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

APPLICATION OF MEWBOURNE OIL COMPANY TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22818, LEA COUNTY, NEW MEXICO

CASE NO. 23949 ORDER NO. R-22818

EXHIBIT INDEX

Exhibit A	Self-Affirmed Statement of Brad Dunn
A-1	Application & Proposed Notice of Hearing
A-2	Order No. R-22818
A-3	Plat of Tracts, Tract Ownership, Additional Pooled Parties
A-4	Sample Well Proposal Letter & AFEs
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Dana S. Hardy
B-1	Sample Notice Letter to All Interested Parties
B-2	Chart of Notice to All Interested Parties
B-3	Copies of Certified Mail Receipts and Returns
B-4	Affidavit of Publication for November 8, 2023

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

APPLICATION OF MEWBOURNE OIL COMPANY TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22818, LEA COUNTY, NEW MEXICO

CASE NO. 23949 ORDER NO. R-22818

SELF-AFFIRMED STATEMENT OF BRAD DUNN

- 1. I am a Petroleum Landman with 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 this case. Copies of the 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. On August 4, 2023, the Division entered Order No. R-22818 ("Order") in Case No. 23637, which pooled uncommitted interests in the Bone Spring formation underlying a non-standard horizontal spacing unit comprised of Sections 6 and 7, Township 19 South, Range 35 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Beefalo 7/6 State Com #401H, Beefalo 7/5 State Com #404H, and Beefalo 7/6 State Com #408 wells ("Wells") and designated Mewbourne as operator of the Unit and Wells.
 - 5. A copy of the Order is attached as **Exhibit A-2**.
- 6. Since the Order was entered, Mewbourne has identified additional uncommitted interests in the Unit that have not been pooled under the terms of the Order.

Mewbourne Oil Company Case No. 23949 Exhibit A

- 7. **Exhibit A-3** provides a plat of the tracts included in the Unit, identifies the interests in each tract, and identifies the additional uncommitted interests to be pooled under the terms of the Order, which are highlighted in yellow. The additional interest owners to be pooled are locatable.
- 8. **Exhibit A-4** is a sample well proposal letter and AFEs that I sent to the additional parties to be pooled under the terms of the Order.
- 9. In my opinion, Mewbourne made a good-faith effort to reach voluntary joinder as indicated by the chronology of contact described in **Exhibit A-5**.
- 10. Mewbourne requests the additional uncommitted interests be pooled under the terms of the Order.
- 11. In my opinion, the granting of Mewbourne's application would serve the interests of conservation and prevention of waste.
- 12. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- I understand this Self-Affirmed Statement will be used as written testimony in this case. 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 next to my signature below.

Brad Dunn

11 30 2023

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

APPLICATION OF MEWBOURNE OIL COMPANY TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22818, LEA COUNTY, NEW MEXICO.

CASE NO. 23949 ORDER NO. R-22818

APPLICATION

Pursuant to NMSA § 70-2-17, Mewbourne Oil Company ("Applicant") (OGRID No. 14744) files this application with the Oil Conservation Division ("Division") for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22818. Applicant states the following in support of its application.

- 1. On August 4, 2023, the Division entered Order No. R-22818 ("Order") in Case No. 23637, which pooled uncommitted interests in the Bone Spring formation underlying a non-standard horizontal spacing unit comprised of Sections 6 and 7, Township 19 South, Range 35 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Beefalo 7/6 State Com #401H, Beefalo 7/6 State Com #404H, and Beefalo 7/6 State Com #408H wells ("Wells") and designated Applicant as operator of the Unit and Wells.
- 2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.
- 3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

Mewbourne Oil Company Case No. 23949 Exhibit A-1 4. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of the Order.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on December 7, 2023, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22818.

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) 982-8623 dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

Counsel for Mewbourne Oil Company

Application of Mewbourne Oil Company to Pool Additional Interests Under Order No. R-22818, Lea County, New Mexico. Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22818. Order No R-22818 ("Order") pooled uncommitted interests in the Bone Spring formation underlying a non-standard horizontal spacing unit comprised of Sections 6 and 7, Township 19 South, Range 35 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Beefalo 7/6 State Com #401H, #404H, and #408H wells ("Wells") and designated Applicant as operator of the Unit and Wells. Since the Order was entered, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 18 miles west of Hobbs, New Mexico.

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY MEWBOURNE OIL COMPANY

CASE NO. 23637 ORDER NO. R-22818

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on July 6, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Mewbourne Oil Company ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.

Mewbourne Oil Company Case No. 23949 Exhibit A-2

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- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
- 20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 21. This Order shall terminate automatically if Operator fails to comply with Paragraph 20 unless Operator obtains an extension by amending this Order for good cause shown.
- 22. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 23. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled

CASE NO. 23637 ORDER NO. R-22818

Page 2 of 7

Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 25. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 26. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

- 30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 31. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 32. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 33. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 34. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 et seg., and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 et seg.
- 35. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 36. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DIRECTOR

DMF/hat

Date: 8/4/2023

Exhibit A

Received by OCD: 6/30/2023 4:27:43 PM Page 2 of 143 COMPULSORY POOLING APPLICATION CHECKLIST ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS Case: 23637 APPLICANT'S RESPONSE Date July 6, 2023 Applicant Mewbourne Oil Company Designated Operator & OGRID (affiliation if applicable) OGRID No. 14744 Applicant's Counsel: Hinkle Shanor LLP Application of Mewbourne Oil Company for Compulsory Pooling, Lea Case Title: County, New Mexico. Entries of Appearance/Intervenors: None Well Family Beefalo 7/6 State Com Formation/Pool 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: Scharb; Bone Spring Pool (Code 55610) Well Location Setback Rules: Statewide **Spacing Unit** Type (Horizontal/Vertical) Horizontal Size (Acres) 1,271.48-acres **Building Blocks:** quarter-quarter Orientation: South/North Description: TRS/County All of Sections 6 and 7, Township 19 South, Range 35 East, Lea County Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is No. The non-standard well spacing has been approved approval of non-standard unit requested in this application? administratively for this Unit by the OCD. Other Situations 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 Name & API (if assigned), surface and bottom hole location, footages, Add wells as needed completion target, orientation, completion status (standard or nonstandard) Well #1 Beefalo 7/6 State Com #401H (API # ---) SHL: 420' FNL & 2390' FEL (Unit B), Section 18, T19S, R35E BHL: 100' FNL & 330' FWL (Lot 4), Section 6, T19S, R35E Completion Target: Bone Spring (Approx. 9,631' TVD) Well #2 Beefalo 7/6 State Com #404H (API # ---) SHL: 420' FNL & 2350' FEL (Unit B), Section 18, T19S, R35E BHL: 100' FNL & 2500' FWL (Lot 3), Section 6, T19S, R35E Completion Target: Bone Spring (Approx. 9,616' TVD)

