

**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. 25260  
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	Order No. R-22818-A
A-4	Plat of Tracts, Tract Ownership, Additional Pooled Parties
A-5	Sample Well Proposal Letter & AFEs
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**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-22819,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 25260  
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 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.

5. A copy of the Order is attached as **Exhibit A-2**.

**Mewbourne Oil Company  
Case No. 25260  
Exhibit A**

6. Following entry of the Order, Mewbourne determined there were additional interests in the Unit that had not been pooled under the terms of the Order and filed Case No. 23949 to pool those additional interests.

7. On January 24, 2024, the Division entered Order No. R-22818-A, which pooled additional interests under the terms of the Order.

8. A copy of Order No. R-22818-A is attached as **Exhibit A-3**.

9. Since Order No. R-22818-A was entered, Mewbourne has identified additional uncommitted interests in the Unit that have not been pooled under the terms of the Order.

10. **Exhibit A-4** provides a plat of the tracts included in the Unit, identifies the interests in each tract, and identifies the additional uncommitted interest to be pooled under the terms of the Order, which is highlighted in yellow.

11. **Exhibit A-5** is a sample well proposal letter and AFEs that I sent to the additional party to be pooled under the terms of the Order.

12. In my opinion, Mewbourne made a good-faith effort to reach voluntary joinder as indicated by the chronology of contact described in **Exhibit A-6**.

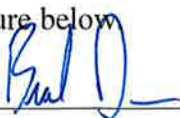
13. Mewbourne requests the additional uncommitted interest be pooled under the terms of the Order.

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

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

16. 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

  
\_\_\_\_\_  
Date

**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. 25260  
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”) seeking to pool 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 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. Following entry of the Order, Mewbourne determined there were additional interests in the Unit that had not been pooled under the terms of the Order and filed Case No. 23949 to pool the additional interests.

3. On January 24, 2024, the Division entered Order No. R-22818-A, which pooled additional interests under the terms of the Order.

4. Since Order No. R-22818-A was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.

**Mewbourne Oil Company  
Case No. 25260  
Exhibit A-1**

5. 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.

6. 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 April 10, 2025, 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,

/s/ Dana S. Hardy  
Hardy McLean LLC  
Dana S. Hardy  
Jaclyn M. McLean  
125 Lincoln Ave., Suite 223  
Santa Fe, NM 87501  
505-230-4410  
[dhardy@hardymclean.com](mailto:dhardy@hardymclean.com)  
[jmclean@hardymclean.com](mailto:jmclean@hardymclean.com)

ATTORNEYS 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 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. The Division subsequently entered Order No. R-22818-A, which pooled additional interests under the terms of the Order. Since the entry of Order No. R-22818-A, 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**

**ORDER**

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. 25260**

**Exhibit A-2**



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

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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 seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
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**



**DYLAN M FUGE**  
**DIRECTOR**  
DMF/hat

**Date:** 8/4/2023

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ORDER NO. R-22818

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## Exhibit A

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<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 23637</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>July 6, 2023</b>
Applicant	<b>Mewbourne Oil Company</b>
Designated Operator & OGRID (affiliation if applicable)	<b>OGRID No. 14744</b>
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico.
Entries of Appearance/Intervenors:	None
Well Family	Beefalo 7/6 State Com
<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:	Scharb; Bone Spring Pool (Code 55610)
Well Location Setback Rules:	Statewide
<b>Spacing Unit</b>	
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 <u>and is approval of non-standard unit requested in this application?</u>	No. The non-standard well spacing has been approved administratively for this Unit by the OCD.
<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	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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ORDER NO. R-22818

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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
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$10,000.00
Production Supervision/Month \$	\$1,000.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1

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

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

**APPLICATION OF MEWBOURNE OIL COMPANY,  
TO POOL AN ADDITIONAL WORKING INTEREST  
OWNER UNDER THE TERMS OF ORDER NO. R-22818,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23949  
ORDER NO. R-22818-A**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on December 7, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. On October 4, 2023, OCD issued Order R-22818 to Mewbourne Oil Company (“Operator”) to pool the uncommitted oil and gas interests within the specified spacing unit (“Unit”).
2. Subsequent to the issuance of Order R-22818, Operator discovered previously unidentified interest owner(s) in the Unit.
3. Operator provided evidence that it gave notice of the Application and the hearing to the previously unidentified interest owner(s).
4. Operator presented evidence through affidavits in support of the Application.
5. 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. The previously unidentified interest owner(s) has not agreed to commit its interest to the Unit.
11. The pooling of the previously unidentified uncommitted interest in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.

