

**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. 24894**

**NOTICE OF AMENDED EXHIBITS**

As requested during the November 22, 2024 hearing in this matter, Mewbourne Oil Company is submitting the following amended exhibits:

- Compulsory Pooling Checklist – amended to correct the pool name and pool code;
- Exhibit A (Self-Affirmed Statement of Brad Dunn) – amended at Paragraph 6 to correct the pool name and pool code; and
- Exhibit A-2 (C-102) – amended to correct the pool name and pool code.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn McLean

Dylan M. Villescascas

P.O. Box 2068

Santa Fe, NM 87504-2068

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*Counsel for Mewbourne Oil Company*

**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. 24894**

**EXHIBIT INDEX**

**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, Unit Recapitulation, Pooled Parties |
| A-4 | Sample Well Proposal Letter & AFE  |
| A-5 | Chronology of Contact  |

**Exhibit B                      Self-Affirmed Statement of Charles Crosby**

- |     |                             |
|-----|-----------------------------|
| B-1 | General Location Map        |
| B-2 | Subsea Structure Map        |
| B-3 | Stratigraphic Cross-Section |

**Exhibit C                      Self-Affirmed Statement of Dana S. Hardy**

- |     |   |
|-----|---|
| C-1 | Notice Letter Sent October 9, 2024            |
| C-2 | Notice Letter Sent October 14, 2024           |
| C-3 | Chart of Notice to All Interested Parties     |
| C-4 | Copies of Certified Mail Receipts and Returns |
| C-5 | Affidavit of Publication for October 11, 2024 |
| C-6 | Affidavit of Publication for October 18, 2024 |

# COMPULSORY POOLING APPLICATION CHECKLIST

## ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

<b>Case: 24894</b>	<b>APPLICANT'S RESPONSE</b>
<b>Hearing Date: November 7, 2024</b>	
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company (OGRID No. 14744)
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Mewbourne Oil Company for Compulsory Poolin Lea County, New Mexico.
Entries of Appearance/Intervenors:	None
Well Family	Top Round
<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:	Vacuum; Bone Spring Mid Pool (Code 46195)
Well Location Setback Rules:	Statewide
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 acres
Building Blocks:	quarter-quarter
Orientation:	South to North
Description: TRS/County	W/2 W/2 of Section 16 and the W/2 SW/4 of Section 9, Township 18 South, Range 35 East, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> 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	Top Round 16/9 State Com 521H (API # pending) SHL: 443' FSL & 2,208' FWL (Unit N), Section 16, T18S, R35E BHL: 2,548' FSL & 600' FWL (Unit L), Section 9, T18S, R35E Completion Target: Bone Spring (Approx. TVD: 9,575')
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 \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
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)	Exhibits C-1, C-2, C-3, C-4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibitd C-5, C-6
<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>	N/A
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
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Dana S. Hardy
<b>Date:</b>	10/30/2024

**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. 24894**

**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 interests in the Bone Spring formation underlying a 240- acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 16 and the W/2 SW/4 of Section 9, Township 18 South, Range 35 East, Lea County, New Mexico ("Unit").

5. Mewbourne seeks to dedicate the Unit to the **Top Round 16/9 State Com #521H (B2ML)** well ("Well"), which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 16 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 9.

6. The Well will be completed in the Vacuum; Bone Spring Mid Pool (Code 46195).

7. The completed interval of the Well is expected to be orthodox.

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

9. **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.

10. **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 are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

11. Mewbourne has conducted a diligent search of all county public records, including phone directories, internet searches, and computer databases to identify all potential addresses and contact information for each interest owner it seeks to pool.

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


13. Mewbourne requests overhead and administrative rates of \$8,000.00 per month while the Well is being drilled and \$800.00 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.

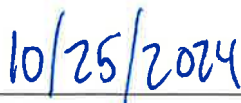
14. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

15. 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.

16. 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 identified next to my signature below.

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

  
\_\_\_\_\_  
Date



**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. 24894**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Mewbourne Oil Company, (OGRID No. 14744) (“Applicant”) applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 16 and the W/2 SW/4 of Section 9, Township 18 South, Range 35 East, Lea County, New Mexico (“Unit”). In support of its application, Mewbourne states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Top Round 16/9 State Com #521H (B2ML)** well (“Well”), which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 16 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 9.
3. The completed interval of the Well is expected to 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 interest owners.
5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
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 Well and the Unit.

**Mewbourne Oil Company  
Case No 24894  
Exhibit A-1**

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 31, 2024, 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 charges 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

Dylan M. Villescascas

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Counsel for Mewbourne Oil Company

**Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico.**

Mewbourne Oil Company (“Applicant”) applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 16 and the W/2 SW/4 of Section 9, Township 18 South, Range 35 East, Lea County, New Mexico (“Unit”). The Unit will be dedicated to the **Top Round 16/9 State Com #521H (B2ML)** well (“Well”), which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 16 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 9. The completed interval of the Well is expected to be orthodox. 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.

Mewbourne Oil Company

C-102  Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Case No 24894 Revised July 9, 2024 Exhibit A-2	
		Submittal Type:	<input type="checkbox"/> Initial Submittal
			<input type="checkbox"/> Amended Report
			<input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code 46195	Pool Name Vacuum; Bone Spring Mid
Property Code	Property Name TOP ROUND 16/9 STATE COM	Well Number 521H
OGRID No. 14744	Operator Name MEWBOURNE OIL COMPANY	Ground Level Elevation 3924'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL N	Section 16	Township 18S	Range 35E	Lot	Ft. from N/S 443 FSL	Ft. from E/W 2208 FWL	Latitude 32.7416554°N	Longitude 103.4638843°W	County LEA
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Bottom Hole Location

UL L	Section 9	Township 18S	Range 35E	Lot	Ft. from N/S 2548 FSL	Ft. from E/W 600 FWL	Latitude 32.7620072°N	Longitude 103.4691894°W	County LEA
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Dedicated Acres 240	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL M	Section 16	Township 18S	Range 35E	Lot	Ft. from N/S 10 FSL	Ft. from E/W 600 FWL	Latitude 32.7404814°N	Longitude 103.4691066°W	County LEA
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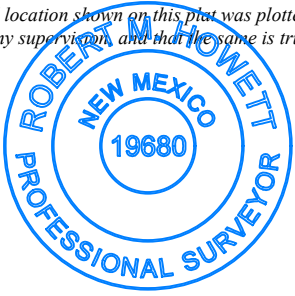
First Take Point (FTP)

UL M	Section 16	Township 18S	Range 35E	Lot	Ft. from N/S 100 FSL	Ft. from E/W 600 FWL	Latitude 32.7407287°N	Longitude 103.4691076°W	County LEA
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Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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<b>OPERATOR CERTIFICATIONS</b>  <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and , if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  <i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i>		<b>SURVEYOR CERTIFICATIONS</b>  <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me under my supervision, and that the same is true and correct to the best of my belief.</i>  	
Signature	Date	Signature and Seal of Professional Surveyor <i>Robert M. Howell</i>	
Printed Name		Certificate Number 19680	Date of Survey 06/24/2024
Email Address			

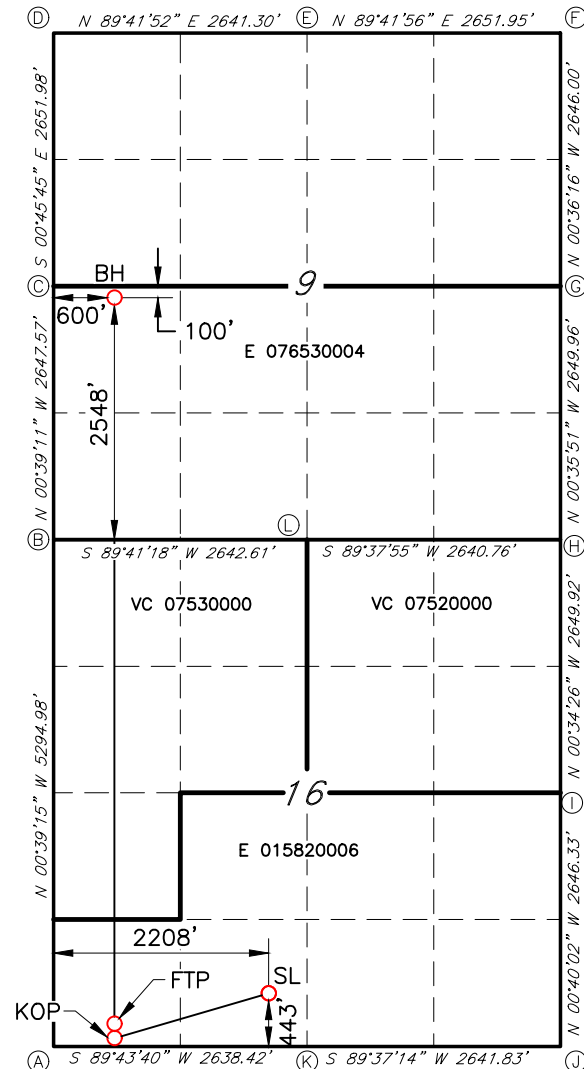
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

## ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is a directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

## TOP ROUND 16/9 STATE COM #521H



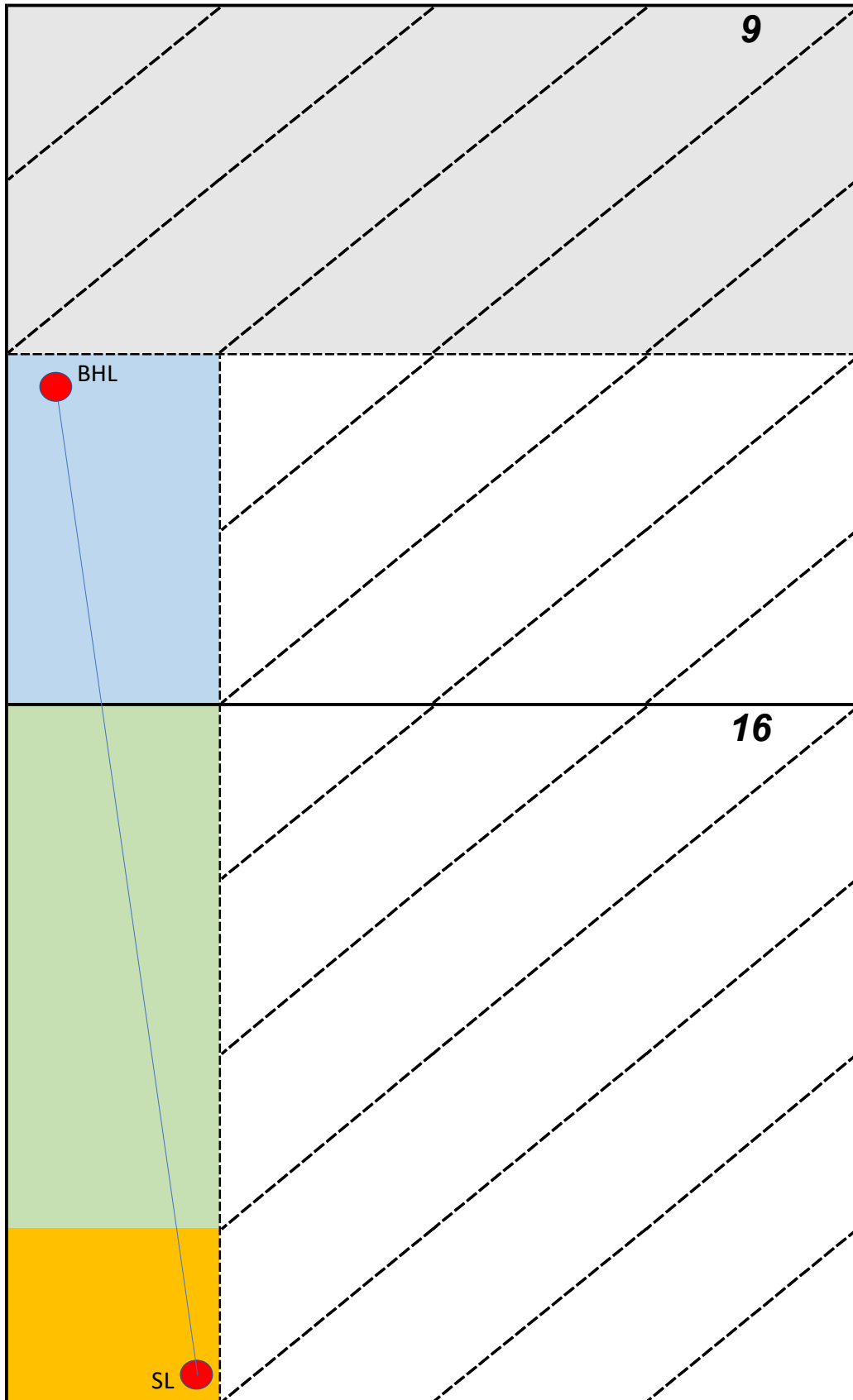
GEODETIC DATA  
NAD 83 GRID - NM EAST

<u>SURFACE LOCATION (SL)</u>	<u>FIRST TAKE POINT (FTP)</u>
N: 634643.0 - E: 808668.6	100' FSL & 600' FWL (SEC.16)
	N: 634292.7 - E: 807065.3
LAT: 32.7416554° N	LAT: 32.7407287° N
LONG: 103.4638843° W	LONG: 103.4691076° W
<u>KICK OFF POINT (FTP)</u>	<u>BOTTOM HOLE (BH)</u>
10' FSL & 600' FWL (SEC.16)	N: 642034.3 - E: 806976.9
N: 634202.7 - E: 807066.3	
LAT: 32.7404814° N	LAT: 32.7620072° N
LONG: 103.4691066° W	LONG: 103.4691894° W

CORNER DATA  
NAD 83 GRID - NM EAST

A: CALCULATED CORNER	G: FOUND SPIKE NAIL
N: 634189.9 - E: 806466.5	N: 642164.2 - E: 811660.7
B: FND 1/2" REBAR	H: FOUND 1/2" REBAR
N: 639483.5 - E: 806406.1	N: 639514.9 - E: 811688.4
C: FOUND NAIL	I: FOUND 8"x4"x6" LIMESTONE ROCK
N: 642130.4 - E: 806375.9	N: 636865.6 - E: 811714.9
D: FOUND NAIL	J: CALCULATED CORNER
N: 644781.6 - E: 806340.6	N: 634219.9 - E: 811745.7
E: FOUND RR SPIKE	K: FOUND 1/2" REBAR
N: 644795.6 - E: 808981.4	N: 634202.4 - E: 809104.4
F: FOUND SPIKE NAIL	L: FOUND 10"x4"x8" LIMESTONE ROCK
N: 644809.5 - E: 811632.8	N: 639497.9 - E: 809048.2

TOP ROUND 16-9 STATE COM #521H (B2ML)  
W/2W/2 of Section 16 & W/2SW/4 of Section 9, T18S, R35E  
Lea COUNTY, NM



Mewbourne Oil Company  
Case No 24894  
Exhibit A-3

**TRACT OWNERSHIP**  
**TOP ROUND 16-9 STATE COM #521H (B2ML)**  
**Section 16 (W/2W/2) & 9 (W/2SW/4), T18S, R35E**  
**Lea County, New Mexico**

**Sections 16 (W/2W/2) & 9 (W/2SW/4)**

**Bone Spring formation:**

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	84.583333%
* ZPZ Delaware I, LLC	6.666667%
* PBEX, LLC	6.011300%
*EGL Resources, Inc.	1.286200%
*The Grayrock Corporation	1.202500%
*Olive Petroleum, Inc.	0.187500%
*H. Grady Payne III	0.062500%
	<hr/> 100.000000%