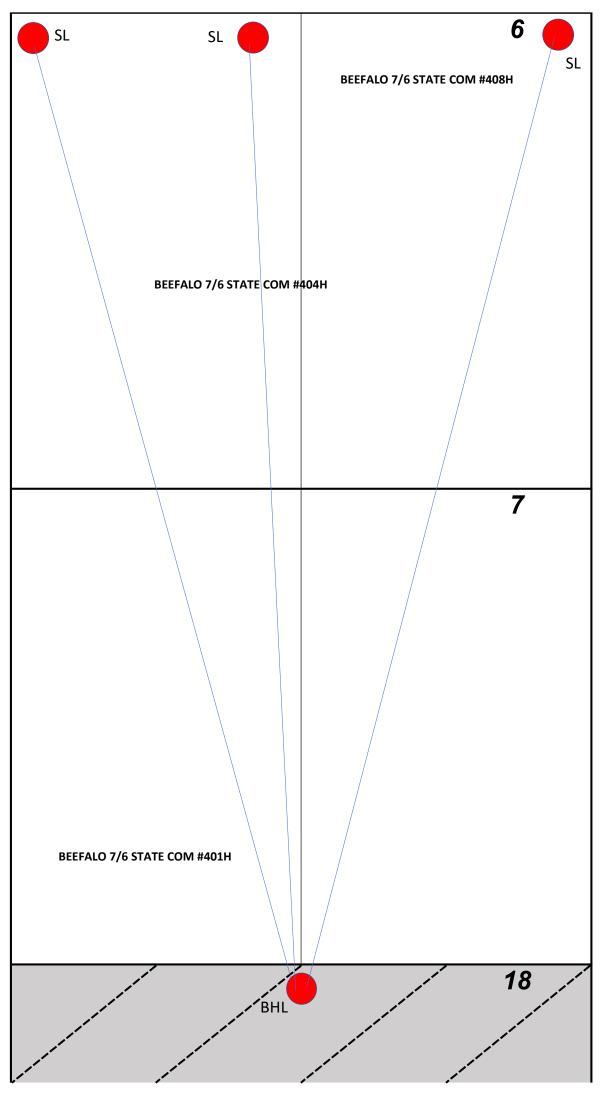
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Received by OCD: 6/30/2023 4:27:43 PM	Page 3 of
Well #3	Beefalo 7/6 State Com #408H (API #) SHL: 420' FNL & 2310' FEL (Unit B), Section 18, T19S, R35E BHL: 100' FNL & 500' FEL (Lot 1), Section 6, T19S, R35E Completion Target: Bone Spring (Approx. 9,671' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000.00
Production Supervision/Month \$	\$1,000.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
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 (20 days before hearing)	Exhibit C-4
Ownership Determination	ENTER OF
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
	11/4
Unlocatable Parties to be Pooled Ownership Depth Severance (including percentage above & below)	N/A N/A
	.,,
Joinder	
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 Exhibit A-4
Geology	
Geology Summary (including special considerations)	Exhibit A-4
Geology Summary (including special considerations) Spacing Unit Schematic	Exhibit A-4 Exhibit B
Geology Summary (including special considerations) Spacing Unit Schematic Gunbarrel/Lateral Trajectory Schematic	Exhibit A-4 Exhibit B Exhibit B-1
Geology Summary (including special considerations) Spacing Unit Schematic Gunbarrel/Lateral Trajectory Schematic Well Orientation (with rationale)	Exhibit A-4 Exhibit B Exhibit B-1 N/A
Geology Summary (including special considerations) Spacing Unit Schematic Gunbarrel/Lateral Trajectory Schematic Well Orientation (with rationale) Target Formation	Exhibit A-4 Exhibit B Exhibit B-1 N/A Exhibit B Exhibit B
Geology Summary (including special considerations) Spacing Unit Schematic Gunbarrel/Lateral Trajectory Schematic Well Orientation (with rationale) Target Formation HSU Cross Section	Exhibit A-4 Exhibit B Exhibit B-1 N/A Exhibit B Exhibit B Exhibit B Exhibit B
Geology Summary (including special considerations) Spacing Unit Schematic Gunbarrel/Lateral Trajectory Schematic Well Orientation (with rationale) Target Formation HSU Cross Section Depth Severance Discussion	Exhibit A-4 Exhibit B Exhibit B-1 N/A Exhibit B Exhibit B
Geology Summary (including special considerations) Spacing Unit Schematic Gunbarrel/Lateral Trajectory Schematic Well Orientation (with rationale) Target Formation HSU Cross Section Depth Severance Discussion Forms, Figures and Tables	Exhibit A-4 Exhibit B Exhibit B-1 N/A Exhibit B Exhibit B Exhibit B Exhibit B N/A
Geology Summary (including special considerations) Spacing Unit Schematic Gunbarrel/Lateral Trajectory Schematic Well Orientation (with rationale) Target Formation HSU Cross Section Depth Severance Discussion Forms, Figures and Tables C-102	Exhibit A-4 Exhibit B Exhibit B-1 N/A Exhibit B Exhibit B Exhibit B Exhibit B-3 N/A Exhibit A-2
Cost Estimate for Production Facilities Geology Summary (including special considerations) Spacing Unit Schematic Gunbarrel/Lateral Trajectory Schematic Well Orientation (with rationale) Target Formation HSU Cross Section Depth Severance Discussion Forms, Figures and Tables C-102 Tracts Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-4 Exhibit B Exhibit B-1 N/A Exhibit B Exhibit B Exhibit B Exhibit B N/A

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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
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provide	ed in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	6/30/2023

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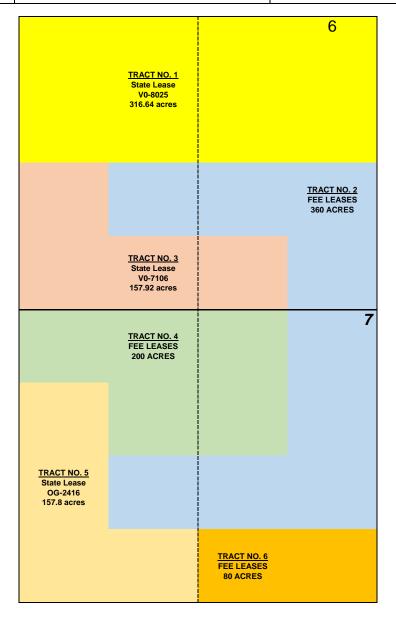
BEEFALO 7/6 STATE COM #408H BEEFALO 7/6 STATE COM #401H BEEFALO 7/6 STATE COM #404H ALL of Sections 6 & 7, T19S, R35E Lea COUNTY, NM