**Mewbourne Oil Company  
Case No. 25260  
Exhibit A-3**

12. This Order affords the previously unidentified interest owner(s) the opportunity to produce its just and equitable share of the oil or gas in the pool.

**ORDER**

13. The previously unidentified uncommitted interest in the Unit is hereby pooled in the Unit.
14. Order R-22818 shall remain in full force and effect.
15. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

  
\_\_\_\_\_  
**DYLAN M FUGE**  
**DIRECTOR (ACTING)**  
DMF/hat

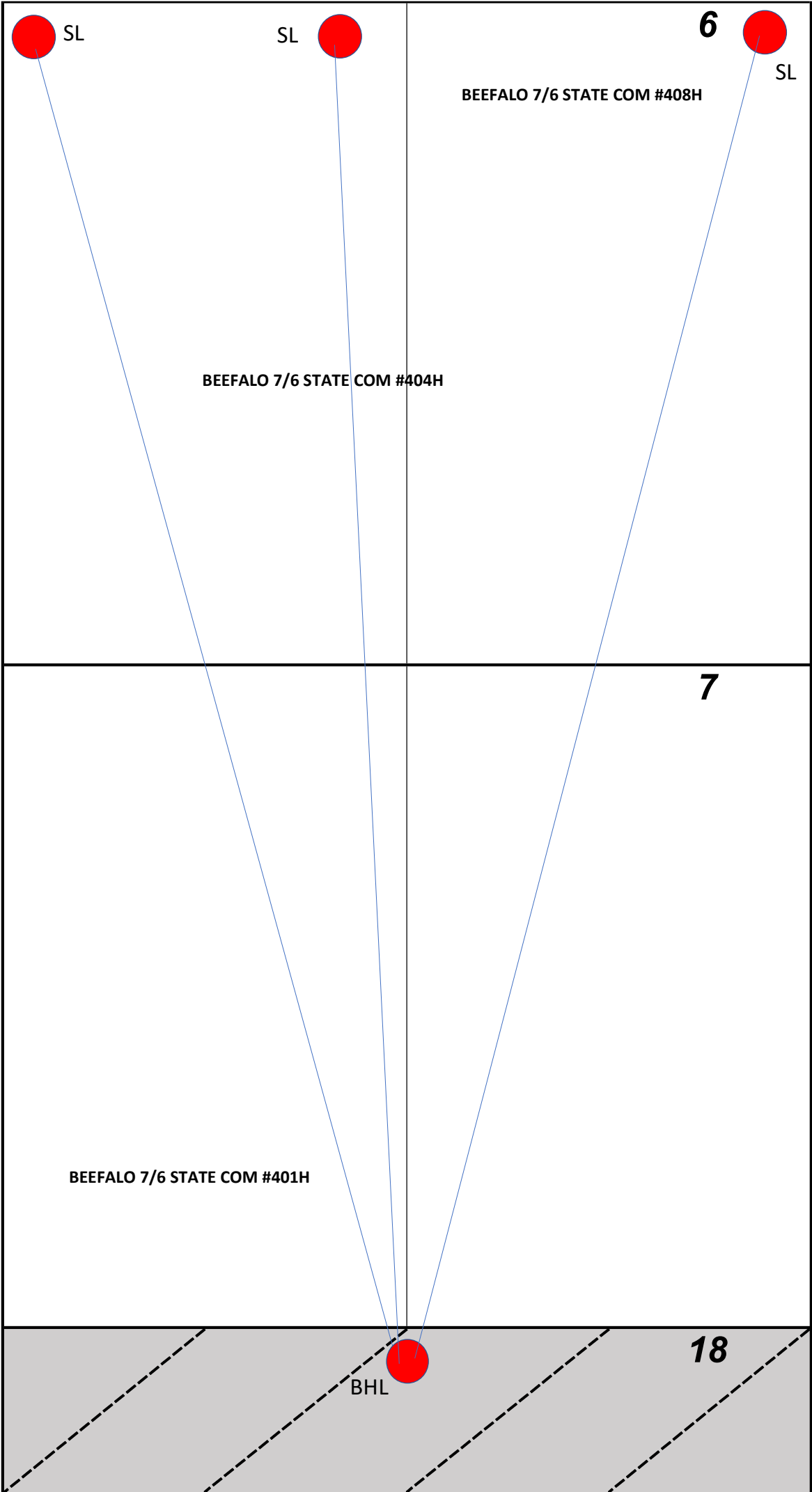
**Date:** 1/24/2024

CASE NO. 23949  
ORDER NO. R-22818-A

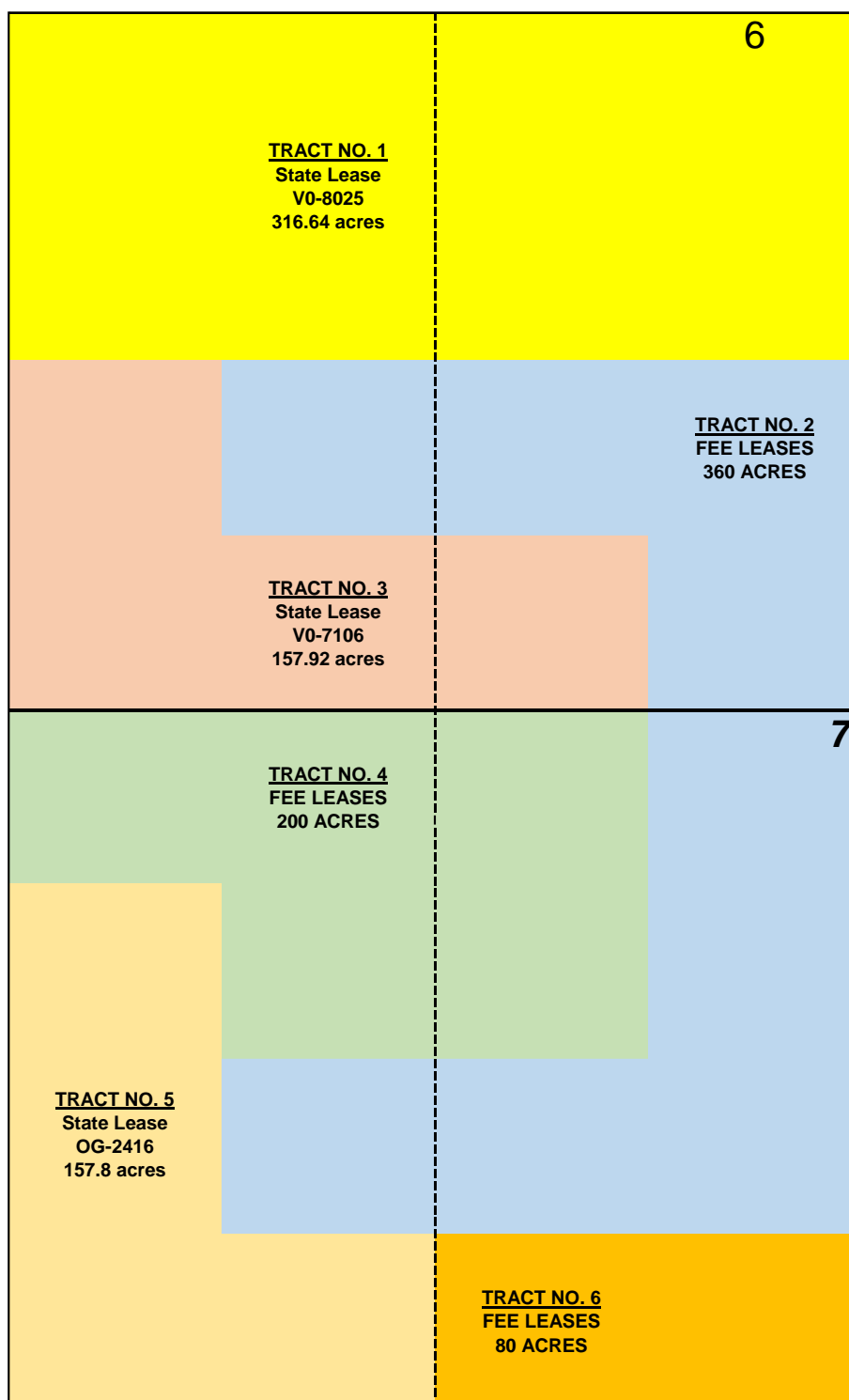
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BEEFALO 7/6 STATE COM #408H  
BEEFALO 7/6 STATE COM #401H  
BEEFALO 7/6 STATE COM #404H  
ALL of Sections 6 & 7, T19S, R35E  
Lea COUNTY, NM