**\* Total interest being pooled: 15.416667%**

**OWNERSHIP BY TRACT**

**W/2SW/4 Section 9 (80 Acres):**

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

**W/2NW/4 & NW/4SW/4 Section 16 (120 Acres):**

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

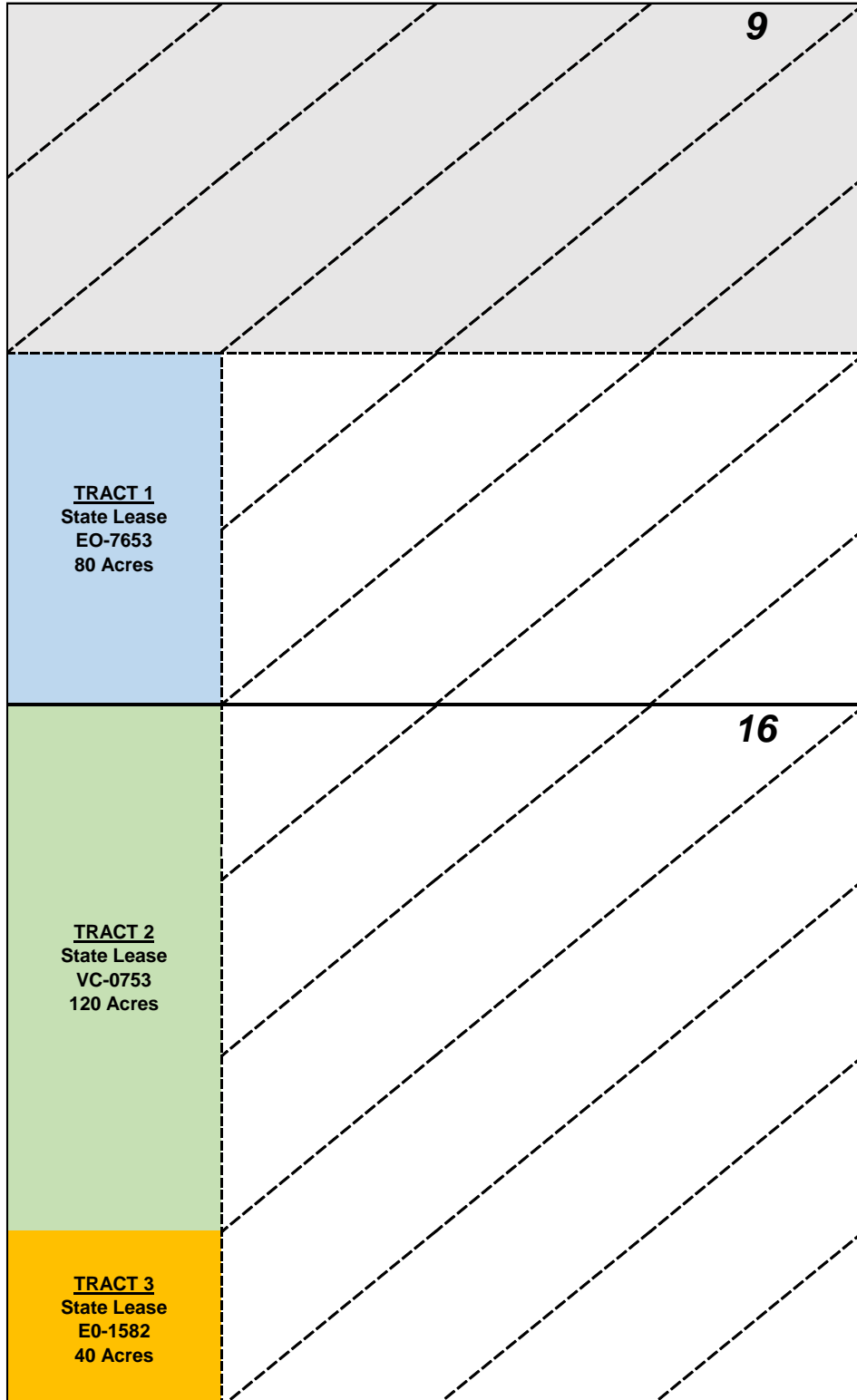
**SW/4SW/4 Section 16 (40 Acres):**

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	7.500000%
* ZPZ Delaware I, LLC	40.000000%
* PBEX, LLC	36.068000%

*EGL Resources, Inc.	7.717200%
*The Grayrock Corporation	7.215000%
*Olive Petroleum, Inc.	1.125000%
*H. Grady Payne III	0.375000%
	<hr/>
	100.000000%



**Section Plat**  
**TOP ROUND 16-9 STATE COM #521H (B2ML)**  
**W/2W/2 of Section 16 & W/2SW/4 of Section 9, T18S, R35E**  
**Lea COUNTY, NM**



**Tract No. 1:** W2SW4 Sec. 9— STATE LEASE EO-7653

Mewbourne Oil Company, et al

**Tract No. 2:** W2NW4 & NW4SW4 Sec. 16— STATE LEASE VC-0753

Mewbourne Oil Company, et al

**Tract No. 3:** SW4SW4 Sec. 16— STATE LEASE EO-1582

Mewbourne Oil Company, et al

ZPZ Delaware I, LLC

PBEX, LLC

EGL Resources, Inc.

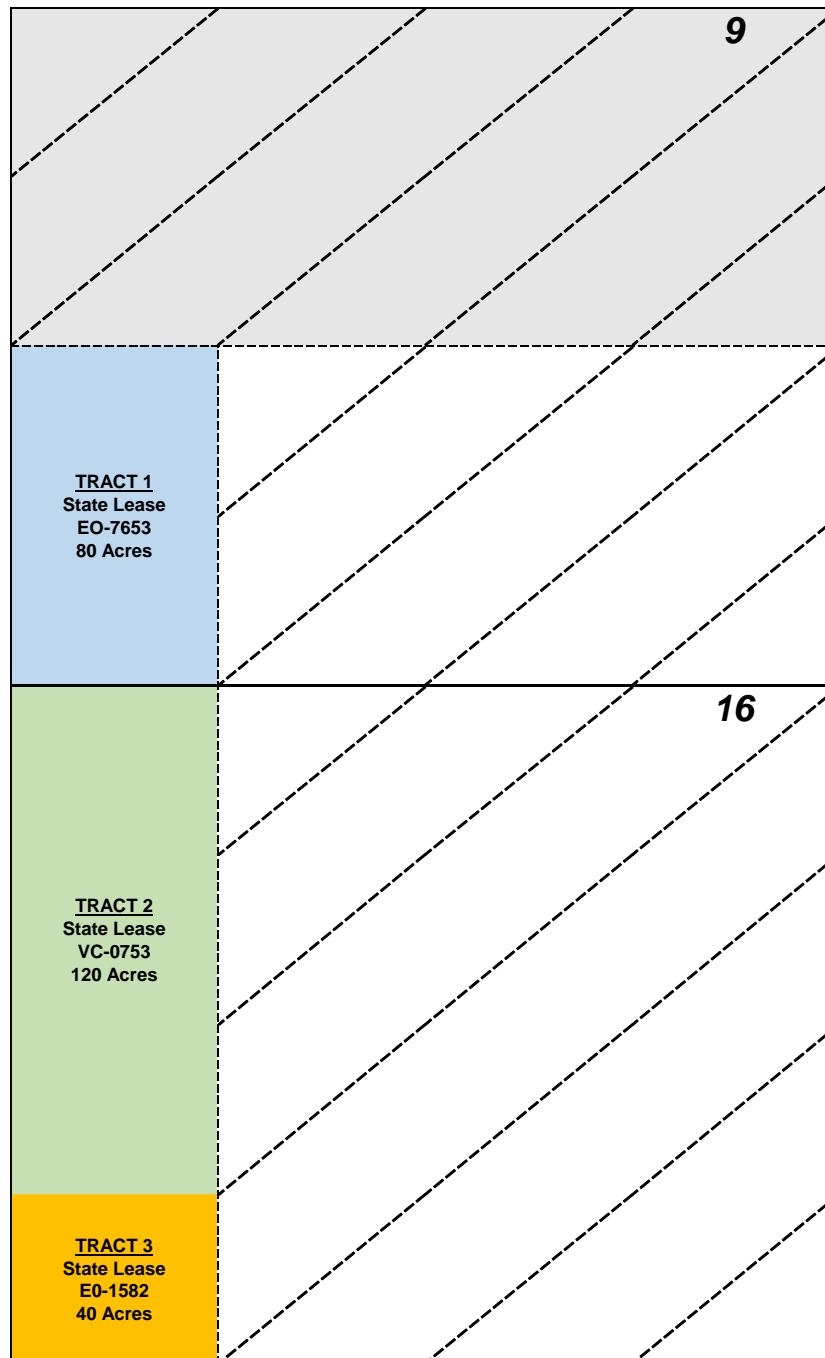
The Grayrock Corporation

Olive Petroleum, Inc.

H. Grady Payne III

**RECAPITULATION**  
**TOP ROUND 16-9 STATE COM #521H (B2ML)**  
**W/2W/2 of Section 16 & W/2SW/4 of Section 9, T18S, R35E**  
**Lea COUNTY, NM**

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
1	80.00	33.333333%
2	120.00	50.000000%
3	40.00	16.666667%
<b>TOTAL</b>	<b>240.00</b>	<b>100.000000%</b>



MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

August 20, 2024

Via Certified Mail

ZPZ Delaware I, LLC  
2000 Post Oak Blvd. STE 100  
Houston, TX 77056  
Attn: Permian Land Manager

Re:

1. TOP ROUND 16/9 STATE COM #521H AFE
2. TOP ROUND 16/9 STATE COM #525H AFE (Proximity Tract)
3. TOP ROUND 16/9 STATE COM #528H AFE
4. CANAL 19/20 Joint Operating Agreement dated August 1, 2024, covering the S/2 of Section 9 and All of Section 16, T18S, R35E, Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 960.00 acre, more or less, Working Interest Unit ("WIU") covering the S/2 of Section 9 and All of Section 16, T18S, R35E, for oil and gas production. The targeted interval for the proposed units is the Bone Spring formation. Mewbourne hereby proposes to drill the following horizontal Bone Spring wells:

1. TOP ROUND 16/9 STATE COM #521H (B2ML) will have a surface location 205' FSL & 2590' FWL of the above captioned Section 16 and a bottom hole location approximately 2540' FSL & 500' FWL of the above captioned Section 9. We anticipate drilling to an approximate total vertical depth of 9,575' and an approximate total measured depth of 16,910'. The W/2SW/4 of Section 9 & the W/2W/2 of Section 16 will be dedicated to this well as the 240-acre proration unit.
2. TOP ROUND 16/9 STATE COM #525H (B2OJ) will have a surface location 205' FSL & 2610' FWL of the above captioned Section 16 and a bottom hole location approximately 2540' FSL & 2600' FWL of the above captioned Section 9. We anticipate drilling to an approximate total vertical depth of 9,575' and an approximate total measured depth of 16,910'. Because this well is being drilled as a proximity tract, the E/2SW/4 & W/2SE/4 of Section 9 & the E/2W/2 & W/2E/2 of Section 16 will be dedicated to this well as the 480-acre proration unit.
3. TOP ROUND 16/9 STATE COM #528H (B2PI) will have a surface location 205' FSL & 2630' FWL of the above captioned Section 16 and a bottom hole location approximately 2540' FSL & 600' FEL of the above captioned Section 9. We anticipate drilling to an

**Mewbourne Oil Company**  
**Case No 24894**  
**Exhibit A-4**

approximate total vertical depth of 9,575' and an approximate total measured depth of 16,910'. The E/2SE/4 of Section 9 & the E/2E/2 of Section 16 will be dedicated to this well as the 240-acre proration unit.