Mewbourne Oil Company Case No. 23949 Exhibit A-3

RECAPITUALTION BEEFALO 7/6 STATE COM #408H BEEFALO 7/6 STATE COM #401H BEEFALO 7/6 STATE COM #404H

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
1	316.64	24.886039%
2	360.00	28.293879%
3	157.92	12.411582%
4	200.00	15.718822%
5	157.80	12.402150%
6	80.00	6.287529
TOTAL	1272.36	100.00000%



TRACT OWNERSHIP BEEFALO 7/6 STATE COM #408H BEEFALO 7/6 STATE COM #401H BEEFALO 7/6 STATE COM #404H ALL of Sections 6 & 7, T19S, R35E Lea COUNTY, NM

ALL of Sections 6 & 7, T19S, R35E: Bone Spring formation:

% Leasehold Interest

Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	95.016293%
Marathon Oil Permian LLC *	Part of 4.983707%
GBB Royalties, LLC *	Part of 4.983707%
JSL Investments Ltd. Co. *)	Part of 4.983707%
MJK Mineral Partners, Ltd. *	Part of 4.983707%
Big 6 Drilling Company *	Part of 4.983707%
Charles B. Moore, Jr. *	Part of 4.983707%
C. Craig Folson *	Part of 4.983707%
Myrta Persons Management Trust u/t/a dated 7/21/1992 *	Part of 4.983707%
Nancy Malavansos *	Part of 4.983707%
Hugh T. Echols and Associates *	Part of 4.983707%
Donaldson Brown Royalty LP *	Part of 4.983707%

^{*} Total interest being pooled: 4.983707%

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

TELEPHONE (432) 682-3715

June 2, 2023

Via Certified Mail

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

Re:

- 1. BEEFALO 7/6 STATE COM #401H AFE
- 2. BEEFALO 7/6 STATE COM #404H AFE
- 3. BEEFALO 7/6 STATE COM #408H AFE
- 4. Beefalo 7/6 Joint Operating Agreement dated April 6, 2023 All of Sections 6 & 7, T19S, R35E Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1271.48 acre Working Interest Unit ("WIU") covering all of the above captioned Sections 6 and 7 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. BEEFALO 7/6 STATE COM #401H will have a surface location 420' FNL & 2390' FEL of Section 18 (T19S-R35E) and a bottom hole location approximately 100' FNL & 330' FWL of the above captioned Section 6. We anticipate drilling to an approximate total vertical depth of 9,631' and an approximate total measured depth of 20,200'. All of Sections 6 & 7 will be dedicated to the well as the proration unit.
- 2. BEEFALO 7/6 STATE COM #404H will have a surface location 420' FNL & 2350' FEL of Section 18 (T19S-R35E) and a bottom hole location approximately 100' FNL & 2500' FWL of the above captioned Section 6. We anticipate drilling to an approximate total vertical depth of 9,616' and an approximate total measured depth of 20,200'. All of Sections 6 & 7 will be dedicated to the well as the proration unit.
- 3. BEEFALO 7/6 STATE COM #408H will have a surface location 420' FNL & 2310' FEL of Section 18 (T19S-R35E) and a bottom hole location approximately 100' FNL & 500' FEL of the above captioned Section 6. We anticipate drilling to an approximate total vertical depth of 9,671' and an approximate total measured depth of 20,200'. All of Sections 6 & 7 will be dedicated to the well as the proration unit.

Mewbourne Oil Company Case No. 23949 Exhibit A-4 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.

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 and I will promptly email you a copy of the Beefalo 7/6 Operating Agreement dated April 6, 2023, for your review.

