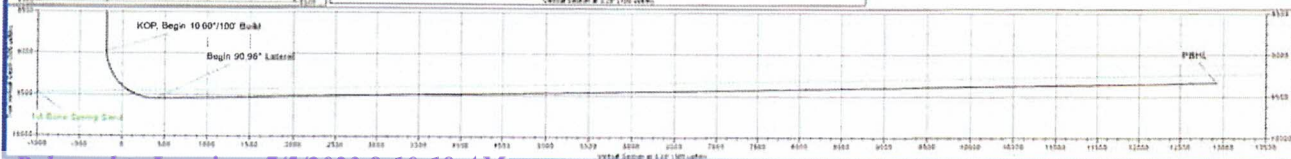
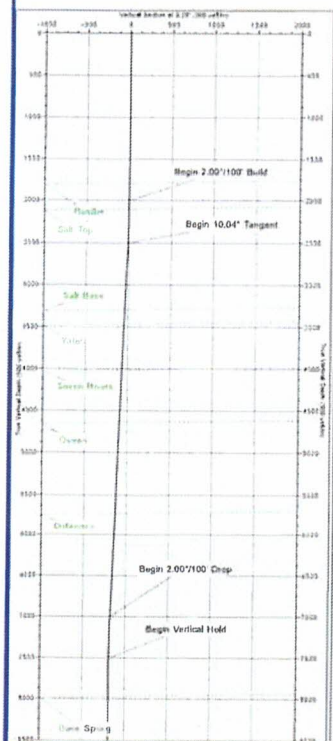
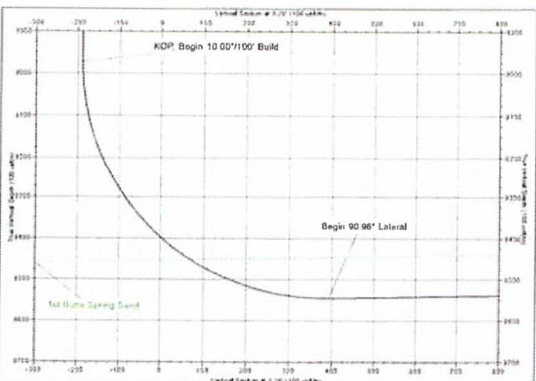
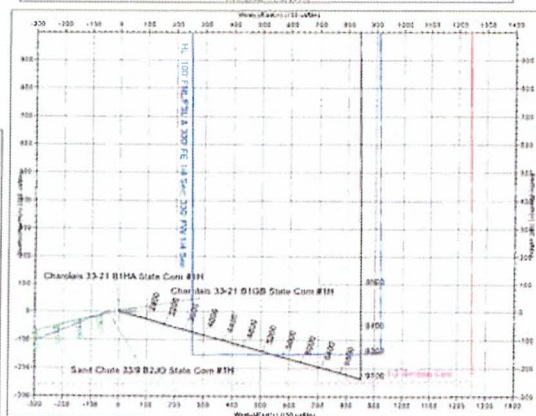
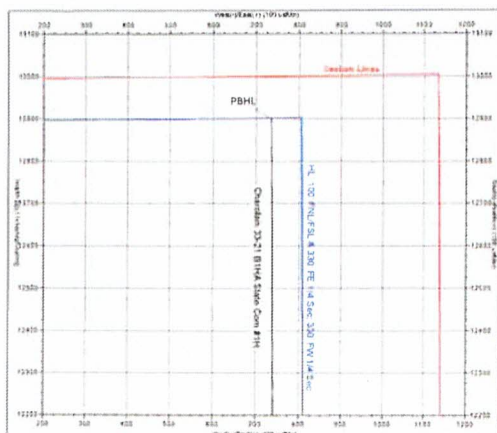
Grid North is 0.47° East of True North (Grid Convergence)  
 To convert a Magnetic Direction to a Grid Direction, Add 5.85°  
 To convert a Magnetic Direction to a True Direction, Add 6.32° East



Arcminutes to Grid North  
 True North: 0.47°  
 Magnetic North: 5.85°  
 Magnetic Field  
 Strength: 47553.6nT  
 Dip Angle: 62.22°  
 Date: 31/03/23  
 Model: IGRF2020