Regarding the above, enclosed for your further handling are our AFEs dated August 15, 2024, 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 \$12,000/month while drilling, \$1200/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 Top Round 16/9 Operating Agreement dated August 1, 2024, 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**

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

Brad Dunn  
Petroleum Landman

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: TOP ROUND 16/9 STATE COM #521H (B2ML)		Prospect: SANTA VACA 19/18	
Location: SL: 205 FSL & 2590 FWL (16); BHL: 2540 FSL & 500 FWL (9)		County: Lea	ST: NM
Sec. 16	Blk:	Survey:	TWP: 18S
		RNG: 35E	Prop. TVD: 9575
			TMD: 16910

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$10,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$40,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$150,000	0180-0206	\$70,000
Daywork / Turnkey / Footage Drilling 18 days drlg / 3 days comp @ \$28000/d	0180-0110	\$538,300	0180-0210	\$89,700
Fuel 1700 gal/day @ \$3.9/gal	0180-0114	\$127,500	0180-0214	\$125,000
Alternate Fuels	0180-0115		0180-0215	\$66,000
Mud, Chemical & Additives	0180-0120	\$40,000	0180-0220	
Mud - Specialized	0180-0121	\$240,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$150,000
Stimulation Toe Preparation			0180-0223	\$25,000
Cementing	0180-0125	\$160,000	0180-0225	\$55,000
Logging & Wireline Services	0180-0130	\$34,000	0180-0230	\$230,000
Casing / Tubing / Snubbing Services	0180-0134	\$40,000	0180-0234	\$15,000
Mud Logging	0180-0137	\$15,000		
Stimulation 37 Stg 14.9 MM gal / 14.9 MM lb			0180-0241	\$1,837,000
Stimulation Rentals & Other			0180-0242	\$218,000
Water & Other 100% BW @ \$1.15/bbl f/ Rancher	0180-0145	\$35,000	0180-0245	\$436,000
Bits	0180-0148	\$85,400	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	\$40,000
Welding, Construction & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision	0180-0170	\$119,700	0180-0270	\$66,500
Directional Services	0180-0175	\$450,000		
Equipment Rental ESP	0180-0180	\$130,700	0180-0280	\$100,000
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$4,400	0180-0285	
Intangible Supplies	0180-0188	\$7,000	0180-0288	\$1,000
Damages	0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements	0180-0192		0180-0292	\$5,000
Company Supervision	0180-0195	\$75,600	0180-0295	\$32,400
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)	0180-0199	\$128,700	0180-0299	\$184,600
TOTAL		\$2,702,300		\$3,877,200

TANGIBLE COSTS 0181				
Casing (19.1" – 30")	0181-0793			
Casing (10.1" – 19.0") 2000' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft	0181-0794	\$102,400		
Casing (8.1" – 10.0") 3450' - 9 5/8" 36# J-55 LT&C @ \$28.85/ft	0181-0795	\$106,300		
Casing (6.1" – 8.0") 9050' - 7" 29# HPP110 BT&C @ \$34.18/ft	0181-0796	\$330,400		
Casing (4.1" – 6.0") 8150' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$19.44/ft			0181-0797	\$169,200
Tubing 8800' - 2 7/8" 6.5# L-80 IPC Tbg @ \$10.5/ft			0181-0798	\$98,700
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	\$40,000
Service Pumps (1/3) TP/CP/Circ Pump			0181-0886	\$10,000
Storage Tanks (1/3) (6)OT/(5)WT/(1)GB			0181-0890	\$136,000
Emissions Control Equipment (1/3) (2)VRT/(1)VRU/(1)FLARE/(3)KO/(1)AIR			0181-0892	\$105,000
Separation / Treating Equipment (1/3) (3) TEST H SEP 500#/(1) V SEP 500#/(2) VHT			0181-0895	\$61,000
Automation Metering Equipment			0181-0898	\$104,000
Oil/Gas Pipeline-Pipe/Valves&Misc			0181-0900	\$30,000
Water Pipeline-Pipe/Valves & Misc			0181-0901	\$94,000
On-site Valves/Fittings/Lines&Misc			0181-0906	\$150,000
Wellhead Flowlines - Construction			0181-0907	\$37,000
Cathodic Protection			0181-0908	
Electrical Installation			0181-0909	\$227,000
Equipment Installation			0181-0910	\$100,000
Oil/Gas Pipeline - Construction			0181-0920	\$48,000
Water Pipeline - Construction			0181-0921	\$95,000
TOTAL		\$589,100		\$1,609,900
SUBTOTAL		\$3,291,400		\$5,487,100
TOTAL WELL COST				\$8,778,500

Insurance procured for the Joint Account by Operator

☐

Opt-in. I elect to be covered by Operator's Extra Expense, Commercial General Liability, Pollution Legal Liability, and Excess/Umbrella Insurance Policies, and will pay my proportionate share of the premiums associated with these insurance coverages through joint account billings.

☐

Opt-out. I elect to purchase my own policies for well control and other insurance requirements, or to self-insure (if applicable). By opting-out, I recognize I will be responsible for my own coverage and will not be afforded protection under operator's policies.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's 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: 8/15/2024

Company Approval: M. Whittier

Date: 8/19/2024

Joint Owner Interest: Amount:

Joint Owner Name: Signature:

**Summary of Communications**  
**TOP ROUND 16-9 STATE COM #521H (B2ML)**

**ZPZ Delaware I, LLC**

- 1) 8/20/2024: Well proposal letter with AFEs are sent via certified mail.
- 2) 9/4/2024: Well proposal letter with AFEs delivered to owner.
- 3) 10/2/2024: Email correspondence with owner regarding their interest.
- 4) 10/9/2024: Email correspondence with owner regarding their interest. Owner indicates they would like to participate under JOA. Answered owners questions and sent requested information including a copy of the JOA and a letter agreement.
- 5) 10/16/2024: Owner still has not signed the AFEs or JOA and is still evaluating all options.

**PBEX, LLC**

- 1) 8/20/2024: Well proposal letter with AFEs are sent via certified mail.
- 2) 8/22/2024: Well proposal letter with AFEs delivered to owner.
- 3) 8/30/2024: Email correspondence with owner regarding their interest.
- 4) 9/3/2024: Phone & Email correspondence with owner regarding their interest. Owner indicates they would like to participate under JOA. Answered owners questions and sent requested information including a copy of the JOA
- 5) 9/17/2024: Email correspondence with owner regarding their interest.
- 6) 9/24/2024: Email correspondence with owner regarding their interest.
- 7) 10/16/2024: Owner still has not signed the AFEs or JOA but intends to.

**EGL Resources, Inc.**

- 1) 8/20/2024: Well proposal letter with AFEs are sent via certified mail.
- 2) 9/4/2024: Well proposal letter with AFEs delivered to owner.
- 3) 10/15/2024: Called and left a voicemail with owner.
- 4) 10/16/2024: Never heard from owner. Owner still has not signed the AFEs or JOA or has contacted me after receiving the well proposal letter containing all my contact information.

**The Grayrock Corporation**

- 1) 8/20/2024: Well proposal letter with AFEs are sent via certified mail.
- 2) 8/28/2024: Certified mail returned due to unlocatable/undeliverable address.
- 3) 9/16/2024: Detailed search on the internet for a new address of this company/current contact information. Re-proposed wells to another address found on Accurint.
- 4) 10/16/2024: Never heard from owner. No good phone number or email address for owner found.

**Mewbourne Oil Company**  
**Case No 24894**  
**Exhibit A-5**

Olive Petroleum, Inc.

- 1) 8/20/2024: Well proposal letter with AFEs are sent via certified mail.
- 2) 8/22/2024: Well proposal letter with AFEs delivered to owner.
- 3) 10/15/2024: Called and left a voicemail with owner.  
10/16/2024: Never heard from owner. Owner still has not signed the AFEs or JOA or has contacted me after receiving the well proposal letter containing all my contact information.