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

Sincerely,

MEWBOURNE OIL COMPANY

Brad Dunn

Petroleum Landman

AUTHORIZATION FOR EXPENDITURE

Well Name: BEEFALO 7/6 STATE COM #401H (B1MD) Pr	osp	ect: SA	NTA VACA 19/1	8	
Location: SL: 420 FNL & 2390 FEL (18); BHL: 100 FNL & 330 FWL (6)	Cor	unty: Lea	1		ST: NM
Sec. 7 Blk: Survey: 19	s	RNG:	35E Prop. TVD): <u>9631</u>	TMD: 20200
INTANGIBLE COSTS 0180		CODE	ТСР	CODE	СС
Regulatory Permits & Surveys	_ [0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	_	0180-0205	
Location / Restoration Daywork / Turnkey / Footage Drilling 26 days drlg / 3 days comp @ \$30000/d		0180-0106 0180-0110		0180-0206 0180-0210	
Fuel 1700 gal/day @ \$3.9/gal		0180-0110		0180-0210	
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120		0180-0220	
Mud - Specialized		0180-0121	\$225,000	0180-0221	\$200,000
Horizontal Drillout Services Stimulation Toe Preparation	\dashv		+	0180-0222 0180-0223	
Cementing	\dashv	0180-0125	\$120,000	0180-0225	
Logging & Wireline Services		0180-0130	\$34,000	0180-0230	\$375,000
Casing / Tubing / Snubbing Services		0180-0134		0180-0234	\$15,000
Mud Logging Stimulation 51 Stg 20.2 MM gal / 25.3 MM lb		0180-0137	\$15,000		© 047 000
Stimulation 51 Stg 20.2 MM gal / 25.3 MM lb Stimulation Rentals & Other	\dashv			0180-0241 0180-0242	
Water & Other 100% FW @ \$1.00/bbl	\dashv	0180-0145	\$35,000	0180-0242	
Bits		0180-0148		0180-0248	
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	
Misc. Air & Pumping Services	_	0180-0154		0180-0254	
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	
Completion / Workover Rig Rig Mobilization		2490 0164	¢150,000	0180-0260	\$10,500
Transportation		0180-0164 0180-0165		0180-0265	\$25,000
Welding, Construction & Maint. Services		0180-0168		0180-0268	
Contract Services & Supervision		0180-0100		0180-0200	
Directional Services Includes Vertical Control		0180-0175	\$391,000		
Equipment Rental		0180-0180		0180-0280	
Well / Lease Legal		0180-0184	_	0180-0284	
Well / Lease Insurance	_	0180-0185		0180-0285	
Intangible Supplies		0180-0188		0180-0288 0180-0290	
Damages Pipeline Interconnect, ROW Easements		0180-0190 0180-0192		0180-0290 0180-0292	
Company Supervision		0180-0192		0180-0292	
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)		0180-0199		0180-0299	
TOTA			\$3,184,100		\$5,489,900
TANGIBLE COSTS 0181			<u> </u>		
Casing (19.1" – 30")	——	0181-0793			
Casing (10.1" – 19.0") 1850' - 13 3/8" 54.5# J-55 ST&C @ \$76.3/ft		0181-0794			
Casing (8.1" – 10.0") 3600' - 9 5/8" 40# HCL80 LT&C @ \$60.83/ft	_	0181-0795			
Casing (6.1" – 8.0") 9400' - 7" 29# HPP110 BT&C @ \$59.83/ft Casing (4.1" – 6.0") 10950' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33.47/ft	-	0181-0796	\$600,600	0181-0797	\$391,400
Tubing 9200' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33.4//ft 9200' - 2 7/8" 6.5# L-80 IPC Tbg @ \$17.00/ft	\dashv		-	0181-0797 0181-0798	
Drilling Head	1	0181-0860	\$50,000		* · - ,
Tubing Head & Upper Section	\Box			0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger	\Box			0181-0871	
Subsurface Equip. & Artificial Lift	_			0181-0880	
Service Pumps (1/5) TP/CP/Circ pump	-			0181-0886	
Storage Tanks (1/5) 6 OT/5 WT/GB	-			0181-0890	
Emissions Control Equipment (1/5) 3 VRT/1 VRU/1 Flare/3 KO/1 AIR Separation / Treating Equipment (1/5) 1 Bulk H Sep/2 Test H Sep/1 V Sep/2 VHT/1 HHT	\dashv			0181-0892 0181-0895	
Automation Metering Equipment (1/5) I Bulk H Sep/2 Test H Sep/1 V Sep/2 VH1/1 HH1	\dashv		+	0181-0895	
Oil/Gas Pipeline-Pipe/Valves&Misc (1/5) Gas Line & GL Injection	\dashv			0181-0900	
Water Pipeline-Pipe/Valves & Misc			† <u></u>	0181-0901	\$11,000
On-site Valves/Fittings/Lines&Misc				0181-0906	
Wellhead Flowlines - Construction	_			0181-0907	
Cathodic Protection				0181-0908	
Electrical Installation Equipment Installation	-			0181-0909	
Oil/Gas Pipeline - Construction	\dashv		+	0181-0910 0181-0920	
Water Pipeline - Construction	\dashv			0181-0920	\$9,000
TOTA			¢1 035 300		
			\$1,035,300		\$1,368,400
SUBTOTA	Ti		\$4,219,400	<u> </u>	\$6,858,300
TOTAL WELL COST	<u> </u>		\$11,0	77,700	
Extra Expense Insurance					
I elect to be covered by Operator's Extra Expense Insurance and pay my prop					
Operator has secured Extra Expense Insurance covering costs of well control, clean up and re	edriii	ing as esuma	ited in Line item UTO	0-0185.	
If neither box is checked above, non-operating working interest owner elects to be covered by					
Joint owner agrees that item 0180-0245 will be provided by operator, if available, at the specified rate. Oper- conditions.	ator r	reserves the	right to adjust the rat	e due to a cha	ange in market
		2/24/202	-		
	ate:	3/31/202	<u>.3 </u>		
Company Approval: Da	ate:	4/3/2023	3		
American					
Joint Owner Interest: Amount:					
Joint Owner Name: Signature:					

AUTHORIZATION FOR EXPENDITURE

Well Name: BEEFALO 7/6 STATE COM #404H (B1NC)	Pros	spect: SA	NTA VACA 19/1	8		
Location: SL: 420 FNL & 2350 FEL (18); BHL: 100 FNL & 2500 FWL (6)	С	ounty: Le	a		s	Γ: NM
Sec. 7 Blk: Survey: TWI	P: 19S	RNG:	35E Prop. TVE	9616	TMD:	20200
INTANCIPI E COCTE 0400		CODE	TOD	CODE		
INTANGIBLE COSTS 0180 Regulatory Permits & Surveys		0180-0100	TCP \$20,000	CODE 0180-0200		CC
Location / Road / Site / Preparation		0180-010		0180-0205		\$35,000
Location / Restoration		0180-0106		0180-0206		\$35,000
Daywork / Turnkey / Footage Drilling 26 days drlg / 3 days comp @ \$3000 Fuel 1700 gal/day @ \$3.9/gal	00/d	0180-0110		0180-0210 0180-0214		\$96,100 \$319,000
Alternate Fuels		0180-011		0180-0215		\$97,000
Mud, Chemical & Additives		0180-0120	\$40,000	0180-0220		
Mud - Specialized		0180-012	\$225,000	0180-0221		# 000 000
Horizontal Drillout Services Stimulation Toe Preparation				0180-0222 0180-0223		\$200,000 \$40,000
Cementing		0180-012	\$120,000	0180-0225		\$55,000
Logging & Wireline Services		0180-0130		0180-0230		\$375,000
Casing / Tubing / Snubbing Services Mud Logging		0180-0134 0180-0137		0180-0234		\$15,000
Stimulation 51 Stg 20.2 MM gal / 25.3 MM lb		0100-013	\$15,000	0180-0241	9	2,947,000
Stimulation Rentals & Other				0180-0242	Ť	\$264,000
Water & Other 100% FW @ \$1.00/bbl		0180-014		0180-0245		\$511,000
Bits Inspection & Repair Services		0180-0148		0180-0248 0180-0250		\$5,000
Misc. Air & Pumping Services		0180-0150 0180-0154		0180-0250		\$5,000 \$10,000
Testing & Flowback Services		0180-0158		0180-0258		\$24,000
Completion / Workover Rig			4 04=0 ==	0180-0260		\$10,500
Rig Mobilization Transportation		0180-0164 0180-0165		0180-0265		\$25,000
Welding, Construction & Maint. Services		0180-0168		0180-0268		\$16,500
Contract Services & Supervision		0180-0170		0180-0270		\$60,000
Directional Services Includes Vertical Control		0180-0175				
Equipment Rental		0180-0180		0180-0280		\$20,000
Well / Lease Legal Well / Lease Insurance		0180-0184 0180-0185		0180-0284 0180-0285		
Intangible Supplies		0180-0188		0180-0288		\$1,000
Damages		0180-0190		0180-0290		\$10,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292		\$5,000
Company Supervision Overhead Fixed Rate		0180-0196		0180-0295 0180-0296		\$32,400 \$20,000
Contingencies 5% (TCP) 5% (CC)		0180-0199	+ -,	0180-0299		\$261,400
	TOTAL		\$3,184,100		\$	5,489,900
TANGIBLE COSTS 0181						
Casing (19.1" – 30")		0181-0793				
Casing (10.1" – 19.0") 1850' - 13 3/8" 54.5# J-55 ST&C @ \$76.3/ft Casing (8.1" – 10.0") 3600' - 9 5/8" 40# HCL80 LT&C @ \$60.83/ft		0181-0794 0181-0795				
Casing (6.1" – 8.0") 9400' - 7" 29# HPP110 BT&C @ \$59.83/ft		0181-0796				
Casing (4.1" – 6.0") 10950' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33	3.47/ft			0181-0797		\$391,400
Tubing 9200' - 2 7/8" 6.5# L-80 IPC Tbg @ \$17/ft			ΦΕ0.000	0181-0798		\$167,000
Drilling Head Tubing Head & Upper Section		0181-0860	\$50,000	0181-0870		\$30,000
Horizontal Completion Tools Completion Liner Hanger				0181-0870		\$75,000
Subsurface Equip. & Artificial Lift				0181-0880		\$25,000
Service Pumps (1/5) TP/CP/Circ pump				0181-0886		\$7,000
Storage Tanks (1/5) 6 OT/5 WT/GB Emissions Control Equipment (1/5) 3 VRT/1 VRU/1 Flare/3 KO/1 AIR				0181-0890		\$82,000 \$81,000
Separation / Treating Equipment (1/5) 1 Bulk H Sep/2 Test H Sep/1 V Sep/2 VHT/	/1 HHT			0181-0892 0181-0895		\$52,000
Automation Metering Equipment				0181-0898		\$44,000
Oil/Gas Pipeline-Pipe/Valves&Misc (1/5) Gas Line & GL Injection				0181-0900		\$16,000
Water Pipeline-Pipe/Valves & Misc		1		0181-0901		\$11,000
On-site Valves/Fittings/Lines&Misc Wellhead Flowlines - Construction		1	+	0181-0906 0181-0907		\$125,000 \$54,000
Cathodic Protection		1		0181-0907		ΨΟ-τ,ΟΟΟ
Electrical Installation				0181-0909		\$114,000
Equipment Installation		1		0181-0910		\$70,000
Oil/Gas Pipeline - Construction Water Pipeline - Construction		-		0181-0920 0181-0921		\$15,000 \$9,000
Treater - I penne - Constituction	TOTAL	İ	¢4 005 005	0101-0921	<u> </u>	
			\$1,035,300			\$1,368,400
	<u>UBTOTAL</u>	1	\$4,219,400	,		\$6,858,300
TOTAL WELL	COST		\$11,0	77,700		
Extra Expense Insurance		tionata aba	us of the massium			
I elect to be covered by Operator's Extra Expense Insurance and particle Operator has secured Extra Expense Insurance covering costs of well control, clear	n up and redr	illing as estim	ated in Line Item 018	0-0185.		
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 O	nerator's well	control incurance			
Joint owner agrees that item 0180-0245 will be provided by operator, if available, at the specified				e due to a cha	inge in m	arket
conditions.						
Prepared by: Andy Taylor	Date	3/31/20	23			
Company Approval:	Date	4/3/202	23			
Joint Owner Interest: Amount:						
	nature:					
John Ownor Hamo.						