**Section Plat**  
**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, NEW MEXICO**



**Tract No. 1:** N2 Sec. 6— STATE LEASE V0-8025

Mewbourne Oil Company, et al

**Tract No. 2:** NE4SW4, N2SE4, & SE4SE4 Sec. 6 and E2NE4, NE4SE4, & NW4SE4  
Sec. 7— MULTIPLE FEE LEASES

Mewbourne Oil Company, et al

Cactus Resources, Inc.

**Tract 3:** W2SW4 & SE4SW4 Sec. 6— STATE LEASE VO-7106

Mewbourne Oil Company, et al

**Tract 4:** NW4NW4, E2NW4, & W2NE4 Sec. 7— MULTIPLE FEE LEASES

Mewbourne Oil Company, et al

**Tract 5:** Lots 2-4 & SE4SW4 of Sec. 7— STATE LEASE OG-2416

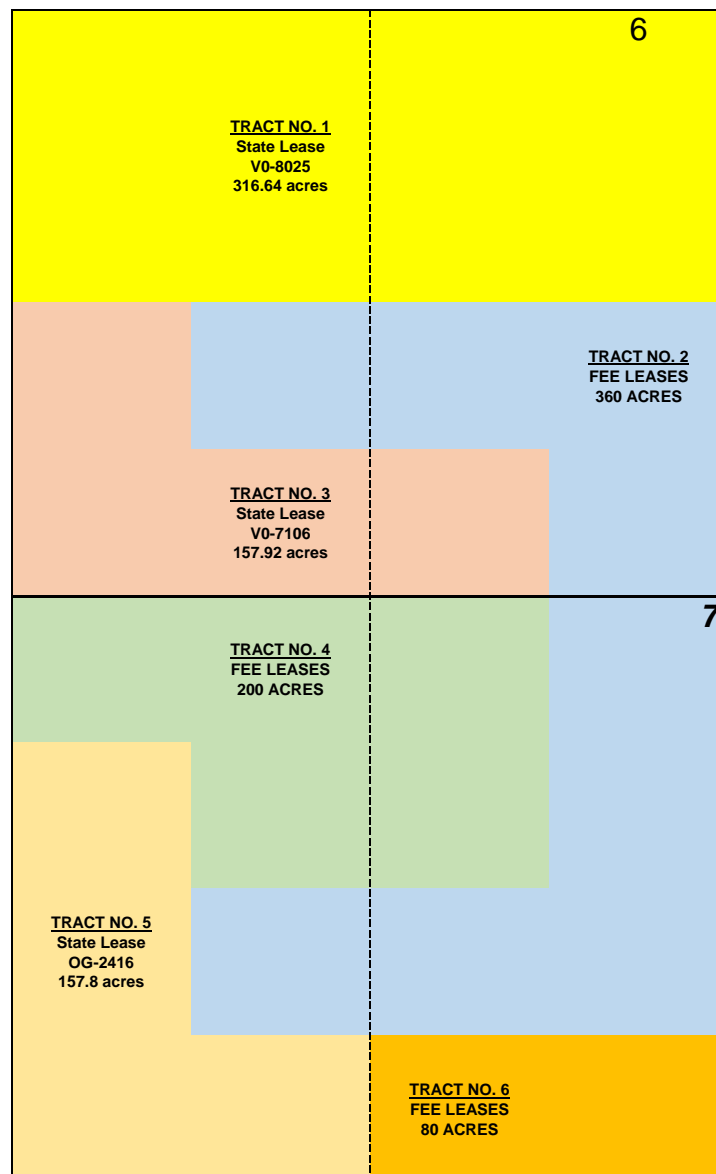
Mewbourne Oil Company, et al

**Tract 6:** S2SE4 Sec. 7— MULTIPLE FEE LEASES

Mewbourne Oil Company, et al

**RECAPITULATION**  
**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
<b>TOTAL</b>	<b>1272.36</b>	<b>100.000000%</b>



