

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

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

**CASE NO. 23586**

**HEARING EXHIBITS**

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Brad Dunn
A-1	Application & Proposed Notice of Hearing
A-2	C-102
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Pooled Parties, Unit Recapitulation
A-4	Sample Well Proposal Letter and AFE
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Jordan Carrell
B-1	Location Map
B-2	Bone Spring Subsea Structure Map
B-3	Stratigraphic Cross-Section
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication for June 11, 2023

**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23586</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>July 20, 2023</b>
Applicant	<b>Mewbourne Oil Company</b>
Designated Operator & OGRID (affiliation if applicable)	<b>OGRID No. 14744</b>
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico.
Entries of Appearance/Intervenors:	Marathon Oil Permian LLC
Well Family	Belgian Blue
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Airstrip; Bone Spring Pool (Code 960)
Well Location Setback Rules:	Statewide
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	quarter-quarter
Orientation:	North/South
Description: TRS/County	E/2 W/2 of Sections 21 and 28, Township 18 South, Range 35 East, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes.
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	No.
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Belgian Blue 28/21 State Com #523H (B2NC) (API # 30-025-51338) SHL: 205' FSL & 1900' FWL (Unit N), Section 28, T18S, R35E BHL: 100' FNL & 1900' FWL (Unit C), Section 21, T18S, R35E Completion Target: Bone Spring (Approx. 9,789' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$10,000.00
Production Supervision/Month \$	\$1,000.00
Justification for Supervision Costs	Exhibit A

Received by OCD: 7/18/2023 4:10:31 PM Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
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 A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-3
<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):	Dana S. Hardy

<i>Received by OCD: 7/18/2023 4:10:31 PM</i> Signed Name (Attorney or Party Representative):	<i>Page 4 of 37</i> /s/ Dana S. Hardy
Date:	7/18/2023

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

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

**CASE NO. 23586**

**SELF-AFFIRMED STATEMENT  
OF BRAD DUNN**

1. I am a landman for Mewbourne Oil Company (“Mewbourne”). I am over 18 years of age, have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in the above-referenced case. Copies of Mewbourne’s Application and proposed hearing notice are attached as **Exhibit A-1**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

4. Mewbourne applies for an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 21 and 28, Township 18 South, Range 35 East in Lea County, New Mexico (“Unit”).

5. Mewbourne seeks to dedicate the Unit to the Belgian Blue 28/21 State Com #523H (B2NC) well (“Well”), which will be completed in the Airstrip; Bone Spring Pool (Code 960).

6. The completed interval of the Well will be orthodox.

7. **Exhibit A-2** contains the C-102 for the Well.

**Mewbourne Oil Company  
Case No. 23586  
Exhibit A**

8. **Exhibit A-3** contains a plat that identifies ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Mewbourne seeks to pool highlighted in yellow. All of the interest owners are locatable in that Mewbourne believes it located valid addresses for them.

9. **Exhibit A-4** contains a sample well proposal letter and AFE sent to the working interest owners for the Well. The estimated costs reflected on the AFE is a fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

10. Mewbourne has conducted a diligent search of all county public records, including phone directories and computer databases, to locate the interest owners. I also used the Accurant subscription search service to identify the last known address of each interest owner.

11. In my opinion, Mewbourne made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-5**.

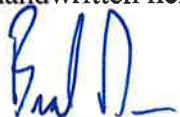
12. Mewbourne requests overhead and administrative rates of \$10,000.00 per month while the Well is being drilled and \$1,000.00 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Mewbourne and other operators in the vicinity.


13. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

14. In my opinion, the granting of Mewbourne's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

15. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony 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.

  
\_\_\_\_\_  
Brad Dunn

  
\_\_\_\_\_  
Date

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

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

**CASE NO. 23586**

**APPLICATION**

In accordance with NMSA 1978, § 70-2-17, Mewbourne Oil Company ("Mewbourne" or "Applicant") (OGRID No. 14744), through its undersigned attorneys, applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 21 and 28, Township 18 South, Range 35 East, Lea County, New Mexico ("Unit"). In support of this application, Mewbourne states the following.

1. Mewbourne is a working interest owner in the Unit and has the right to drill thereon.
2. Applicant seeks to dedicate the Unit to the proposed **Belgian Blue 28/21 State Com #523H (B2NC)** well ("Well"), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 28 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 21.
3. The completed interval of the Well will be orthodox.
4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interests owners in the Unit.
5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**Mewbourne Oil Company  
Case No. 23586  
Exhibit A-1**



6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the proposed horizontal Well and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 6, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- E. Approving the actual operating charged and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy  
Dana S. Hardy  
Jaclyn M. McLean  
P.O. Box 2068  
Santa Fe, NM 87504-2068  
Phone: (505) 982-4554

Facsimile: (505) 98208623  
dhardy@hinklelawfirm.com  
jmclean@hinklelawfirm.com  
*Counsel for Mewbourne Oil Company*

**Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico.** Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 21 and 28, Township 18 South, Range 35 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Belgian Blue 28/21 State Com #523H (B2NC)** well ("Well"), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 28 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 21. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 17 miles west of Hobbs, New Mexico.