H. Grady Payne, III

- 1) 8/20/2024: Well proposal letter with AFEs are sent via certified mail.
- 2) 8/29/2024: Well proposal letter with AFEs delivered to owner.
- 3) 9/16/2024: Detailed search on the internet for an email and/or phone number of owner.  
No good contact information found.  
10/16/2024: Never heard from owner. Owner still has not signed the AFEs or JOA or has contacted me after receiving the well proposal letter containing all my contact information.



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

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

**Case Nos. 24894  
24895  
24896**

**SELF-AFFIRMED STATEMENT  
OF CHARLES CROSBY**

1. I am employed by Mewbourne Oil Company ("Mewbourne") as a geologist. 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 geology matters were accepted and made a matter of record.

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

3. **Exhibit B-1** is a general location map that depicts the Top Round spacing units ("Units").

4. **Exhibit B-2** is a subsea structure map for the base of the 2<sup>nd</sup> Bone Spring Sand formation that is representative of the targeted intervals. The contour intervals are 100 feet. The approximate wellbore paths for the Top Round 16/9 State Com #521H (B2ML), Top Round 16/9 State Com #525H (B2OJ), and Top Round 16/9 State Com #528H (B2PI) wells ("Wells") are depicted by dashed green arrows. Existing producing wells in the targeted interval are represented by solid green lines. The map demonstrates the formation is gently dipping to the southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

**Mewbourne Oil Company  
Case No 24894  
Exhibit B**

5. Exhibit B-2 also identifies five wells penetrating the targeted intervals that I used to prepare 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 that I prepared using the logs from the representative wells shown on Exhibit B-2. The proposed landing zones for the wells are labeled on the exhibit. This cross-section demonstrates that the target interval is continuous across the Units.

7. In my opinion, a standup orientation for the proposed wells 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.

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

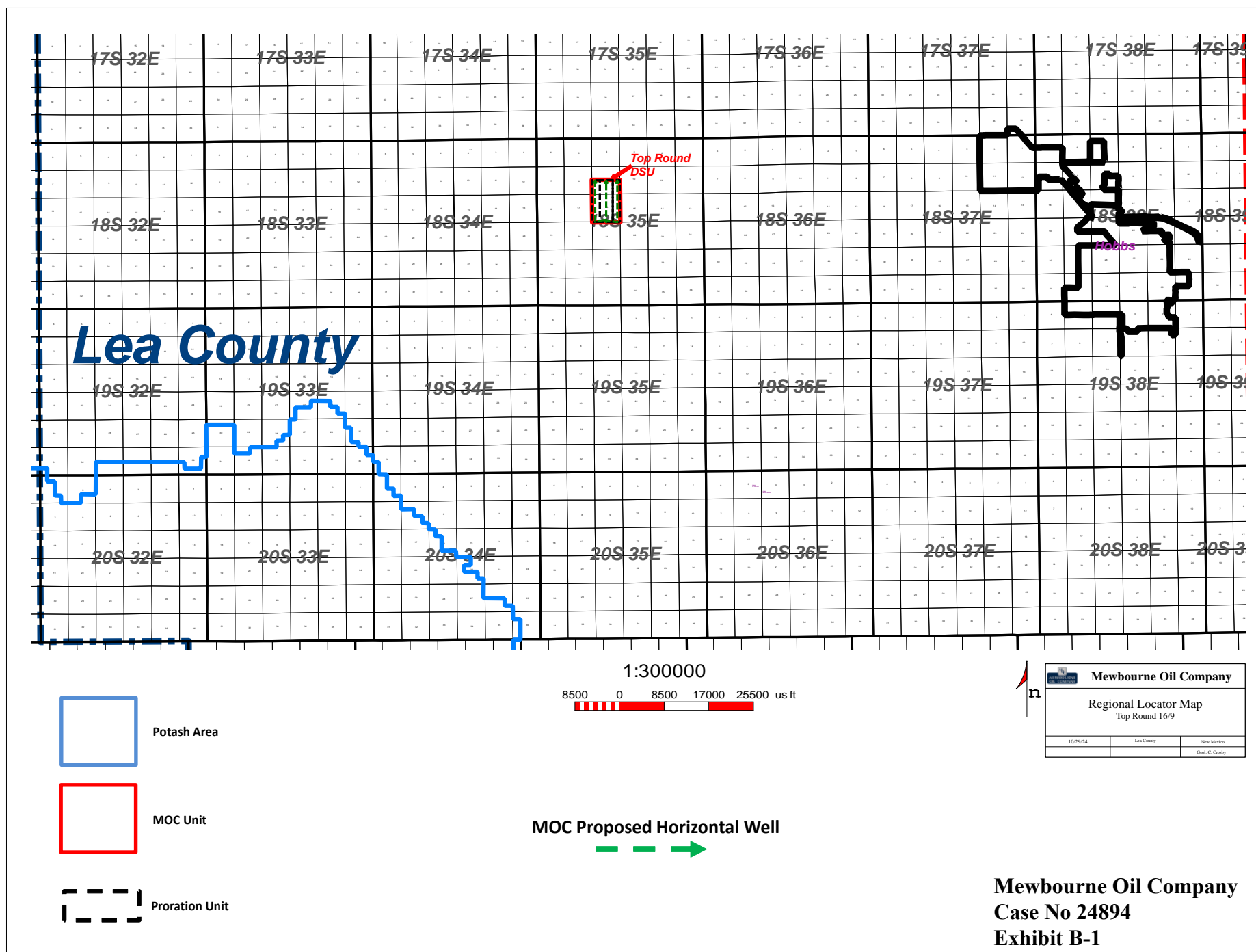
9. In my opinion, the granting of Mewbourne's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

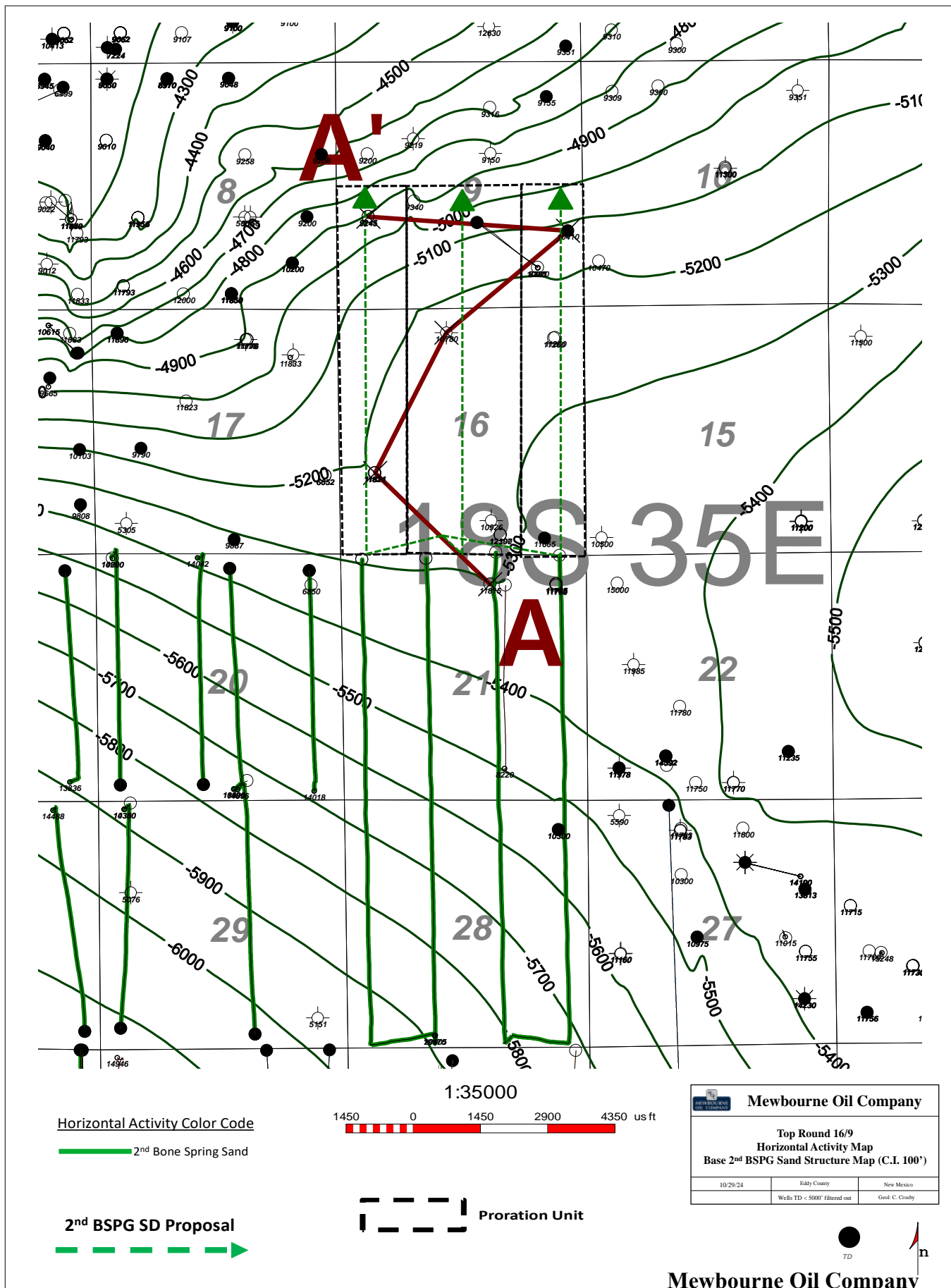
10. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

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.