**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	99.606757%
Cactus Resources, Inc. *	0.393243%
TOTAL	100.000000%

**\* Total interest being pooled: 0.393243%**

**N2 Sec. 6 (316.64 acres)**

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

**NE4SW4, N2SE4, & SE4SE4 Sec. 6 and E2NE4, NE4SE4, & NW4SE4 Sec. 7 (360 acres)**

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	98.611111%
*Cactus Resources, Inc.	1.388889%
	<hr/> 100.000000%

\*Party to be pooled is highlighted in yellow.

**W2SW4 & SE4SW4 Sec. 6— STATE LEASE VO-7106 (157.92 acres)**

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

**NW4NW4, E2NW4, & W2NE4 Sec. 7 (200 acres)**

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

**Lots 2-4 & SE4SW4 of Sec. 7— STATE LEASE OG-2416 (157.8 acres)**

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

**S2SE4 Sec. 7— MULTIPLE FEE LEASES (80 acres)**

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

## MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

April 12, 2023

Via Certified Mail

Cactus Resources, Inc.  
P.O. Box 8112  
Murfreesboro, TN 37133  
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. 25260**  
**Exhibit A-5**

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](mailto: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 [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", is positioned above the typed name.

Brad Dunn  
Petroleum Landman



MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name:		BEEFALO 7/6 STATE COM #401H (B1MD)		Prospect:		SANTA VACA 19/18									
Location:				SL: 420 FNL & 2390 FEL (18); BHL: 100 FNL & 330 FWL (6)		County: Lea		ST: NM							
Sec.		7		Blk:		Survey:		TWP: 19S		RNG: 35E		Prop. TVD: 9631		TMD: 20200	

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$40,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$35,000
Daywork / Turnkey / Footage Drilling 26 days drlg / 3 days comp @ \$30000/d		0180-0110	\$833,000	0180-0210	\$96,100
Fuel 1700 gal/day @ \$3.9/gal		0180-0114	\$184,100	0180-0214	\$319,000
Alternate Fuels		0180-0115		0180-0215	\$97,000
Mud, Chemical & Additives		0180-0120	\$40,000	0180-0220	
Mud - Specialized		0180-0121	\$225,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$40,000
Cementing		0180-0125	\$120,000	0180-0225	\$55,000
Logging & Wireline Services		0180-0130	\$34,000	0180-0230	\$375,000
Casing / Tubing / Snubbing Services		0180-0134	\$30,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$15,000		
Stimulation 51 Stg 20.2 MM gal / 25.3 MM lb				0180-0241	\$2,947,000
Stimulation Rentals & Other				0180-0242	\$264,000
Water & Other 100% FW @ \$1.00/bbl		0180-0145	\$35,000	0180-0245	\$511,000
Bits		0180-0148	\$105,700	0180-0248	
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$25,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision		0180-0170	\$182,700	0180-0270	\$60,000
Directional Services Includes Vertical Control		0180-0175	\$391,000		
Equipment Rental		0180-0180	\$179,400	0180-0280	\$20,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,200	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$20,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$104,400	0180-0295	\$32,400
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)		0180-0199	\$151,600	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		0181-0794	\$150,800		
Casing (8.1" – 10.0") 3600' - 9 5/8" 40# HCL80 LT&C @ \$60.83/ft		0181-0795	\$233,900		
Casing (6.1" – 8.0") 9400' - 7" 29# HPP110 BT&C @ \$59.83/ft		0181-0796	\$600,600		
Casing (4.1" – 6.0") 10950' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33.47/ft				0181-0797	\$391,400
Tubing 9200' - 2 7/8" 6.5# L-80 IPC Tbg @ \$17.00/ft				0181-0798	\$167,000
Drilling Head		0181-0860	\$50,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger				0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Service Pumps (1/5) TP/CP/Circ pump				0181-0886	\$7,000
Storage Tanks (1/5) 6 OT/5 WT/GB				0181-0890	\$82,000
Emissions Control Equipment (1/5) 3 VRT/1 VRU/1 Flare/3 KO/1 AIR				0181-0892	\$81,000
Separation / Treating Equipment (1/5) 1 Bulk H Sep/2 Test H Sep/1 V Sep/2 VHT/1 HHT				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				0181-0901	\$11,000
On-site Valves/Fittings/Lines&Misc				0181-0906	\$125,000
Wellhead Flowlines - Construction				0181-0907	\$54,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$114,000
Equipment Installation				0181-0910	\$70,000
Oil/Gas Pipeline - Construction				0181-0920	\$15,000
Water Pipeline - Construction				0181-0921	\$9,000
TOTAL		\$1,035,300		\$1,368,400	
SUBTOTAL		\$4,219,400		\$6,858,300	