AUTHORIZATION FOR EXPENDITURE

Well Name	e:		BEI	EFALO 7/6 STATE COM	#408H (B1PA)		Pros	pect: SA	NTA VACA 19/1	8		
Location:	SL:	420	FNL & 23	10 FEL (18); BHL: 100 I	FNL & 500 FEL (6	6)	Co	ounty: Le	a		s ⁻	T: NM
Sec. 7		Blk:	Surv	vey:		TWP:	198	RNG:	35E Prop. TVI	D: 9671	TMD:	20200
			<u> </u>	INTANCIBLE COSTS O	400			CODE	TOD	CODE		
Regulatory	Perm	nits &	Surveys	INTANGIBLE COSTS 0	180			0180-0100	TCP \$20,000	CODE 0180-0200		CC
Location / R				ation				0180-0105		0180-0205		\$35,000
Location / R						******		0180-0106		0180-0206		\$35,000
Daywork / T Fuel	urnk	ey / F	-ootage D	orilling 26 days drig 1700 gal/day	/ 3 days comp @	\$30000/d		0180-0110 0180-0114		0180-0210 0180-0214		\$96,100 \$319,000
Alternate Fu	uels			1700 garraa	/ 🥴 ψ3.9/gai			0180-011		0180-0214		\$97,000
Mud, Chem			ditives					0180-0120	\$40,000	0180-0220		
Mud - Spec								0180-012	\$225,000	0180-0221		# 000 000
Horizontal E Stimulation										0180-0222 0180-0223		\$200,000 \$40,000
Cementing	100	Порс	aration					0180-012	\$120,000	0180-0225		\$55,000
Logging & V								0180-0130		0180-0230		\$375,000
Casing / Tu Mud Loggin		/ Snu	ubbing Se	rvices				0180-0134 0180-0137	·	0180-0234		\$15,000
Stimulation				51 Stg 20.2	MM gal / 25.3 MM	M lb		0160-013	\$15,000	0180-0241	9	\$2,947,000
Stimulation		tals &	Other	5. 5.g _5.=	gui y zere iiii					0180-0242	,	\$264,000
Water & Ot	her			100% FW @	\$1.00/bbl			0180-014	' '	0180-0245		\$511,000
Bits Inspection 8	Ω P α	nair S	Ponvione					0180-0148		0180-0248 0180-0250		\$5,000
Misc. Air &								0180-015		0180-0250		\$10,000
Testing & F	lowb	ack S	Services					0180-0158		0180-0258		\$24,000
Completion			er Rig							0180-0260		\$10,500
Rig Mobiliza Transportat								0180-0164 0180-0165		0180-0265		\$25,000
Welding, Co		uction	n & Maint	Services				0180-0168		0180-0265 0180-0268		\$25,000 \$16,500
Contract Se								0180-0170		0180-0208		\$60,000
Directional				Includes Ver	tical Control			0180-017		-		
Equipment								0180-0180		0180-0280		\$20,000
Well / Lease Well / Lease	_		20					0180-0184 0180-0185		0180-0284 0180-0285		
Intangible S			<u> </u>					0180-0188		0180-0288		\$1,000
Damages								0180-0190	\$20,000	0180-0290		\$10,000
Pipeline Inte				asements				0180-0192		0180-0292		\$5,000
Company S Overhead F								0180-0198 0180-0198		0180-0295 0180-0296		\$32,400 \$20,000
Contingenc		itale	•	5% (TCP) 5%	(CC)			0180-0199	' '	0180-0290		\$261,400
				, ,	\ /	T	OTAL		\$3,184,100		•	5,489,900
				TANGIBLE COSTS 01	81							
Casing (19.								0181-0793				
Casing (10.)	1850' - 13 3/8" 54.5#				0181-0794				
Casing (8.1 Casing (6.1				3600' - 9 5/8" 40# HC 9400' - 7" 29# HPP11				0181-0798 0181-0798				
Casing (4.1				10950' - 4 1/2" 13.5#	•			0101 070	φοσο,σσο	0181-0797		\$391,400
Tubing				9200' - 2 7/8" 6.5# L-8	30 IPC Tbg @ \$17/f	't				0181-0798		\$167,000
Drilling Hea			0 11					0181-0860	\$50,000			
Tubing Hea Horizontal (Completion Liner Har	nger					0181-0870 0181-0871		\$30,000 \$75,000
Subsurface	_			•	igei					0181-0880		\$25,000
Service Pur	_			(1/5) TP/CP/Circ pum	р					0181-0886		\$7,000
Storage Tai				(1/5) 6 OT/5 WT/GB						0181-0890		\$82,000
Emissions (Separation		_		(1/5) 3 VRT/1 VRU/1 nt (1/5) 1 Bulk H Sep/2		/2 1/UT/4 UU	т			0181-0892 0181-0895		\$81,000 \$52,000
Automation		_			гезттоер/т v бер	″∠ VП I/ I ĦĦ		-		0181-0895		\$52,000
Oil/Gas Pip	eline	-Pipe	/Valves&l	Misc (1/5) Gas Line & GL I	njection					0181-0900		\$16,000
Water Pipel										0181-0901		\$11,000
On-site Valv Wellhead F										0181-0906 0181-0907		\$125,000 \$54,000
Cathodic Pr			JOH BUILD	uon				-		0181-0907		φυ4,000
Electrical In										0181-0909		\$114,000
Equipment										0181-0910		\$70,000
Oil/Gas Pip										0181-0920		\$15,000
Water Pipe	ıe -	Cons	SUUCTION				OT 4 1		A	0181-0921	<u> </u>	\$9,000
							OTAL		\$1,035,300			\$1,368,400
						SUBT	OTAL		\$4,219,400			\$6,858,300
					TOTAL \	WELL CO	ST		\$11,0	077,700		
Extra Expens												
	l e Or	elect t perator	t o be cove r has secure	red by Operator's Extra Extra Extra Expense Insurance cov	xpense Insurance a ering costs of well con	and pay my ntrol, clean up a	proport and redri	tionate sha Iling as estim	re of the premiun ated in Line Item 018	<mark>1.</mark> 60-0185.		
	Ιe	elect t	to purchas	se my own well control ins	urance policy.							
Joint owner				ked above, non-operating work 245 will be provided by operate						te due to a cha	inge in m	arket
conditions.				. ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,		-		- ,		-	
Pre	epare	d by: _		Andy Tay	lor		Date:	3/31/20	23			
Company	Appro	oval:	11	K Dil			Date:	4/3/202	23			
	• •	_										
Joint Own				Amount:		0:-						
_	or N	ame:				Signatui	e:					