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

Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT **AIRSTRIPE;BONE**

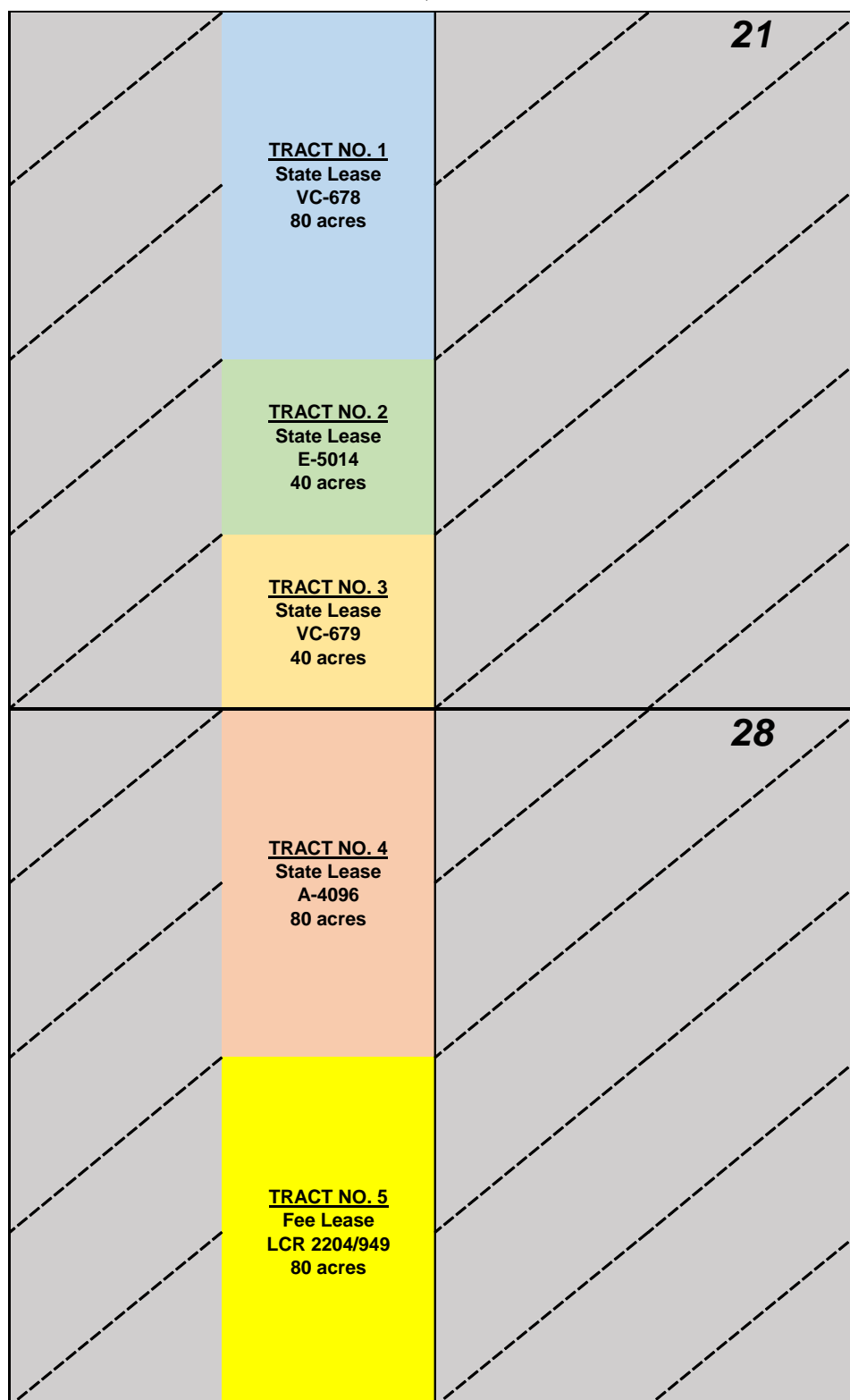
1 API Number <b>30-025-51338</b>		2 Pool Code <del>3560</del> <b>960</b>		3 Pool Name <del>SEABONE SPRING</del> <b>SPRING</b>	
4 Property Code <b>333923</b>		5 Property Name <b>BELGIAN BLUE 28/21 STATE COM</b>			
7 OGRID NO. <b>14744</b>		8 Operator Name <b>MEWBOURNE OIL COMPANY</b>			
		6 Well Number <b>523H</b>			
		9 Elevation <b>3911'</b>			
10 Surface Location					
UL or lot no. <b>N</b>	Section <b>28</b>	Township <b>18S</b>	Range <b>35E</b>	Lot Idn	Feet from the <b>205</b>
				North/South line <b>SOUTH</b>	Feet From the <b>1900</b>
				East/West line <b>WEST</b>	County <b>LEA</b>
11 Bottom Hole Location If Different From Surface					
UL or lot no. <b>C</b>	Section <b>21</b>	Township <b>18S</b>	Range <b>35E</b>	Lot Idn	Feet from the <b>100</b>
				North/South line <b>NORTH</b>	Feet from the <b>1900</b>
				East/West line <b>WEST</b>	County <b>LEA</b>
12 Dedicated Acres <b>320</b>		13 Joint or Infill		14 Consolidation Code	
				15 Order No.	

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>① S 89°43'40" W 2638.42' ② S 89°37'14" W 2641.84' ③</p> <p>1900' B.H. 100' LTP 100' FNL &amp; 1900' FWL</p> <p>PROJECT AREA</p> <p>PRODUCTION AREA</p> <p>21</p> <p>GEODETIC DATA NAD 83 GRID - NM EAST N: 634098.9 - E: 808367.3 LAT: 32.7401669° N LONG: 103.4648786° W</p> <p>④ S 89°37'31" W 2640.19' ⑤ S 89°41'39" W 2642.66'</p> <p>⑥ S 89°44'55" W 2648.77' ⑦ S 89°52'12" W 2644.70'</p> <p>1900' 205' FTP 205' FSL &amp; 1900' FWL</p> <p>⑧ N 00°36'57" W 5292.60'</p> <p>⑨ N 00°37'08" W 2646.08'</p> <p>⑩ N 00°37'08" W 2646.08'</p> <p>⑪ N 00°40'24" W 2648.03'</p> <p>⑫ N 00°32'15" W 2640.54'</p> <p>⑬ N 00°31'43" W 2646.43'</p> <p>⑭ N 00°38'49" W 2647.49'</p> <p>⑮ N 00°31'34" W 2639.70'</p> <p>⑯ N 00°31'34" W 2639.70'</p> <p>⑰ N 00°32'15" W 2640.54'</p> <p>⑱ N 00°31'43" W 2646.43'</p> <p>⑲ N 00°38'49" W 2647.49'</p> <p>⑳ N 00°31'34" W 2639.70'</p> <p>㉑ N 00°31'34" W 2639.70'</p> <p>㉒ N 00°32'15" W 2640.54'</p> <p>㉓ N 00°31'43" W 2646.43'</p> <p>㉔ N 00°38'49" W 2647.49'</p> <p>㉕ N 00°31'34" W 2639.70'</p> <p>㉖ N 00°31'34" W 2639.70'</p> <p>㉗ N 00°32'15" W 2640.54'</p> <p>㉘ N 00°31'43" W 2646.43'</p> <p>㉙ N 00°38'49" W 2647.49'</p> <p>㉚ N 00°31'34" W 2639.70'</p> <p>㉛ N 00°31'34" W 2639.70'</p> <p>㉜ N 00°32'15" W 2640.54'</p> <p>㉝ N 00°31'43" W 2646.43'</p> <p>㉞ N 00°38'49" W 2647.49'</p> <p>㉟ N 00°31'34" W 2639.70'</p> <p>㊱ N 00°31'34" W 2639.70'</p> <p>㊲ N 00°32'15" W 2640.54'</p> <p>㊳ N 00°31'43" W 2646.43'</p> <p>㊴ N 00°38'49" W 2647.49'</p> <p>㊵ N 00°31'34" W 2639.70'</p> <p>㊶ N 00°31'34" W 2639.70'</p> <p>㊷ N 00°32'15" W 2640.54'</p> <p>㊸ N 00°31'43" W 2646.43'</p> <p>㊹ N 00°38'49" W 2647.49'</p> <p>㊺ N 00°31'34" W 2639.70'</p> <p>㊻ N 00°31'34" W 2639.70'</p> <p>㊼ N 00°32'15" W 2640.54'</p> <p>㊽ N 00°31'43" W 2646.43'</p> <p>㊾ N 00°38'49" W 2647.49'</p> <p>㊿ N 00°31'34" W 2639.70'</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>Gage Owen</i> 04/05/2023 Signature Date</p> <p>Gage Owen Printed Name</p> <p>gowen@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>03/22/2023 Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>19680 Certificate Number</p>		<p>CORNER DATA NAD 83 GRID - NM EAST</p> <p>A: FOUND 5/8" REBAR N: 623618.3 - E: 806569.8</p> <p>B: FOUND SPIKE NAIL N: 626258.2 - E: 806545.1</p> <p>C: FOUND 8"x6"x8" LIMESTONE ROCK N: 628897.3 - E: 806520.8</p> <p>D: FOUND 8"x4"x6" LIMESTONE ROCK N: 631543.1 - E: 806496.4</p> <p>E: CALCULATED CORNER N: 634189.9 - E: 806466.5</p> <p>F: FOUND 1/2" REBAR N: 634202.4 - E: 809104.4</p> <p>G: CALCULATED CORNER N: 634219.9 - E: 811745.7</p> <p>H: FOUND 1" IRON PIPE N: 628928.6 - E: 811802.6</p> <p>I: FOUND 8"x4"x8" LIMESTONE ROCK N: 626283.2 - E: 811831.2</p> <p>J: FOUND 20"x18"x6" LIMESTONE ROCK "X" ON STONE N: 623635.9 - E: 811862.3</p> <p>K: FOUND 120D NAIL N: 623629.9 - E: 809218.1</p> <p>L: FOUND 6"x4"x4" LIMESTONE ROCK N: 628914.5 - E: 809160.5</p>