US State Plane 1983  
 New Mexico Eastern Zone

Created By: HLH  
 Date: 15/02, March 18 2023  
 Plan: Design #2





**Case No. 23408**

## 4

**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](mailto:jamesbruc@aol.com)

March 16, 2023

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

ATTACHMENT **A**

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling and a non-standard spacing unit, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company (Case No. 23408). In this case Applicant seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the NE/4 of Section 33, E/2 of Section 28, and the E/2 of Section 21, Township 19 South, Range 35 East, NMPM. The unit will be dedicated to (a) the Charolais 33/21 B1GB State Com. Well No. 1H, with a first take point in the SW/4NE/4 of Section 33 and a last take point in the NW/4NE/4 of Section 21, and (b) the Charolais 33/21 B1HA State Com. Well No. 1H, with a first take point in the SE/4NE/4 of Section 33 and a last take point in the NE/4NE/4 of Section 21. Applicant also requests approval of a nonstandard spacing and proration unit in the Bone Spring formation (Pearl; Bone Spring Pool). Also to be considered will be the cost of drilling, completing, testing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells. Applicant also requests approval of a non-standard spacing and proration unit in the Bone Spring formation (Antelope; Bone Spring, West Pool). Also to be considered will be the cost of drilling, completing, testing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, April 6, 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 <https://www.emnrd.nm.gov/oed/hearing-info/>, or contact Marlene Salvidrez at [Marlene.Salvidrez@emnrd.nm.gov](mailto:Marlene.Salvidrez@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 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 [ocd.hearings@emnrd.nm.gov](mailto:ocd.hearings@emnrd.nm.gov), 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

---

WPX Energy Permian, LLC  
333 W. Sheridan Ave.  
Oklahoma City, Oklahoma 73102  
Attn: Land Manager

---

Devon Energy Production Company LP  
333 W. Sheridan Ave.  
Oklahoma City, Oklahoma 73102  
Attn: Land Manager

---

Chief Capital (O&G) II LLC  
8111 Westchester Drive, STE 900  
Dallas, TX 75225  
Attn: Land Manager

---

CHI ENERGY, INC.  
P.O. Box 1799  
Midland, TX 79702  
Attn: Permian Land Manager

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 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.

Article Addressed to:

WPX Energy Permian, LLC  
333 W. Sheridan Ave.  
Oklahoma City, Oklahoma 73102  
Attn: Land Manager

9590 9402 7543 2098 9326 11

Article Number (Transfer from carrier label)

7020 0090 0000 0865 2498

S Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

Char

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent  
B. Received by (Printed Name) ☒ Addressee  
C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☐ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery

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OFFICIAL USE

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
Postage \$

Total Postage and Fees

Sent To  
Devon Energy Production Company LP  
333 W. Sheridan Ave.  
Oklahoma City, Oklahoma 73102  
Attn: Land Manager

Street and Apt. No., or PO Box No.

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 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:

Devon Energy Production Company LP  
333 W. Sheridan Ave.  
Oklahoma City, Oklahoma 73102  
Attn: Land Manager

9590 9402 7543 2098 9326 04

2. Article

7020 0090 0000 0865 2481

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent  
B. Received by (Printed Name) ☒ Addressee  
C. Date of Delivery  
D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☐ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery

Article Addressed to

Devon Energy Production Company LP

333 W. Sheridan Ave.

Oklahoma City, Oklahoma 73102

Attn: Land Manager

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



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**OFFICIAL USE**

Certified Mail Fee \$  
 Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
 Postage \$  
 Total Postage and Fees \$

Postmark Here

CHI ENERGY, INC.  
 P.O. Box 1799  
 Midland, TX 79702  
 Attn: Permian Land Manager

Sent To  
 Street and Apt. No., or PO Box No.  
 City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

2942 5980 0000 0600 0202

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 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:

Chief Capital (O&G) II LLC  
 8111 Westchester Drive, STE 900  
 Dallas, TX 75225  
 Attn: Land Manager

2. Article (transfer from service label)  
 7020 0090 0000 0865 2474

PS Form 3811, July 2020 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☒ Agent ☐ Addressee  
 B. Received by (Printed Name) C. Date of Delivery  
 Rashad Al-Hadadi 3-24-23  
 D. Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below:

3. Service Type  
☐ Priority Mail Express®  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail

4. Postmark Here

CHI ENERGY, INC.  
 P.O. Box 1799  
 Midland, TX 79702  
 Attn: Permian Land Manager

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3.  
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 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

CHI ENERGY, INC.  
 P.O. Box 1799  
 Midland, TX 79702  
 Attn: Permian Land Manager

2. Article (transfer from service label)  
 7020 0090 0000 0865 2467

PS Form 3811, July 2020 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☒ Agent ☐ Addressee  
 B. Received by (Printed Name) C. Date of Delivery  
 Rashad Al-Hadadi 3-24-23  
 D. Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below:

3. Service Type  
☐ Priority Mail Express®  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail

4. Postmark Here

CHI ENERGY, INC.  
 P.O. Box 1799  
 Midland, TX 79702  
 Attn: Permian Land Manager

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

2942 5980 0000 0600 0202

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☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
 Postage \$  
 Total Postage and Fees \$

Postmark Here

Chief Capital (O&G) II LLC  
 8111 Westchester Drive, STE 900  
 Dallas, TX 75225  
 Attn: Land Manager

Sent To  
 Street and Apt. No., or PO Box No.  
 City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



## CASE NO. 23408

STATUS OF CERTIFIED NOTICE

<u>INTEREST OWNER</u>	<u>MAILING DATE</u>	<u>RECEIPT DATE</u>	<u>CARD RETURNED</u>
Devon Energy Production Company, L.P.	March 16, 2023	March 21, 2023	Yes
WPX Energy Permian, LLC	March 26, 2023	Unknown	Yes

Note: Other persons notified of the hearing but not listed have voluntarily joined, and are not being pooled.