Summary of Communications BEEFALO 7/6 STATE COM #408H BEEFALO 7/6 STATE COM #401H BEEFALO 7/6 STATE COM #404H

Marathon Oil Permian LLC

- 1) 8/22/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 8/25/2023: Well proposal letter with AFEs delivered to owner.
- 3) 11/16/2023: Email correspondence with owner answering questions about their interest.
- 4) 11/29/2023: Followed up with new potential owner. Sent them the JOA for their review. Owner says most likely they will participate under the pooling order.

GBB Royalties, LLC

- 1) 8/22/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 8/25/2023: Well proposal letter with AFEs delivered to owner.
- 3) 9/13/2023: Email correspondence with owner answering questions about their interest. Provided them with the JOA for their review.
- 4) 9/18/2023: Email correspondence with owner answering questions about their interest.
- 5) 9/21/2023: Email correspondence with owner answering questions about their interest.
- 6) 11/29/2023: Never heard back from owner. Nothing has been signed.

JSL Investments Ltd. Co.

- 1) 8/22/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 8/25/2023: Well proposal letter with AFEs delivered to owner.
- 3) 10/17/2023: Further internet search for updated contact information. No good working phone number or other address found.
- 4) 11/29/2023: Never heard back from owner. Nothing has been signed.

MJK Mineral Partners, Ltd.

- 1) 8/22/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 8/30/2023: Certified mail returned due to unlocatable/undeliverable address.
- 3) 9/12/2023: Detailed search on the internet for a new address of this company/current contact information. Owner unlocatable.
- 4) 10/29/2023: Detailed search on the internet for a new address of this company/current contact information. Owner unlocatable.

Mewbourne Oil Company Case No. 23949 Exhibit A-5

Big 6 Drilling Co.

- 1) 9/25/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 10/2/2023: Well proposal letter with AFEs delivered to owner.
- 3) 10/17/2023: Further internet search for updated contact information. No good working phone number or other address found.
- 4) 11/29/2023: Never heard back from owner. Nothing has been signed.

Charles B. Moore, Jr.

- 1) 8/22/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 9/6/2023: Well proposal letter with AFEs delivered to owner.
- 3) 10/17/2023: Further internet search for updated contact information. No good working phone number or other address found.
- 4) 11/29/2023: Never heard back from owner. Nothing has been signed.

C. Craig Folson

- 1) 9/12/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 9/26/2023: Well proposal letter with AFEs delivered to owner.
- 3) 11/2/2023: Email correspondence with owner answering questions about their interest.
- 4) 11/28/2023: Email correspondence with owner answering questions about their interest.
- 5) 11/29/2023: Owner indicates they most likely will participate but nothing has been signed yet. They are still attempting to work out a minor title issue.

Myrta Persons Management Trust U/A dated July 21, 1992 NationsBank Texas, N.A. Trust Real Estate

- 1) 9/25/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 10/17/2023: Confirmed certified mail delivery of well proposal packet to recipient.
- 3) 10/20/2023: Further internet search for updated contact information. No good working phone number or other address found.
- 4) 11/29/2023: Never heard back from owner. Nothing has been signed.

Nancy Malavansos

- 1) 8/22/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 9/6/2023: Certified mail returned due to unlocatable/undeliverable address.
- 3) 9/12/2023: Detailed search on the internet for a new address of this company/current contact information. Owner unlocatable.
- 4) 10/29/2023: Detailed search on the internet for a new address of this company/current contact information. Owner unlocatable.