Job No: LS23030300

**Section Plat**  
**BELGIAN BLUE 28/21 STATE COM #523H (B2NC)**  
**SECTIONS 21 (E/2W/2) & 28 (E/2W/2), T18S, R35E**  
**LEA COUNTY, NEW MEXICO**



**Mewbourne Oil Company**  
**Case No. 23586**  
**Exhibit A-3**

**Tract No. 1:** E2NW4 Sec. 21— STATE LEASE VC-678

Mewbourne Oil Company, et al

**Tract No. 2:** NE4SW4 Sec. 21— STATE LEASE E-5014

Marathon Oil Permian LLC

**Tract No. 3:** SE4SW4 Sec. 21— STATE LEASE VC-679

Mewbourne Oil Company, et al

T.H. McElvain Oil & Gas LLLP

**Tract No. 4:** E2NW4 Sec. 28— STATE LEASE A-4096

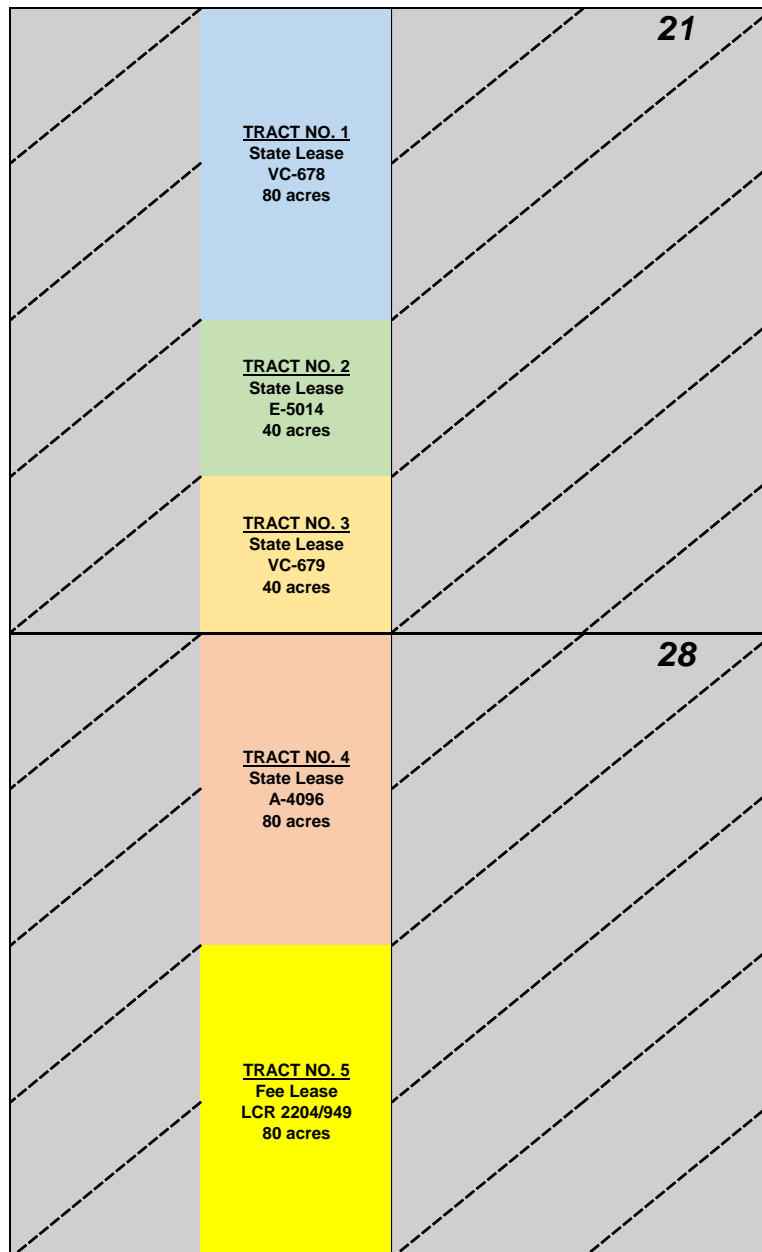
Marathon Oil Permian LLC

**Tract No. 5:** E2SW4 Sec. 28— FEE LEASE recorded in LCR 2204/959

Mewbourne Oil Company, et al

**RECAPITULATION**  
**BELGIAN BLUE 28/21 STATE COM #523H (B2NC)**  
**SECTIONS 21 (E/2W/2) & 28 (E/2W/2), T18S, R35E**  
**LEA COUNTY, NEW MEXICO**