  
\_\_\_\_\_  
CHARLES CROSBY

10/29/24  
Date







A  
S

A'  
N

30025269210000  
CONCHO OIL & GAS CORP  
HONEYSUCKLE 1  
Datum=3932.00  
NE  
TWP: 18 S - Range: 35 E - Sec. 21

30025293470000  
MARALO INC  
MARALO 'SV' 16 STAT 1  
Datum=3942.00  
1748 FSL 742 FWL  
NE  
TWP: 18 S - Range: 35 E - Sec. 16

30025314140000  
MARALO INC  
MARALO 'SV'16' STATE 2  
Datum=3945.00  
530 FSL 2310 FWL  
NE  
TWP: 18 S - Range: 35 E - Sec. 16

30025319660000  
YATES PETROLEUM CORP  
NOWATA 'AGR' STATE 2  
Datum=3939.00  
1650 FSL 330 FWL  
NE  
TWP: 18 S - Range: 35 E - Sec. 9

30025268240000  
GETTY OIL CO  
STATE /AP/ 1  
Datum=3958.00  
1980 FSL 650 FWL  
NE  
TWP: 18 S - Range: 35 E - Sec. 9

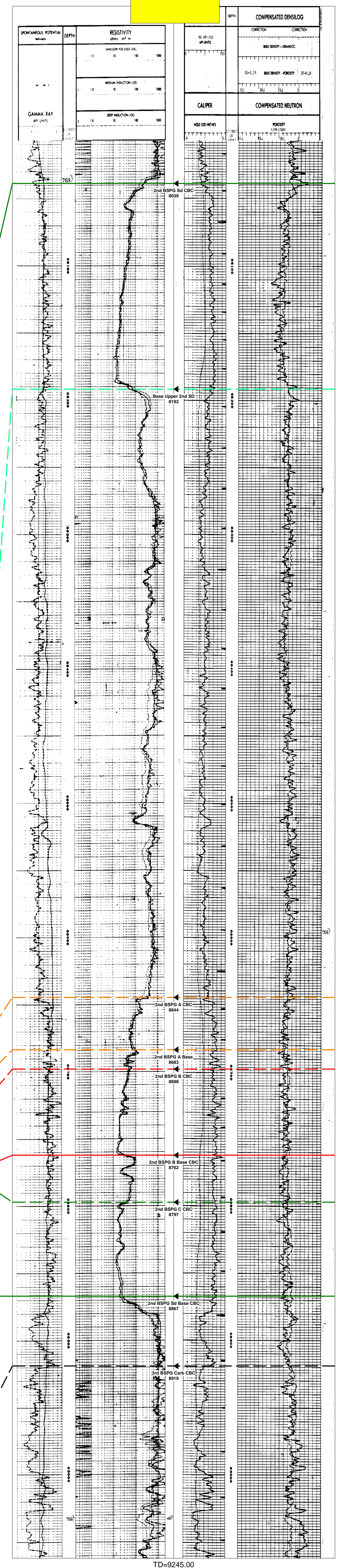
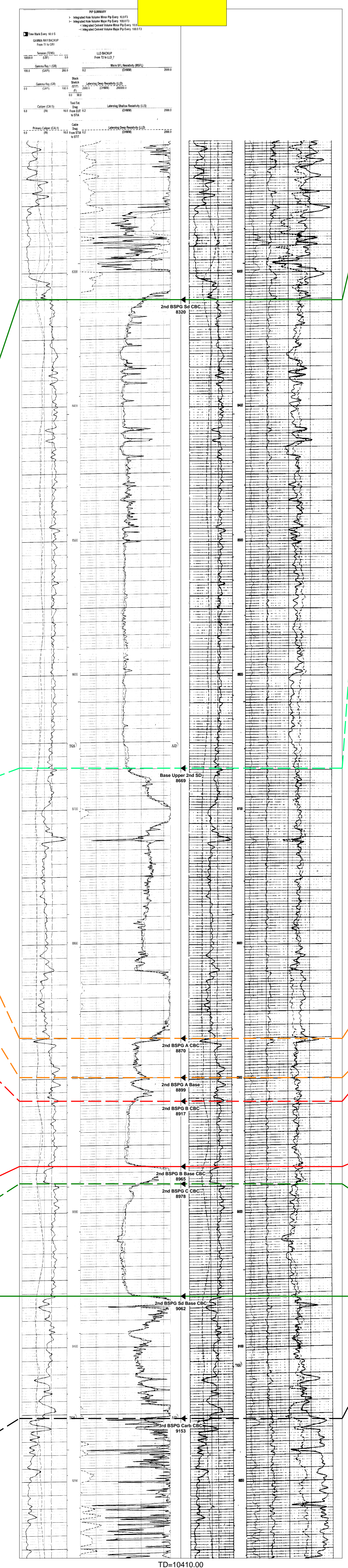
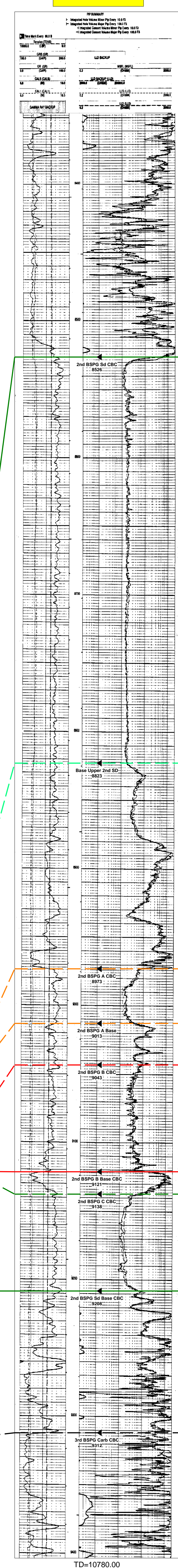
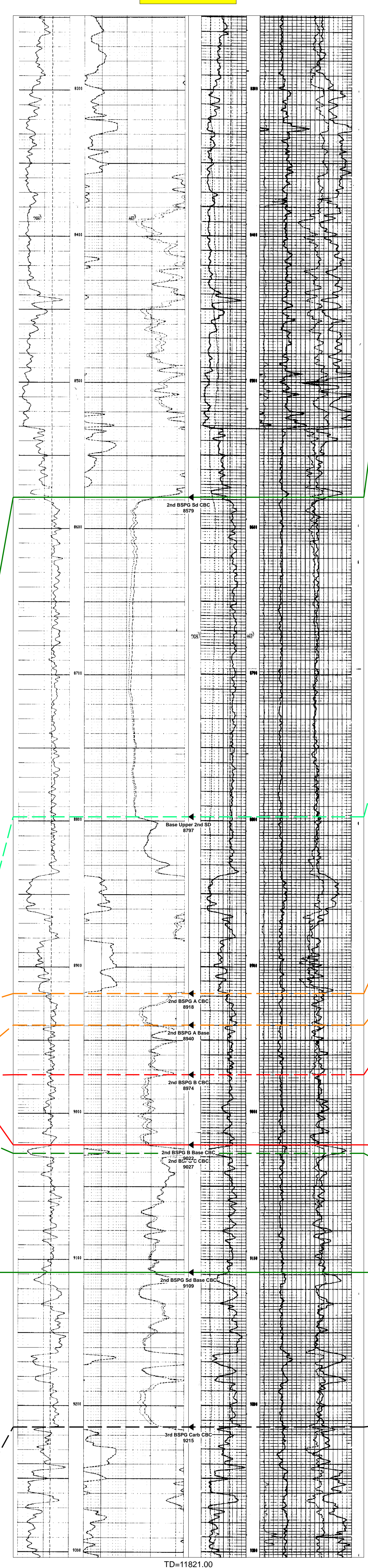
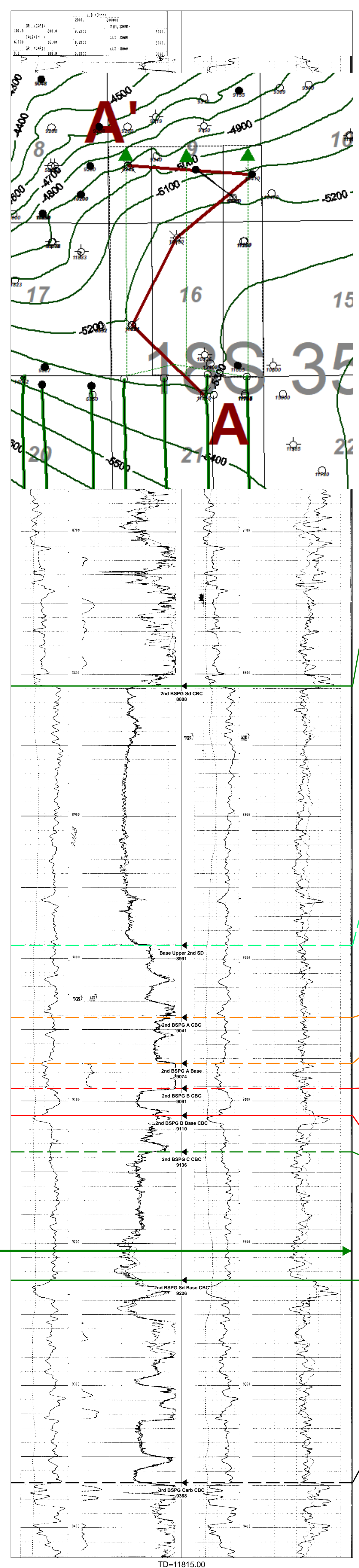
21B