EXHIBIT

5

**Affidavit of Publication**


STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
March 23, 2023  
and ending with the issue dated  
March 23, 2023.

  
Publisher

Sworn and subscribed to before me this  
23rd day of March 2023.

  
Business Manager

My commission expires  
January 29, 2027

(Seal) STATE OF NEW MEXICO  
NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087526  
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

**LEGAL NOTICE**  
**March 23, 2023**

**NOTICE**

To: WPX Energy Permian, LLC, Devon Energy Production Company, L.P., Chief Capital (O&G) II, LLC, and Chi Energy, Inc., or your successors or assigns: Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division (Case No. 23408) seeking an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a non-standard horizontal spacing unit comprised of the NE/4 of Section 33, E/2 of Section 28, and the E/2 of Section 21, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. The unit will be dedicated to (a) the Charolais 33/21 B1GB State Com. Well No. 1H, with a first take point in the SW/4NE/4 of Section 33 and a last take point in the NW/4NE/4 of Section 21, and (b) the Charolais 33/21 B1HA State Com. Well No. 1H, with a first take point in the SE/4NE/4 of Section 33 and a last take point in the NE/4NE/4 of Section 21. Applicant also requests approval of the nonstandard spacing and proration unit in the Bone Spring formation (Pearl; Bone Spring Pool). Also to be considered will be the cost of drilling, completing, testing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells. This matter is scheduled for hearing on April 6, 2023 at 8:15 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 hearing, go to <https://www.emnrd.nm.gov/ocd/hearing-info/>, or contact Marlene Salvidrez at [Marlene.Salvidrez@emnrd.nm.gov](mailto:Marlene.Salvidrez@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 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 [ocd.hearings@emnrd.nm.gov](mailto:ocd.hearings@emnrd.nm.gov), 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 attorney for applicant, James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, [jamesbruc@aol.com](mailto:jamesbruc@aol.com). The unit is located approximately 20-1/2 miles west-southwest of Hobbs, New Mexico.  
#00276938

EXHIBIT 6

01101711

00276938

JAMES BRUCE  
JAMES BRUCE, ATTORNEY AT LAW  
P.O. BOX 1056  
SANTA FE, NM 87504



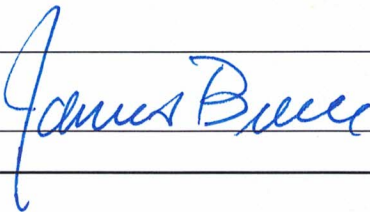
<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 23408</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: July 6, 2023</b>	
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No. 14744 (same as applicant)
Applicant's Counsel:	James Bruce, Attorney at Law
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Charolais Bone Spring wells
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Pearl; Bone Spring (Pool Code: 49680 )
Well Location Setback Rules:	Statewide Rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	800 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	E/2 §21, E/2 §28, AND NE/4 §33-19S-35E, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	No  Approval is being applied for administratively
<b>Other Situations</b>	EXHIBIT 7
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No



Applicant's Ownership in Each Tract	Exhibit 2B
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Charolais 33/21 B1GB State Com. Well No. 1H API No. 30-025-50948 SHL: 2385 FNL & 1270 FEL §33 BHL: 100 FNL & 2310 FEL §21 FTP: 2540 FNL & 2310 FEL §33 LTP: 100 FNL & 2310 FEL §21  Target formation: First Bone Spring Sand; South-North orientation TVD 9398 feet, MD 22450 feet Not drilled
Well #2	Charolais 33/21 B1HA State Com. Well No. 1H API No. 30-025-48528 SHL: 2625 FNL & 1250 FEL §33 BHL: 100 FNL & 400 FEL §21 FTP: 2540 FNL & 400 FEL §33 LTP: 100 FNL & 400 FEL §21  Target formation: First Bone Spring Sand; South-North orientation TVD 9336 feet, MD 22415 feet Not drilled
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$10000
Production Supervision/Month \$	\$1000
Justification for Supervision Costs	Exhibit 2, page 2 and Exhibit 2C
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 6
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit 2B
Tract List (including lease numbers and owners)	Exhibit 2B

If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit 2B (Working Interest)
Unlocatable Parties to be Pooled	No
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit 2C
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2D
Cost Estimate to Equip Well	Exhibit 2D
Cost Estimate for Production Facilities	Exhibit 2D
<b>Geology</b>	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 3A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3B
Well Orientation (with rationale)	Exhibit 3A
Target Formation	Bone Spring
HSU Cross Section	Exhibit 3B
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit 2A
Tracts	Exhibit 2B
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2B
General Location Map (including basin)	Exhibit 3A



Well Bore Location Map	Exhibit 2A
Structure Contour Map - Subsea Depth	Exhibit 3A
Cross Section Location Map (including wells)	Exhibit 3A
Cross Section (including Landing Zone)	Exhibit 3B
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	James Bruce
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	June 30, 2023