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
1	80.00	25.000000%
2	40.00	12.500000%
3	40.00	12.500000%
4	80.00	25.000000%
5	80.00	25.000000%
<b>TOTAL</b>	<b>320.00</b>	<b>100.000000%</b>



**TRACT OWNERSHIP**

**BELGIAN BLUE 28/21 STATE COM #523H (B2NC)  
Sections 21 (E/2W/2) & 28 (E/2W/2), T18S, R35E  
Lea County, New Mexico**

**Sections 21 (E/2W/2) & 28 (E/2W/2)  
Wolfcamp formation:**

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	59.375000%
* Marathon Oil Permian LLC	37.500000%
* T.H. McElvain Oil & Gas LLLP	3.125000%
	<hr/> 100.000000%
<b>* Total interest being pooled: 31.250000%</b>	

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**OWNERSHIP BY TRACT**

**E/2NW/4 Section 21 (80 Acres):**

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	100.000000%
	<hr/> 100.000000%

**NE/4SW/4 Section 21 (40 Acres):**

	<u>% Leasehold Interest</u>
*Marathon Oil Permian LLC	100.000000%
	<hr/> 100.000000%

**SE/4SW/4 Section 21 (40 Acres):**

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	75.000000%
* T.H. McElvain Oil & Gas LLLP	25.000000%
	<hr/> 100.000000%



**E/2NW/4 Section 28 (80 Acres):**

\*Marathon Oil Permian LLC

% Leasehold Interest

100.000000%

---

100.000000%

**E/2SW/4 Section 28 (80 Acres):**

Mewbourne Oil Company, et al

% Leasehold Interest

100.000000%

---

100.000000%

**\*Parties to be pooled are highlighted in yellow.**

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

April 14, 2023

Via Overnight Mail

Marathon Oil Permian LLC  
990 Town and Country Blvd.  
Houston, TX 77024  
Attn: Chase Rice

Re:

1. BELGIAN BLUE 28/21 STATE COM #523H AFE
2. BELGIAN BLUE 28/21 STATE COM #501H AFE
3. Belgian Blue 28/21 Joint Operating Agreement dated April 15, 2023  
All of Sections 28 & 21, T18S, R35E  
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering all of the above captioned Sections 21 and 28 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Mewbourne as Operator hereby proposes to drill the following horizontal Bone Spring wells:

1. BELGIAN BLUE 28/21 STATE COM #523H will have a surface location 205' FSL & 1900' FWL of the above captioned Section 28 and a bottom hole location approximately 100' FNL & 1900' FWL of the above captioned Section 21. We anticipate drilling to an approximate total vertical depth of 9,789' and an approximate total measured depth of 20,200'. The E2W2 of Section 21 and the E2W2 of Section 28 will be dedicated to the well as the proration unit.
2. BELGIAN BLUE 28/21 STATE COM #501H will have a surface location 205' FSL & 1880' FWL of the above captioned Section 28 and a bottom hole location approximately 100' FNL & 500' FWL of the above captioned Section 21. We anticipate drilling to an approximate total vertical depth of 9,639' and an approximate total measured depth of 20,200'. The W2W2 of Section 21 and the W2W2 of Section 28 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling are our AFEs dated April 3, 2023, for the captioned proposed wells. In the event your firm elects to participate in the proposed wells, please execute the enclosed AFEs and return them to me within thirty (30) days.

**Mewbourne Oil Company**  
**Case No. 23586**  
**Exhibit A-4**

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 Belgian Blue 28/21 Operating Agreement dated April 15, 2023, for your review.

Should 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**



Brad Dunn  
Petroleum Landman

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name:

BELGIAN BLUE 28/21 STATE COM #523H (B2NC)

Prospect:

SANTA VACA 19/18

Location:

SL: 205 FSL & 1900 FWL (28); BHL: 100 FNL & 1900 FWL (21)

County:

Lea

ST:

NM

Sec.

28

Blk:

Survey:

TWP:

18S

RNG:

35E

Prop. TVD:

9789

TMD:

20200

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$85,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$65,000
Daywork / Turnkey / Footage Drilling 26 days drlg / 3 days comp @ \$30000/d		0180-0110	\$833,000	0180-0210	\$96,100
Fuel 1700 gal/day @ \$3.9/gal		0180-0114	\$184,100	0180-0214	\$319,000
Alternate Fuels		0180-0115		0180-0215	\$97,000
Mud, Chemical & Additives		0180-0120	\$40,000	0180-0220	
Mud - Specialized		0180-0121	\$225,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$40,000
Cementing		0180-0125	\$120,000	0180-0225	\$55,000
Logging & Wireline Services		0180-0130	\$34,000	0180-0230	\$377,000
Casing / Tubing / Snubbing Services		0180-0134	\$30,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$15,000		
Stimulation 51 Stg 20.2 MM gal / 25.3 MM lb				0180-0241	\$3,050,000
Stimulation Rentals & Other				0180-0242	\$278,000
Water & Other 100% FW @ \$1.00/bbl		0180-0145	\$35,000	0180-0245	\$511,000
Bits		0180-0148	\$105,700	0180-0248	
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	\$50,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision		0180-0170	\$182,700	0180-0270	\$73,500
Directional Services Includes Vertical Control		0180-0175	\$391,000		
Equipment Rental		0180-0180	\$179,400	0180-0280	\$25,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,200	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$50,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$104,400	0180-0295	\$36,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)		0180-0199	\$155,400	0180-0299	\$271,200
TOTAL			\$3,262,900		\$5,695,800
TANGIBLE COSTS 0181					
Casing (19.1" – 30")		0181-0793			
Casing (10.1" – 19.0") 1825' - 13 3/8" 54.5# J-55 ST&C @ \$76.3/ft		0181-0794	\$148,700		
Casing (8.1" – 10.0") 3550' - 9 5/8" 40# HCL80 LT&C @ \$60.83/ft		0181-0795	\$230,600		
Casing (6.1" – 8.0") 9400' - 7" 29# HPP110 BT&C @ \$59.83/ft		0181-0796	\$600,600		
Casing (4.1" – 6.0") 10950' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33.47/ft				0181-0797	\$391,400
Tubing 9200' - 2 7/8" 6.5# L-80 IPC Tbg @ \$17/ft				0181-0798	\$167,000
Drilling Head		0181-0860	\$50,000		
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
Service Pumps (1/2) TP/CP/Circ pump				0181-0886	\$16,000
Storage Tanks (1/2) 4 OT/3 WT/GB				0181-0890	\$142,000
Emissions Control Equipment (1/2) 2 VRT/1 VRU/1 Flare/3 KO/1 AIR				0181-0892	\$138,000
Separation / Treating Equipment (1/2) 2 H Sep/1 V Sep/2 VHT				0181-0895	\$86,000
Automation Metering Equipment				0181-0898	\$88,000
Oil/Gas Pipeline-Pipe/Valves&Misc (1/2) Gas Line & GL Injection				0181-0900	\$21,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	\$27,000
On-site Valves/Fittings/Lines&Misc				0181-0906	\$200,000
Wellhead Flowlines - Construction				0181-0907	\$36,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$212,000
Equipment Installation				0181-0910	\$150,000
Oil/Gas Pipeline - Construction				0181-0920	\$15,000
Water Pipeline - Construction				0181-0921	\$22,000
TOTAL			\$1,029,900		\$1,841,400
SUBTOTAL			\$4,292,800		\$7,537,200
TOTAL WELL COST			\$11,830,000		