TOTAL WELL COST		\$11,077,700	
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Extra Expense Insurance

☐

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


☐

I elect to purchase my own well control insurance policy.  
If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

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

Prepared by: Andy Taylor

Date: 3/31/2023

Company Approval: 

Date: 4/3/2023

Joint Owner Interest: Amount:

Joint Owner Name: Signature:

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name:

BEEFALO 7/6 STATE COM #404H (B1NC)

Prospect:

SANTA VACA 19/18

Location:

SL: 420 FNL & 2350 FEL (18); BHL: 100 FNL & 2500 FWL (6)

County:

Lea

ST:

NM

Sec.

7

Blk:

Survey:

TWP:

19S

RNG:

35E

Prop. TVD:

9616

TMD:

20200

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$40,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$35,000
Daywork / Turnkey / Footage Drilling26 days drlg / 3 days comp @ \$30000/d		0180-0110	\$833,000	0180-0210	\$96,100
Fuel1700 gal/day @ \$3.9/gal		0180-0114	\$184,100	0180-0214	\$319,000
Alternate Fuels		0180-0115		0180-0215	\$97,000
Mud, Chemical & Additives		0180-0120	\$40,000	0180-0220	
Mud - Specialized		0180-0121	\$225,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$40,000
Cementing		0180-0125	\$120,000	0180-0225	\$55,000
Logging & Wireline Services		0180-0130	\$34,000	0180-0230	\$375,000
Casing / Tubing / Snubbing Services		0180-0134	\$30,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$15,000		
Stimulation51 Stg 20.2 MM gal / 25.3 MM lb				0180-0241	\$2,947,000
Stimulation Rentals & Other				0180-0242	\$264,000
Water & Other100% FW @ \$1.00/bbl		0180-0145	\$35,000	0180-0245	\$511,000
Bits		0180-0148	\$105,700	0180-0248	
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$25,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision		0180-0170	\$182,700	0180-0270	\$60,000
Directional ServicesIncludes Vertical Control		0180-0175	\$391,000		
Equipment Rental		0180-0180	\$179,400	0180-0280	\$20,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,200	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$20,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$104,400	0180-0295	\$32,400
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies5% (TCP)5% (CC)		0180-0199	\$151,600	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		0181-0794	\$150,800		
Casing (8.1" – 10.0")3600' - 9 5/8" 40# HCL80 LT&C @ \$60.83/ft		0181-0795	\$233,900		
Casing (6.1" – 8.0")9400' - 7" 29# HPP110 BT&C @ \$59.83/ft		0181-0796	\$600,600		
Casing (4.1" – 6.0")10950' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33.47/ft				0181-0797	\$391,400
Tubing9200' - 2 7/8" 6.5# L-80 IPC Tbg @ \$17/ft				0181-0798	\$167,000
Drilling Head		0181-0860	\$50,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion ToolsCompletion Liner Hanger				0181-0871	\$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				0181-0890	\$82,000
Emissions Control Equipment(1/5) 3 VRT/1 VRU/1 Flare/3 KO/1 AIR				0181-0892	\$81,000
Separation / Treating Equipment(1/5) 1 Bulk H Sep/2 Test H Sep/1 V Sep/2 VHT/1 HHT				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				0181-0901	\$11,000
On-site Valves/Fittings/Lines&Misc				0181-0906	\$125,000
Wellhead Flowlines - Construction				0181-0907	\$54,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$114,000
Equipment Installation				0181-0910	\$70,000
Oil/Gas Pipeline - Construction				0181-0920	\$15,000
Water Pipeline - Construction				0181-0921	\$9,000
TOTAL			\$1,035,300		\$1,368,400
SUBTOTAL			\$4,219,400		\$6,858,300
TOTAL WELL COST			\$11,077,700		