Hugh T. Echols and Associates

- 1) 8/22/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 9/6/2023: Certified mail returned due to unlocatable/undeliverable address.
- 3) 9/12/2023: Detailed search on the internet for a new address of this company/current contact information. Owner unlocatable.
- 4) 10/29/2023: Detailed search on the internet for a new address of this company/current contact information. Owner unlocatable.

Donaldson Brown Royalty LP

- 1) 8/22/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 9/4/2023: Certified mail returned due to unlocatable/undeliverable address.
- 3) 9/12/2023: Detailed search on the internet for a new address of this company/current contact information. Owner unlocatable.
- 4) 10/29/2023: Detailed search on the internet for a new address of this company/current contact information. Owner unlocatable.

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

APPLICATION OF MEWBOURNE OIL COMPANY TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22818, LEA COUNTY, NEW MEXICO

CASE NO. 23949 ORDER NO. R-22818

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 Letters attached as **Exhibit B-1** and caused the Notice

Letters, along with the Application in this case, to be sent to the parties set out in the chart attached

as Exhibit B-2.

3. Exhibit B-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 B-**

3 as supporting documentation for proof of mailing and the information provided on Exhibit B-2.

5. On November 8, 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 B-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

November 4, 2023

Dana S. Hardy

Date

Mewbourne Oil Company Case No. 23949 Exhibit B



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

November 16, 2023

<u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 23949 – Application of Mewbourne Oil Company to Pool Additional Interests Under Order No. R-22818, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **December 7**, **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/ocd/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://www.apps.emnrd.nm.gov/OCD/OCDPermitting) or via e-mail to ocd.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

Mewbourne Oil Company Case No. 23949 Exhibit B-1

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

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

APPLICATION OF MEWBOURNE OIL COMPANY TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22818, LEA COUNTY, NEW MEXICO.

CASE NO. 23949 ORDER NO. R-22818

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Big 6 Drilling Company	11/16/23	11/29/23
Attn: Permian Land Manager		
7500 San Felipe, STE 250		
Houston, TX 77063		
Donaldson Brown Royalty LP	11/16/23	12/04/23
c/o William A. Lowell		
Attn: Permian Land Manager		
Two International Place		
Boston, Massachusetts 02110		
C. Craig Folson	11/16/23	11/27/23
3612 McFarlin Boulevard		
Dallas, TX 75205		
GBB Royalties, LLC	11/16/23	12/01/23
c/o Esther A. Streete, Esq., McNamee		
Hosea		
Attn: Permian Land Manager		
888 Bestgate Road, STE 402		
Annapolis, Maryland 21401		
Hugh T. Echols and Associates	11/16/23	12/04/23
Attn: Permian Land Manager		
333 Oak Ridge St		Return to sender.
Ingram, TX 78025-3520		
JSL Investments Ltd. Co.	11/16/23	Per USPS Tracking
Attn: Permian Land Manager		(Last Checked 12/05/23):
3405 Woody Creek		
Evergreen, Colorado 80439		11/25/23 – Item in transit
		to next facility.
Daniel Henry Lough	11/16/23	11/27/23
9 Hospital Dr, Apt. 321		
Canyon, Texas 79015-3162		
MJK Mineral Partners, Ltd.	11/16/23	11/27/23
Attn: Permian Land Manager		
PO Box 750		
Marble Falls, TX 78654		

Mewbourne Oil Company Case No. 23949 Exhibit B-2

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

APPLICATION OF MEWBOURNE OIL COMPANY TO POOL ADDITIONAL INTERESTS UNDER ORDER NO. R-22818, LEA COUNTY, NEW MEXICO.

CASE NO. 23949 ORDER NO. R-22818

NOTICE LETTER CHART

Nancy Malavansos	11/16/23	Per USPS Tracking
5853 Valley Forge Dr.		(Last Checked 12/05/23):
Houston, TX 77057		
		11/20/23 – Item being
		returned to sender.
Marathon Oil Permian LLC	11/16/23	11/27/23
Attn: Permian Land Manager		
990 Town and Country Blvd.		
Houston, TX 77024		
Charles B. Moore, Jr.	11/16/23	12/04/23
1013 W. 9th Street		
Austin, TX 78703		Return to sender.
Myrta Persons Management Trust u/t/a	11/16/23	Per USPS Tracking
dated 7/21/1992		(Last Checked 12/05/23):
Attn: Trust Department		
2911 Turtle Creek Boulevard, STE 1010		11/20/23 – Item being
Dallas, Texas 75219		returned to sender.



HINKLE SHANOR LLP
ATTORNEYS AT LAW
POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504

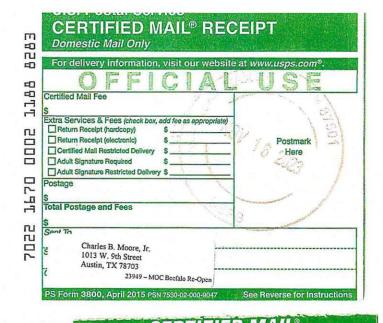
RECEIVED

DEC 4 2023

Hinkle Shanor LLP Santa Fe NM 87504



Mewbourne Oil Company Case No. 23949 Exhibit B-3



HINKLE SHANOR LLP

ATTORNEYS AT LAW

POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504





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DEC 4 2023

Hinkle Shanor LLP Santa Fe NM 87504

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Charles B. Moore, Jr. 1013 W. 9th Street Austin, TX 78703

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RETURN TO SENDER NOT DELIVERABLE AS ADDRESSED UNABLE TO FORWARD

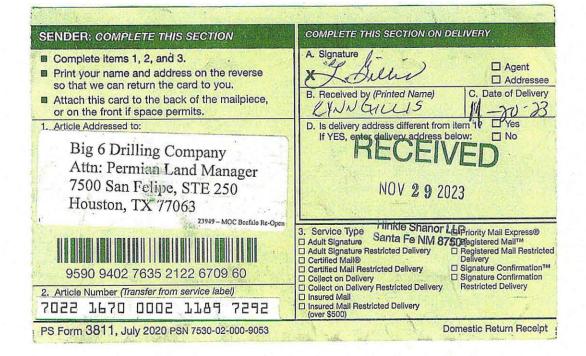
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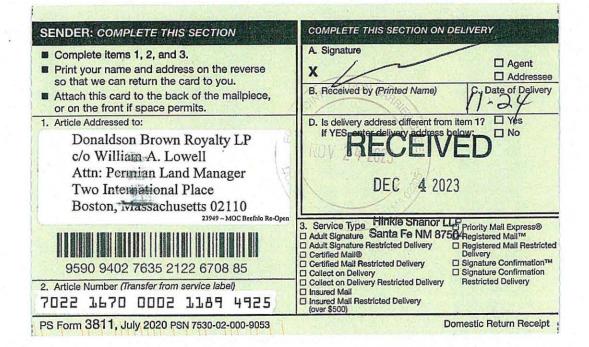
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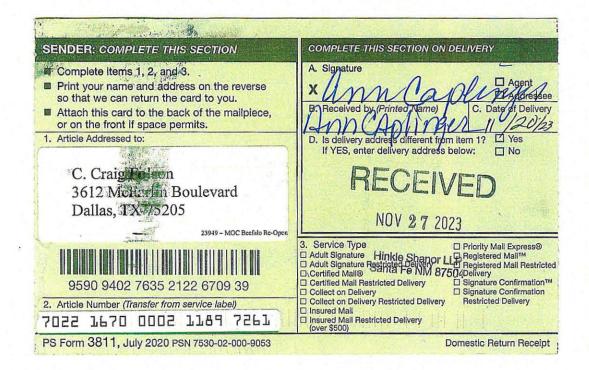
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Cii	Houston, TX 77063 23949 – MOC Beefalo Re-Open	