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.

Joint owner agrees that item 0180-0245 will be provided by operator, if available, at the specified rate. Operator reserves the right to adjust the rate due to a change in market conditions.

Prepared by: Andy Taylor

Date: 3/31/2023

Company Approval: 

Date: 4/3/2023

Joint Owner Interest: Amount:

Joint Owner Name: Signature:

**Summary of Communications**  
**BELGIAN BLUE 28/21 STATE COM #523H (B2NC)**

**Marathon Oil Permian LLC**

- 1) 5/30/2023: Well proposal letter with AFEs are sent overnight via FedEx.
- 2) 5/31/2023: Well proposal letter with AFEs delivered to owner.
- 3) 6/1/2023: Email correspondence with owner regarding their interest.
- 4) 6/5/2023: Email correspondence with owner regarding their interest.
- 5) 6/22/2023: Email correspondence with owner regarding their interest. Answered their questions and provided a copy of the Joint Operating Agreement.
- 6) 6/28/2023: Email and phone call with owner regarding their interest. Owner indicated they most likely will just participate under the pooling order.
- 7) 7/13/2023: Owner still has not signed the AFEs or JOA and is still evaluating all options.

**T.H. McElvain Oil & Gas LLLP**

- 1) 4/14/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 5/9/2023: Certified mail returned due to unlocatable/undeliverable address.
- 3) 5/16/2023: Detailed search on the internet for a new address of this owner/current contact information. No good information found.
- 4) 7/13/2023: Detailed search on the internet for a new address of this owner/current contact information. Got a hold of owner. Emailed well proposals, AFEs, & JOA. Owner indicates a desire to participate and intends to do so. Nothing has been signed or worked out with them yet.

**Mewbourne Oil Company**  
**Case No. 23586**  
**Exhibit A-5**

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

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

**CASE NO. 23586**

**SELF-AFFIRMED STATEMENT  
OF JORDAN CARRELL**

1. I am a geologist at Mewbourne Oil Company ("Mewbourne") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my credentials as an expert in petroleum geology matters were accepted and made a matter of record.

2. I am familiar with the geological matters that pertain to the above-referenced case.

3. **Exhibit B-1** is a location map of the proposed horizontal spacing unit ("Unit"). The approximate wellbore path for the proposed Belgian Blue 28/21 State Com #523H (B2NC) ("Well") is represented by dashed lines.

4. **Exhibit B-2** is a subsea structure map for the Bone Spring formation that is representative of the targeted intervals. The approximate wellbore path for the Well is depicted by a green dashed line. Existing producing wells in the targeted interval are represented by solid green lines. The map demonstrates the formation is dipping to the south by southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted interval with horizontal wells.

5. Exhibit B-2 also identifies three wells penetrating the targeted intervals used to construct a stratigraphic cross-section from A to A'. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.

6. **Exhibit B-3** is a stratigraphic cross-section using the representative wells identified on Exhibit B-2. It contains gamma ray, resistivity and porosity logs. The proposed landing zone is labeled on the exhibit. This cross-section demonstrates the target interval is continuous across the Unit.

7. In my opinion, a stand-up orientation for the proposed well is appropriate to properly develop the subject acreage because of an established directional pattern and the known fracture orientation in this portion of the trend. Stand-up orientation is also supported by a study of the production of stand-up versus laydown orientation in the area, with stand-up well results being significantly better.

8. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Well.

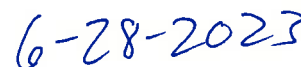
9. In my opinion, the granting of Mewbourne's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

10. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony 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 identified next to my signature below.