16L

16C

9I

9L



500

Top 2nd Bone  
Spring Sand

Top Round 16/9  
2nd BSPG SD  
Target

0

Top 3rd Bone  
Spring  
Carbonate

500

0

Mewbourne Oil Company  
Case No 24894  
Exhibit B-3

Top Round 16/9 2nd BSPG SD  
Cross Section Exhibit (A-A')



**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. 24894**

**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 C-1** and **Exhibit C-2**, 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 C-3**.
3. **Exhibit C-3** 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-4** as supporting documentation for proof of mailing and the information provided on **Exhibit C-3**.
5. On October 11, 2024, and on October 18, 2024, I caused a notice to be published in the Hobbs News - Sun. Affidavits of Publication from the Legal Clerk of the Hobbs News – Sun, along with a copy of the notice publications, are attached as **Exhibit C-5** and **Exhibit C-6**.
6. I understand this Self-Affirmed Statement will be used as written testimony in the subject case. 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.

/s/ Dana S. Hardy  
Dana S. Hardy

October 30, 2024  
Date

**Mewbourne Oil Company  
Case No 24894  
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

October 9, 2024

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

**TO ALL PARTIES ENTITLED TO NOTICE**

**Re: Case Nos. 24894, 24895, & 24896– Applications of Mewbourne Oil Company  
for Compulsory Pooling, LeaCounty, 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 **October 31, 2024**, beginning at 8:15 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, 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/oed/oedpermitting/>) 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.

If you have any questions about this application, please contact Brad Dunn at Mewbourne Oil Company, by phone at (432) 682-3715 or via e-mail at [bdunn@mewbourne.com](mailto:bdunn@mewbourne.com) if you have any questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

**Mewbourne Oil Company  
Case No 24894  
Exhibit C-1**



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

October 14, 2024

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

**TO ALL PARTIES ENTITLED TO NOTICE**

**Re: Case Nos. 24894, 24895, & 24896– Applications of Mewbourne Oil Company  
for Compulsory Pooling, LeaCounty, 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 **November 7, 2024**, beginning at 9 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, 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://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/>) or via e-mail to [ocd.hearings@emnrd.nm.gov](mailto: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.

If you have any questions about this application, please contact Brad Dunn at Mewbourne Oil Company, by phone at (432) 682-3715 or via e-mail at [bdunn@mewbourne.com](mailto:bdunn@mewbourne.com) if you have any questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

**Mewbourne Oil Company**  
**Case No 24894**  
**Exhibit C-2**

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



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

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

**CASE NOS. 24894, 24895, &  
24896**

**NOTICE LETTER CHART**

<b>PARTY</b>	<b>NOTICE LETTER SENT</b>	<b>RETURN RECEIVED</b>
EGL Resources, Inc. P.O. Box 10886 Midland, TX 79702	10/15/2024 9589071052701502392522	USPS Tracking 10/29/2024: Item delivered 10/28/2024.
H. Grady Payne III P.O. Box 1585 Colleyville, TX 76034-1585	10/09/2024 9589071052701147071820	10/21/2024
Olive Petroleum Company, Inc. 315 Carol Lane Midland, TX 79705	10/09/2024 9589071052701147071837	USPS Tracking 10/29/2024: Item delivered 10/15/2024.
PBEX, LLC 223 W. Wall Street, STE 900 Attn: Permian Land Manger Midland, TX 79701	10/09/2024 9589071052701147071875	10/18/2024
PGC Gas Company 8150 N Central Expressway, Suite 1475 Dallas, TX 75206	10/09/2024 9589071052701147071851	10/28/2024
The Grayrock Corporation 12201 Merit Drive STE 620 Dallas, TX 75251	10/09/2024 9589071052701147071844	USPS Tracking 10/29/2024: Return to Sender.
ZPZ Delaware I, LLC 2000 Post Oak Blvd. STE 100 Houston, TX 77056	10/09/2024 9589071052701147071868	USPS Tracking 10/29/2024: Item in transit to next facility.

**Mewbourne Oil Company  
Case No 24894  
Exhibit C-3**

9589 0710 5270 1147 0718 20

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a> ®.	
OFFICIAL USE	
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	
Street and Apt. No., or PO Box No.	
City, State, ZIP+4®	
H. Grady Payne III P.O. Box 1585 Colleyville, TX 76034-1585	
24894-96 Mewbourne Top Round	
PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	

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) <input checked="" type="checkbox"/> Date of Delivery</p> <p>C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p>H. Grady Payne III P.O. Box 1585 Colleyville, TX 76034-1585</p> <p>24894-96 Mewbourne Top Round</p> <p>9590 9402 8912 4064 8964 56</p>	<p>RECEIVED OCT 21 2024</p>
<p>2. Article Number (Transfer from service label)</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted 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>PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt</p>	

Mewbourne Oil Company  
Case No 24894  
Exhibit C-4

9589 0710 5270 1147 0718 75

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
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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 and Apt. No., or PO Box No. PBEX, LLC  
 223 W. Wall Street, STE 900  
 Attn: Permian Land Manger  
 Midland, TX 79701  
 City, State, ZIP+4®  
 24894-96 Mewbourne Top Round

PS Form 3800, January 2023 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:

PBEX, LLC  
 223 W. Wall Street, STE 900  
 Attn: Permian Land Manger  
 Midland, TX 79701  
 24894-96 Mewbourne Top Round

2. Article Number (Transfer from service label)  
 9589 0710 5270 1147 0718 75

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
☒ Agent  
☐ Addressee

B. Received by (Printed Name) Helen Arrieta  
 C. Date of Delivery 10-18-24

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

**RECEIVED**  
 OCT 18 2024

3. Service Type Santa Fe NM 87501  
☐ 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

Domestic Return Receipt



9589 0710 5270 1147 0718 51

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

**Certified Mail Fee**  
 \$

**Extra Services & Fees (check box, and 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 and Apt. No., or PO Box PGC Gas Company  
 8150 N Central Expressway, Suite 1475  
 Dallas, TX 75206  
 City, State, ZIP+4® 24894-96 Mewbourne Top Round

PS Form 3800, January 2023 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:

PGC Gas Company  
 8150 N Central Expressway,  
 Suite 1475  
 Dallas, TX 75206  
 24894-96 Mewbourne Top Round

9590 9402 8912 4064 8964 25

2. Article Number (Transfer from service label)

9589 0710 5270 1147 0718 51

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

Hinkle Shanor 10-15-24

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

**RECEIVED**  
 OCT 28 2024

3. Service Type

☐ Adult Signature ☐ Priority Mail Express®

☐ Adult Signature Restricted Delivery ☐ Registered Mail™

☐ Certified Mail® ☐ Registered Mail Restricted Delivery

☐ Certified Mail Restricted Delivery ☐ Signature Confirmation™

☐ Collect on Delivery ☐ Signature Confirmation Restricted Delivery

☐ Collect on Delivery Restricted Delivery ☐ Insured Mail

☐ Insured Mail Restricted Delivery

Domestic Return Receipt

**HINKLE SHANOR LLP**  
ATTORNEYS AT LAW  
POST OFFICE BOX 2068  
SANTA FE, NEW MEXICO 87504

RECEIVED

OCT 29 2024

Hinkle Shanor LLP  
Santa Fe NM 87504

75251491278COC

9589 0710 5270 1147 0718 44

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**OFFICIAL USE**

Postmark Here

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

Street and Apt. No., or PO Box 1

City, State, ZIP+4®

The Grayrock Corporation  
12201 Merit Drive STE 620  
Dallas, TX 75251

24894-96 Newbourn Top Round

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

**CERTIFIED MAIL®**



9589 0710 5270 1147 0718 44

FIRST-CLASS



US POSTAGE™ PITNEY BOWES



ZIP 87501 \$ 009.92<sup>0</sup>  
02.7H  
0006052409 OCT 09 2024

The Grayrock Corporation  
12201 Merit Drive STE 620  
Dallas, TX 75251

NIXIE 750 FE 1 0010/19/24

RETURN TO SENDER  
ATTEMPTED - NOT KNOWN  
UNABLE TO FORWARD

EC: 8750420555 80054-05557-10-16

9589 0710 5270 1502 3925 22

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
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**OFFICIAL USE**