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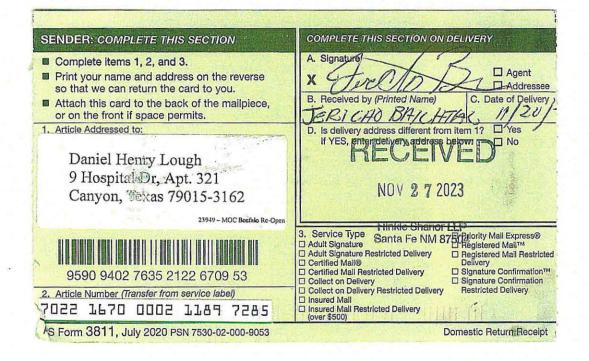




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/UCC	Se GBB Royalties, LLC c/o Esther A. Streete, Esq., McNamee Hosea Attn: Permian Land Manager 888 Bestgate Rond, STE 402 Annapolis, Maryland 21401 C 23949 – MOC Beifalo Re-Open

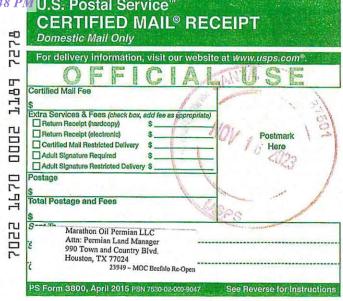






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Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: MJK Mineral Partners, Ltd. Attn: Permian Land Manager PO Box 750 Marble Falls, TX 78654	A. Signature X. Addressee B. Received by (Printed Name) D. Is delivery address different from Item 1? Yes If YES, enter delivery address below: No RECEIVED	
9590 9402 7635 2122 6709 08 2. Article Number (Transfer from service label) 7022 1670 0002 1189 4949	3. Service Type □ Adult Signature Hinkle Shanor LL Registered Mail™ Adult Signature Rearrice Televitory 875(Di Registered Mail™ □ Certified Mail® □ Qettified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Insured Mail □ Insured Mail Restricted Delivery (over \$500)	







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November 25, 2023

Departed USPS Regional Facility

DENVER CO DISTRIBUTION CENTER November 21, 2023, 9:20 am

Arrived at USPS Regional Facility

DENVER CO DISTRIBUTION CENTER November 19, 2023, 9:53 am

Departed USPS Facility

ALBUQUERQUE, NM 87101 November 17, 2023, 8:30 am Feedback

Arrived at USPS Facility
ALBUQUERQUE, NM 87101
November 16, 2023, 10:07 pm

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Enter tracking or barcode numbers	

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FAQs



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Alert

Refused

HOUSTON, TX 77057 November 20, 2023, 1:09 pm

In Transit to Next Facility

November 19, 2023

Arrived at USPS Regional Facility

NORTH HOUSTON TX DISTRIBUTION CENTER November 18, 2023, 3:23 pm

Departed USPS Facility

ALBUQUERQUE, NM 87101 November 17, 2023, 8:30 am

Arrived at USPS Facility

ALBUQUERQUE, NM 87101 November 16, 2023, 10:07 pm Feedbac

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FAQs



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FAQs >

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Latest Update

Your item was returned to the sender on November 20, 2023 at 5:39 pm in DALLAS, TX 75219 because the address was vacant or the business was no longer operating at the location and no further information was available.

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Vacant

DALLAS, TX 75219 November 20, 2023, 5:39 pm

In Transit to Next Facility

November 19, 2023

Arrived at USPS Regional Facility

DALLAS TX DISTRIBUTION CENTER November 18, 2023, 8:02 pm

Departed USPS Facility

ALBUQUERQUE, NM 87101 November 17, 2023, 8:30 am

Arrived at USPS Facility

ALBUQUERQUE, NM 87101 November 16, 2023, 10:07 pm Hide Tracking History

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Track Another Package	
Enter tracking or barcode numbers	

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FAQs

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 November 08, 2023 and ending with the issue dated November 08, 2023.

Publisher

Sworn and subscribed to before me this 8th day of November 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 publication has been made.

LEGAL NOTICE November 8, 2023

This is to notify all interested parties, including Big 6 Drilling Company, Attn: Permian Land Manager: Donaldson Brown Royalty LP, c/o William A. Lowell, Attn: Permian Land Manager; C. Craig Folson; GBB Royalties, LLC, c/o Esther A. Streete, Esq., McNamee Hosea, Attn: Permian Land Manager; Hugh T. Echols and Associates, Attn: Permian Land Manager; JSL Investments Ltd. Co., Attn: Permian Land Manager; Daniel Henry Lough; MJK Mineral Partners, Ltd., Attn: Permian Land Manager; Nancy Malavansos; Marathon Oil Permian LLC, Attn: Permian Land Manager; Charles B. Moore, Jr., Myrta Persons Management Trust u/t/a dated 7/21/1992, Attn: Trust Department; 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. 23949). The hearing will be conducted remotely on December 7, 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.emrd.nm.gov/ocd/hearing-info/. Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22818. Order No R-22818 ("Order") pooled uncommitted interests in the Bone Spring formation underlying a non-standard horizontal spacing unit comprised of Sections 6 and 7, Township 19 South, Range 35 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Beefalo 7/6 State Com #401H, #404H, and #408H wells ("Wells") and designated Applicant as operator of the Unit and Wells. Since the Order was entered, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 18 miles west of Hobbs, New Mexico. #00284682

02107475

GILBERT HINKLE, SHANOR LLP PO BOX 2068 SANTA FE, NM 87504 00284682

Mewbourne Oil Company Case No. 23949 Exhibit B-4