Jordan Carrell



Date



# Mewbourne Oil Company

# Belgian Blue 28/21 State Com #523H

## Regional Locator Map

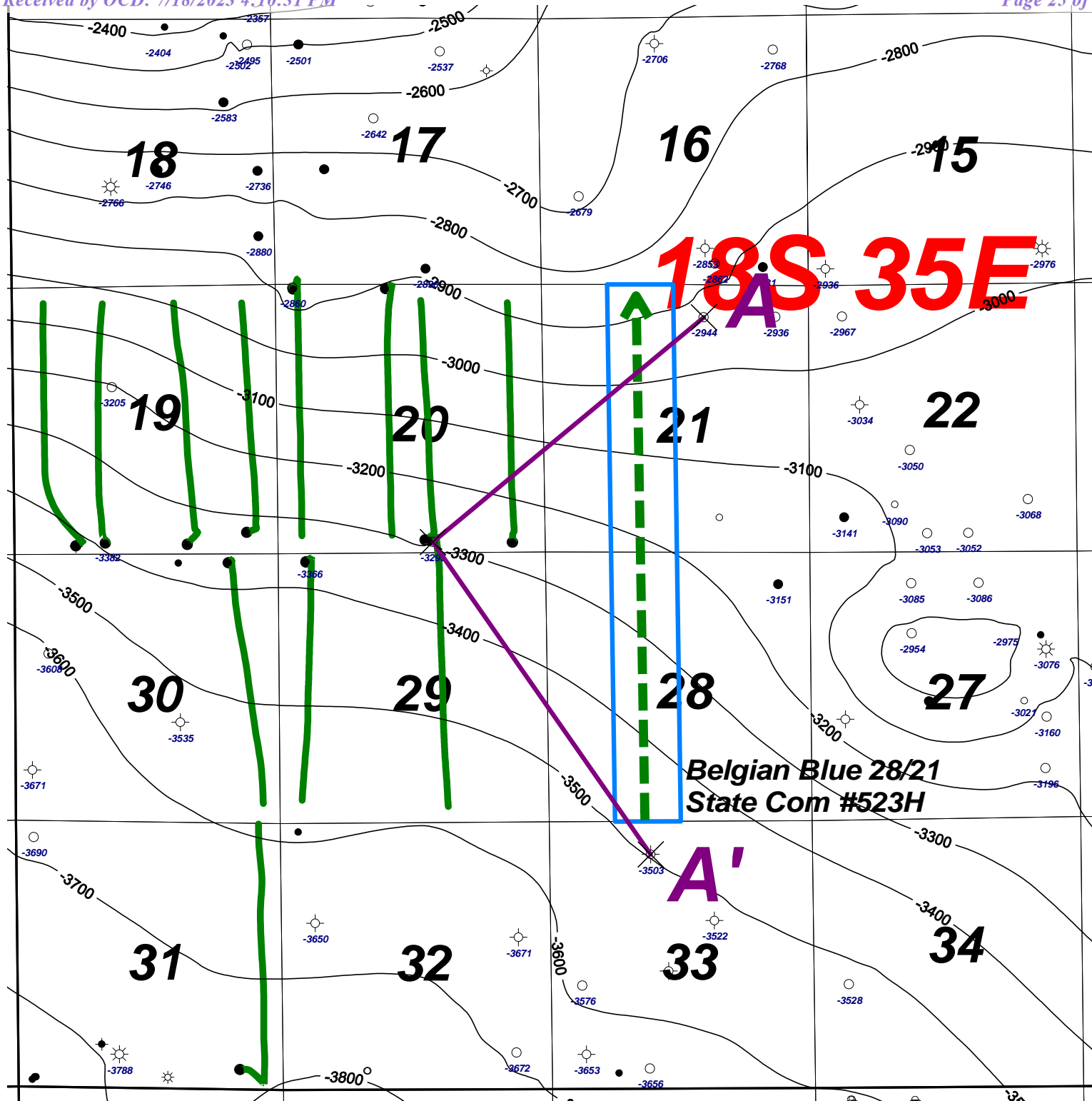
18S/35E

Lea Co, NM

6/27/23

## Mewbourne Oil Company





2500 0 2500 ft

Wells deeper than 7000'

**BSPG Top (subsea)**

**2nd BSPG Sd  
Horizontal Wells**



**Mewbourne Oil Company**

**Bone Spring Top Structure Map  
Belgian Blue 28/21 State Com #523H**

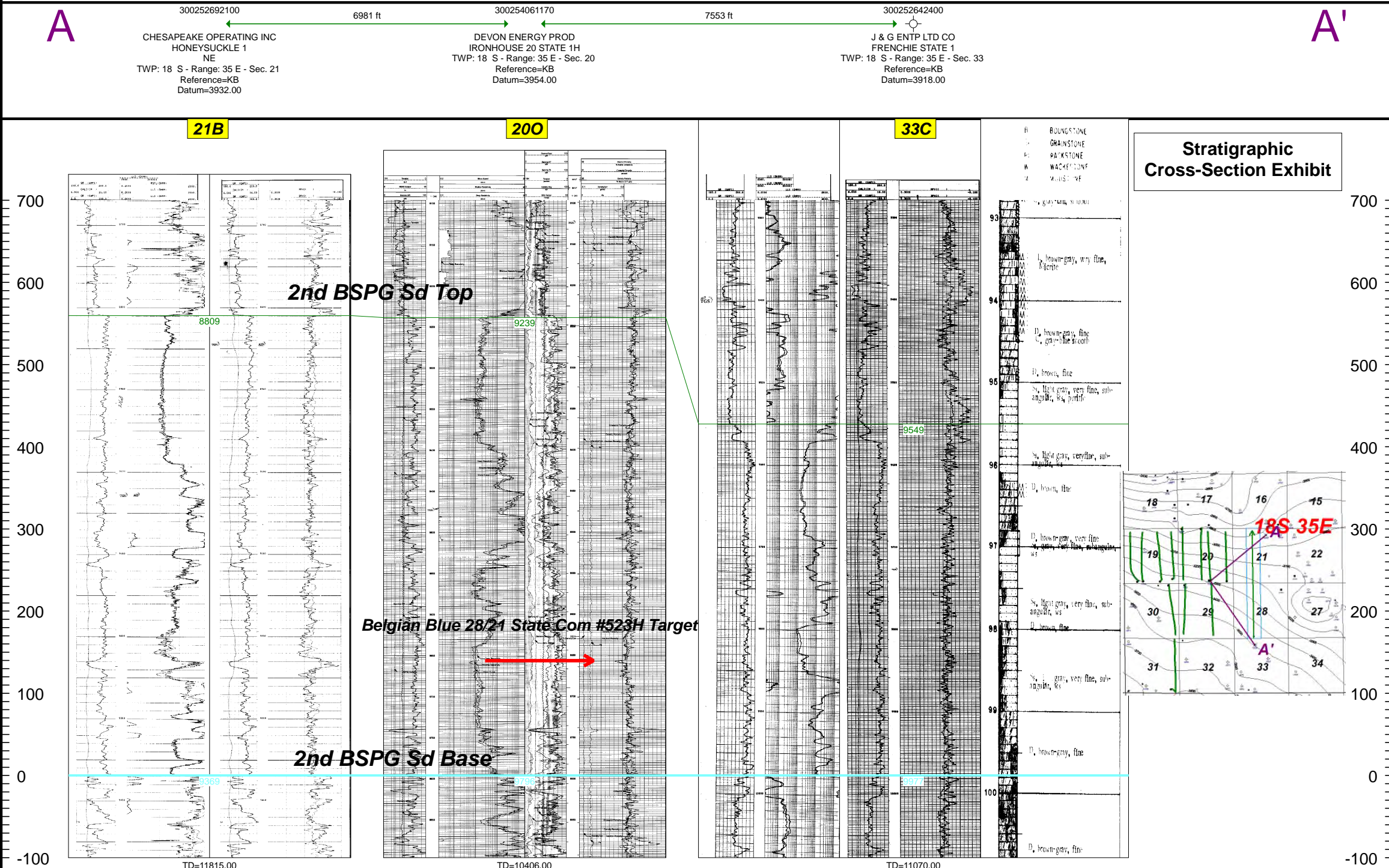
18S/35E

Lea County

New Mexico

6/27/23

C.I. = 100'



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

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

**CASE NO. 23586**

**SELF-AFFIRMED STATEMENT  
OF DANA S. HARDY**

1. I am attorney in fact and authorized representative of Mewbourne Oil Company, the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On June 11, 2023, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as **Exhibit C-4**.