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

Street and Apt. No. EGL Resources, Inc.  
P.O. Box 10886  
Midland, TX 79702

City, State, ZIP+4® 24894-24896 McWbourne - Top Round

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

**USPS SANTA NM FE 87501**  
**OCT 15 2024**  
**MAIN POST OFFICE**

Track Packages  
Anytime, Anywhere

Get the free Informed Delivery<sup>®</sup> feature to receive automated notifications on your packages

Learn More

([https://reg.usps.com/xsell?](https://reg.usps.com/xsell?app=UspsTools&ref=homepageBanner&appURL=https%3A%2F%2Finformeddelivery.usps.com/box/pages/intro/start.action)

[app=UspsTools&ref=homepageBanner&appURL=https%3A%2F%2Finformeddelivery.usps.com/box/pages/intro/start.action](https://reg.usps.com/xsell?app=UspsTools&ref=homepageBanner&appURL=https%3A%2F%2Finformeddelivery.usps.com/box/pages/intro/start.action))

Feedback

Tracking Number:

Remove X

9589071052701502392522

Copy

Add to Informed Delivery (<https://informedelivery.usps.com/>)

### Latest Update

Your item has been delivered and is available at a PO Box at 9:48 am on October 28, 2024 in MIDLAND, TX 79701.

Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

### Delivered

Delivered, PO Box

MIDLAND, TX 79701  
October 28, 2024, 9:48 am

Reminder to pick up your item before  
November 6, 2024

MIDLAND, TX 79702  
October 28, 2024

Available for Pickup

DOWNTOWN MIDLAND  
100 E WALL ST  
MIDLAND TX 79701-9998  
M-F 0830-1700

9589 0710 5270 1147 0718 37

**U.S. Postal Service™**  
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**OFFICIAL USE**

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  
Olive Petroleum Company, Inc.  
315 Carol Lane  
Midland, TX 79705

Street and Apt. No., or PO Box No.  
City, State, ZIP+4®  
24894-96 McWbourn Top Round

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

**SANTA FE, NM 87501**  
OCT 09 2024



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Anytime, Anywhere

Get the free Informed Delivery® feature to receive automated notifications on your packages

Learn More

(https://reg.usps.com/xsell?

app=UspsTools&ref=homepageBanner&appURL=https%3A%2F%2Finformeddelivery.usps.com/box/pages/intro/start.action)

Feedback

Tracking Number:

Remove X

9589071052701147071837

Copy

Add to Informed Delivery (https://informedelivery.usps.com/)

Latest Update

Your item was delivered to an individual at the address at 11:30 am on October 15, 2024 in MIDLAND, TX 79705.

Get More Out of USPS Tracking:

USPS Tracking Plus®

**Delivered**  
Delivered, Left with Individual  
MIDLAND, TX 79705  
October 15, 2024, 11:30 am

**In Transit to Next Facility**  
October 14, 2024

**Arrived at USPS Regional Facility**  
MIDLAND TX DISTRIBUTION CENTER  
October 12, 2024, 5:30 pm

**Departed USPS Facility**  
ALBUQUERQUE, NM 87101

9589 0710 5270 1147 0718 68

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

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

**OFFICIAL USE**

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

Street and Apt. No., or PO Box No. ZPZ Delaware I, LLC  
2000PostOak Blvd. STE 100  
Houston, TX 77056

City, State, ZIP+4® 24894-96 Mewbourne Top Round

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

**SANTA FE, NM 87501**  
**OCT 09 2024**  
Postmark Here

Track Packages  
Anytime, Anywhere

Get the free Informed Delivery® feature to receive automated notifications on your packages

Learn More

(https://reg.usps.com/xsell?

app=UspsTools&ref=homepageBanner&appURL=https%3A%2F%2Finformeddelivery.usps.com/box/pages/intro/start.action)

Feedback

Tracking Number:

Remove X

9589071052701147071868

Copy

Add to Informed Delivery (https://informedelivery.usps.com/)

Latest Update

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Moving Through Network  
In Transit to Next Facility

October 28, 2024

Arrived at USPS Regional Facility

NORTH HOUSTON TX DISTRIBUTION  
CENTER

October 27, 2024, 9:54 am

Forwarded

HOUSTON, TX  
October 23, 2024, 10:17 am

Forwarded

HOUSTON, TX

# 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  
October 11, 2024  
and ending with the issue dated  
October 11, 2024.



Publisher

Sworn and subscribed to before me this  
11th day of October 2024.

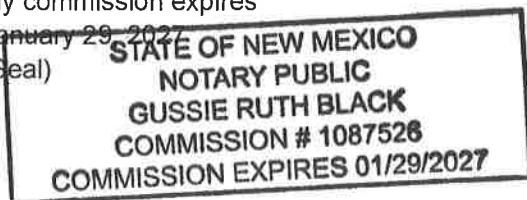


Business Manager

My commission expires

January 29, 2027

(Seal)



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

LEGAL

LEGAL

## LEGAL NOTICE October 11, 2024

This is to notify all interested parties, including: PBEX, LLC; ZPZ Delaware I, LLC; PGC Gas Company; The Grayrock Corporation; Olive Petroleum Company, Inc.; H. Grady Payne III; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on applications submitted by Mewbourne Oil Company ("Applicant") in Case Nos. 24894, 24895 and 24896. A hearing on the applications will be conducted on October 31, 2024, in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

In Case No. 24894, Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 16 and the W/2 SW/4 of Section 9, Township 18 South, Range 35 East, Lea County, New Mexico. The unit will be dedicated to the **Top Round 16/9 State Com #521H (B2ML)** well, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 16 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 9. The completed interval of the well is expected to be orthodox. 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.

In Case No. 24895, Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 480-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 and W/2 E/2 of Section 16 and the E/2 SW/4 and W/2 SE/4 of Section 9, Township 18 South, Range 35 East, Lea County, New Mexico. The unit will be dedicated to the **Top Round 16/9 State Com #525H (B2OJ)** well, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 16 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 9. The well will be located within 330' of the quarter-quarter section line separating the E/2 W/2 and W/2 E/2 of Sections 9 and 16 to allow for the creation of a 480-acre, standard horizontal spacing unit. The completed interval of the well is expected to be orthodox. 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.

In Case No. 24896, Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 16 and the E/2 SE/4 of Section 9, Township 18 South, Range 35 East, Lea County, New Mexico. The unit will be dedicated to the **Top Round 16/9 State Com #528H (B2PI)** well, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 9. The completed interval of the well is expected to be orthodox. 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 Top Round wells are located approximately 17 miles west of Hobbs, New Mexico.

#00295042

02107475

00295042

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

**Mewbourne Oil Company**  
**Case No 24894**  
**Exhibit C-5**



# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

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

Beginning with the issue dated  
October 18, 2024  
and ending with the issue dated  
October 18, 2024.



Publisher

Sworn and subscribed to before me this  
18th day of October 2024.

1



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

LEGAL

LEGAL

## LEGAL NOTICE October 18, 2024

This is to notify all interested parties, including: PBEX, LLC; ZPZ Delaware I, LLC; EGL Resources, Inc.; PGC Gas Company; The Grayrock Corporation; Olive Petroleum Company, Inc.; H. Grady Payne III; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on applications submitted by Mewbourne Oil Company ("Applicant") in Case Nos. 24894, 24895 and 24896. A hearing on the applications will be conducted on November 7, 2024, in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

In Case No. 24894, Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 16 and the W/2 SW/4 of Section 9, Township 18 South, Range 35 East, Lea County, New Mexico. The unit will be dedicated to the **Top Round 16/9 State Com #521H (B2ML)** well, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 16 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 9. The completed interval of the well is expected to be orthodox. 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.

In Case No. 24895, Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 480-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 and W/2 E/2 of Section 16 and the E/2 SW/4 and W/2 SE/4 of Section 9, Township 18 South, Range 35 East, Lea County, New Mexico. The unit will be dedicated to the **Top Round 16/9 State Com #525H (B2OJ)** well, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 16 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 9. The well will be located within 330' of the quarter-quarter section line separating the E/2 W/2 and W/2 E/2 of Sections 9 and 16 to allow for the creation of a 480-acre, standard horizontal spacing unit. The completed interval of the well is expected to be orthodox. 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.

In Case No. 24896, Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 16 and the E/2 SE/4 of Section 9, Township 18 South, Range 35 East, Lea County, New Mexico. The unit will be dedicated to the **Top Round 16/9 State Com #528H (B2PI)** well, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 9. The completed interval of the well is expected to be orthodox. 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 Top Round wells are located approximately 17 miles west of Hobbs, New Mexico.

#00295186

02107475

00295186

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

**Mewbourne Oil Company**  
**Case No 24894**  
**Exhibit C-6**