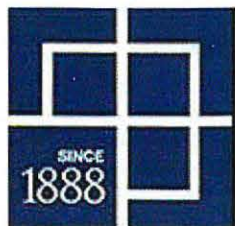
6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature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

/s/ Dana S. Hardy  
Dana S. Hardy

July 18, 2023  
Date

**Mewbourne Oil Company  
Case No. 23586  
Exhibit C**





hinklelawfirm.com

## HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:  
Dana S. Hardy, Partner  
dhardy@hinklelawfirm.com

June 8, 2023

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO ALL PARTIES ENTITLED TO NOTICE**

**Re: Case Nos. 23585 & 23586 – Applications of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico.**

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **July 6, 2023** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/oed/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.nm.gov/OCD/OCDPermitting>) or via e-mail to [oed.hearings@emnrd.nm.gov](mailto:oed.hearings@emnrd.nm.gov) and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please contact Brad Dunn, Landman for Mewbourne Oil Company, by phone at (432) 682-3715 if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

PO BOX 10  
ROSWELL, NEW MEXICO 88202  
(575) 622-6510  
FAX (575) 623-9332

7601 JEFFERSON ST NE · SUITE 180  
ALBUQUERQUE, NEW MEXICO 87109  
505-858-8320  
(FAX) 505-858-8321

PO BOX 2068  
SANTA FE, NEW MEXICO 87504  
(505) 982-4554  
FAX (505) 982-8623

**Mewbourne Oil Company**  
**Case No. 23586**  
**Exhibit C-1**

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

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

**CASE NO. 23585 & 23586**

**NOTICE LETTER CHART**

<b>PARTY</b>	<b>NOTICE LETTER SENT</b>	<b>RETURN RECEIVED</b>
Black Mountain Operating, LLC 425 Houston Street, STE 400 Fort Worth, TX 76102	06/08/23	06/16/23
J.T. Jackson and Associates Attn: J. T. Jackson 2302 Sierra Vista Drive Artesia, New Mexico, 88210	06/08/23	06/15/23
Marathon Oil Permian LLC Attn: Chase Rice 990 Town and Country Blvd. Houston, TX 77024	06/08/23	06/20/23
Patrick K. Monaghan, Trustee of the Patrick K. Monaghan Trust under Trust Agreement dated November 24, 2010 2610 W. Sunnyside Ave. Chicago, Illinois 60625	06/08/23	06/21/23
Pegasus Inc. PO Box 1456 Roswell, NM 88202-1456	06/08/23	06/15/23
Sundown Energy LP 16400 Dallas Parkway, STE 100 Dallas, TX 75248	06/08/23	06/15/23
T.H. McElvain Oil & Gas LLLP 1819 Denver West Drive, STE 260 Lakewood, CO 80202	06/08/23	06/15/23

**Mewbourne Oil Company  
Case No. 23586  
Exhibit C-2**



7020 0640 0000 0304 0305

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**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

Street Black Mountain Operating, LLC  
 425 Houston St., Ste. 400  
 City, Fort Worth, TX 76102  
 23585-86 Mewbourne-Belgian Blue

PS Form 3800, April 2015 PSN 7530-02-000-9947 See Reverse for Instructions

Santa Fe, NM 87501  
 JUN 08 2023

**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:

Black Mountain Operating, LLC  
 425 Houston Street, STE 400  
 Fort Worth, TX 76102  
 23585-86 Mewbourne - Belgian Blue

9590 9402 8299 3094 9837 74

2. Article Number (Transfer from service label)  
 7020 0640 0000 0304 0305

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
☒ Agent  
☐ Addressee

B. Received by (Printed Name)  
 J. Halley

C. Date of Delivery  
 6/13/23

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

**RECEIVED**  
 JUN 16 2023

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☐ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Insured Mail Restricted Delivery (over \$500)

☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery

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

**Mewbourne Oil Company**  
**Case No. 23586**  
**Exhibit C-3**

7020 0640 0000 0304 0350

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**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  
 J.T. Jackson and Associates  
 Attn: J.T. Jackson  
 2302 Sierra Vista Drive  
 City, State, ZIP+4® Artesia, NM 88210 23585-86 Mewbourne-Belgian B

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:  
 J.T. Jackson and Associates  
 Attn: J. T. Jackson  
 2302 Sierra Vista Drive  
 Artesia, New Mexico, 88210  
 23585-86 Mewbourne - Belgian Blue

2. Article Number (Transfer from service label)  
 7020 0640 0000 0304 0350

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☒ Agent ☒ Addressee  
 X *J. T. Jackson*

B. Received by (Printed Name) C. Date of Delivery  
 J. T. Jackson 6-12-23

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

**RECEIVED**  
 JUN 15 2023

3. Service Type **Hinkle Shanor LLP** Priority Mail Express®  
☐ Adult Signature **Santa Fe NM 87504** Registered Mail™  
☐ Adult Signature Restricted Delivery Registered Mail Restricted Delivery  
☐ Certified Mail®  
☐ Certified Mail Restricted Delivery Signature Confirmation™  
☐ Collect on Delivery Signature Confirmation Restricted Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Insured Mail Restricted Delivery (over \$500)

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



U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT**  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**OFFICIAL**

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  
 Marathon Oil Permian LLC  
 Attn: Chase Rice  
 990 Town and Country Blvd.  
 Houston, TX 77024 23585-86 Mewbourne-BB

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

Postmark Here JUN 08 2023

7020 0640 0000 0304 0374

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>Marathon Oil Permian LLC            Attn: Chase Rice            990 Town and Country Blvd.            Houston, TX 77024            23585-86 Mewbourne - Belgian Blue</p> <p>2. Article Number (Transfer from service label)            7020 0640 0000 0304 0374</p>	<p>A. Signature            X <i>[Signature]</i> JUN 13 2023</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes            If YES, enter delivery address below:  <b>RECEIVED</b>            JUN 20 2023</p>
<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>	<p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>

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



2820 4020 0304 0207

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Certified Mail Fee  
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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  
 Patrick K. Monaghan, Trustee of the Patrick K. Monaghan Trust UTA dated 11/24/2010  
 2610 W. Sunnyside Ave.  
 Chicago, IL 60625 23585-86 Mewbourne-BB

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

**SANTA FE, NM 87501**  
**JUN 08 2023**  
 Postmark Here

**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:  
 Patrick K. Monaghan, Trustee of the Patrick K. Monaghan Trust under Trust Agreement dated November 24, 2010  
 2610 W. Sunnyside Ave.  
 Chicago, Illinois 60625  
 23585-86 Mewbourne - Belgian Blue

9590 9402 8299 3094 9837 98

2. Article Number (Transfer from service label)  
 7020 0640 0000 0304 0282

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
**X**

☐ Agent  
☐ Addressee

B. Received by (Printed Name)  
 C. Date of Delivery  
**JUN 21 2023**

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

**RECEIVED**

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☐ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Insured Mail Restricted Delivery (over \$500)

**Santa Fe NM 87501**  
☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery

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

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Certified Mail Fee  
 \$

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage  
 \$


Total Postage and Fees  
 \$

Sent To  
 Pegasus Inc.  
 P.O. Box 1456  
 Roswell, NM 88202-1456  
 City, 23585-86 Mewbourne-Belgian Blue

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

FE. NM 8750  
 JUN 08 2023  
 Postmark Here

4700 4000 0000 0490 0202

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>Pegasus Inc.            PO Box 1456            Roswell, NM 88202-1456            23585-86 Mewbourne - Belgian Blue</p> <p>9590 9402 8299 3094 9837 43</p> <p>2. Article Number (Transfer from service label)            7020 0640 0000 0304 0343</p>	<p>A. Signature            X </p> <p>B. Received by (Printed Name)            Santana Vigil</p> <p>C. Date of Delivery            JUN 5 2023</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes            If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type  <input checked="" type="checkbox"/> Adult Signature  <input type="checkbox"/> Adult Signature Restricted Delivery  <input type="checkbox"/> Certified Mail®  <input type="checkbox"/> Certified Mail Restricted Delivery  <input type="checkbox"/> Collect on Delivery  <input type="checkbox"/> Collect on Delivery Restricted Delivery  <input type="checkbox"/> Insured Mail  <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> <p><b>Hinkle Shanor LLP</b>  <b>Santa Fe, NM 87504</b></p> <p><input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Registered Mail™  <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>

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



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Certified Mail Fee  
 \$

Extra Services & Fees (check box, and fees 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  
 Sundown Energy LP  
 16400 Dallas Parkway, Ste. 100  
 Dallas, TX 75248  
 City 23585-86 Mewbourne-Belgian Blue

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

7020 0640 0000 0304 0367

SANTA, FE, NM 87501  
 JUN 08 2023

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input checked="" type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)            Denise Smith</p> <p>C. Date of Delivery            6/12/23</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes            If YES, enter delivery address below: <input type="checkbox"/> No</p> <p><b>RECEIVED</b>            JUN 15 2023</p>
<p>1. Article Addressed to:</p> <p>Sundown Energy LP            16400 Dallas Parkway, STE 100            Dallas, TX 75248</p> <p>23585-86 Mewbourne - Belgian Blue</p> <p>9590 9402 8299 3094 9837 29</p>	<p>3. Service Type  <input type="checkbox"/> Adult Signature  <input type="checkbox"/> Adult Signature Restricted Delivery  <input type="checkbox"/> Certified Mail<sup>®</sup>  <input type="checkbox"/> Certified Mail Restricted Delivery  <input type="checkbox"/> Collect on Delivery  <input type="checkbox"/> Collect on Delivery Restricted Delivery  <input type="checkbox"/> Insured Mail  <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> <p><input type="checkbox"/> Priority Mail Express<sup>®</sup>  <input type="checkbox"/> Registered Mail<sup>TM</sup>  <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Signature Confirmation<sup>TM</sup>  <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>2. Article Number (Transfer from service label)            7020 0640 0000 0304 0367</p>	<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>

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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  
 \$

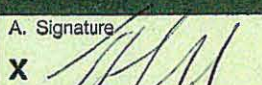
**Total Postage and Fees**  
 \$

Sent To  
 Street T.H. McElvain Oil & Gas LLLP  
 1819 Denver West Drive, Ste. 260  
 Lakewood, CO 80202  
 City, 23585-86 Mewbourne-Belgian Blue

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

7020 0640 0000 0304 0312

SANTA FE NM 87507  
 JUN 08 2023  
 Postmark Here  
 USPS

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>T.H. McElvain Oil &amp; Gas LLLP            1819 Denver West Drive, STE 260            Lakewood, CO 80202</p> <p>23585-86 Mewbourne - Belgian Blue</p> <p>9590 9402 8299 3094 9837 81</p> <p>2. Article Number (Transfer from service label)</p> <p>7020 0640 0000 0304 0312</p>	<p>A. Signature            X </p> <p><input type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)</p> <p>C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes            If YES, please provide business address: <input type="checkbox"/> No</p> <p><b>RECEIVED</b>            JUN 08 2023</p> <p>3. Service Type  <input type="checkbox"/> Adult Signature  <input type="checkbox"/> Adult Signature Restricted Delivery  <input type="checkbox"/> Certified Mail®  <input type="checkbox"/> Certified Mail Restricted Delivery  <input type="checkbox"/> Collect on Delivery  <input type="checkbox"/> Collect on Delivery Restricted Delivery  <input type="checkbox"/> Insured Mail  <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> <p><input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Registered Mail™  <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>

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



**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  
June 11, 2023  
and ending with the issue dated  
June 11, 2023.

  
Publisher

Sworn and subscribed to before me this  
11th day of June 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  
June 11, 2023**

This is to notify all interested parties, including Sundown Energy LP; J.T. Jackson and Associates; Pegasus Inc.; Oscura Resources, Inc.; Branex Resources, Inc.; Black Mountain Operating, LLC; T.H. McElvain Oil & Gas LLLP; Patrick K. Monaghan, Trustee of the Patrick K. Monaghan Trust under Trust Agreement dated November 24, 2010; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Mewbourne Oil Company (Case No. 23586). The hearing will be conducted remotely on July 6, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 21 and 28, Township 18 South, Range 35 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Belgian Blue 28/21 State Com #523H (B2NC)** well ("Well"), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 28 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 21. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 17 miles west of Hobbs, New Mexico.  
#00279485

02107475

00279485

GILBERT  
HINKLE, SHANOR LLP  
PO BOX 2068  
SANTA FE, NM 87504

**Mewbourne Oil Company**  
**Case No. 23586**  
**Exhibit C-4**