Extra Expense Insurance

☐

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


☐

I elect to purchase my own well control insurance policy.  
If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

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

Prepared by: Andy Taylor

Date: 3/31/2023

Company Approval: 

Date: 4/3/2023

Joint Owner Interest: Amount:

Joint Owner Name: Signature:

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name:		BEEFALO 7/6 STATE COM #408H (B1PA)		Prospect:		SANTA VACA 19/18									
Location:				SL: 420 FNL & 2310 FEL (18); BHL: 100 FNL & 500 FEL (6)		County: Lea		ST: NM							
Sec.		7		Blk:		Survey:		TWP: 19S		RNG: 35E		Prop. TVD: 9671		TMD: 20200	

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$40,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$35,000
Daywork / Turnkey / Footage Drilling 26 days drlg / 3 days comp @ \$30000/d		0180-0110	\$833,000	0180-0210	\$96,100
Fuel 1700 gal/day @ \$3.9/gal		0180-0114	\$184,100	0180-0214	\$319,000
Alternate Fuels		0180-0115		0180-0215	\$97,000
Mud, Chemical & Additives		0180-0120	\$40,000	0180-0220	
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Mud Logging		0180-0137	\$15,000		
Stimulation 51 Stg 20.2 MM gal / 25.3 MM lb				0180-0241	\$2,947,000
Stimulation Rentals & Other				0180-0242	\$264,000
Water & Other 100% FW @ \$1.00/bbl		0180-0145	\$35,000	0180-0245	\$511,000
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Contract Services & Supervision		0180-0170	\$182,700	0180-0270	\$60,000
Directional Services Includes Vertical Control		0180-0175	\$391,000		
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Damages		0180-0190	\$20,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$5,000
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TOTAL		\$3,184,100		\$5,489,900	

TANGIBLE COSTS 0181					
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Casing (10.1" – 19.0") 1850' - 13 3/8" 54.5# J-55 ST&C @ \$76.3/ft		0181-0794	\$150,800		
Casing (8.1" – 10.0") 3600' - 9 5/8" 40# HCL80 LT&C @ \$60.83/ft		0181-0795	\$233,900		
Casing (6.1" – 8.0") 9400' - 7" 29# HPP110 BT&C @ \$59.83/ft		0181-0796	\$600,600		
Casing (4.1" – 6.0") 10950' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33.47/ft				0181-0797	\$391,400
Tubing 9200' - 2 7/8" 6.5# L-80 IPC Tbg @ \$17/ft				0181-0798	\$167,000
Drilling Head		0181-0860	\$50,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger				0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Service Pumps (1/5) TP/CP/Circ pump				0181-0886	\$7,000
Storage Tanks (1/5) 6 OT/5 WT/GB				0181-0890	\$82,000
Emissions Control Equipment (1/5) 3 VRT/1 VRU/1 Flare/3 KO/1 AIR				0181-0892	\$81,000
Separation / Treating Equipment (1/5) 1 Bulk H Sep/2 Test H Sep/1 V Sep/2 VHT/1 HHT				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				0181-0901	\$11,000
On-site Valves/Fittings/Lines&Misc				0181-0906	\$125,000
Wellhead Flowlines - Construction				0181-0907	\$54,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$114,000
Equipment Installation				0181-0910	\$70,000
Oil/Gas Pipeline - Construction				0181-0920	\$15,000
Water Pipeline - Construction				0181-0921	\$9,000
TOTAL		\$1,035,300		\$1,368,400	
SUBTOTAL		\$4,219,400		\$6,858,300	

TOTAL WELL COST		\$11,077,700	
-----------------	--	--------------	--

Extra Expense Insurance

☐

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


☐

I elect to purchase my own well control insurance policy.  
If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

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

Prepared by: Andy Taylor

Date: 3/31/2023

Company Approval: 

Date: 4/3/2023

Joint Owner Interest: Amount:

Joint Owner Name: Signature:

Released to Imaging: 3/31/2025 2:39:48 PM

Revised: 8/11/2020

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

**Cactus Resources, Inc.**

- 1) 4/12/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 7/28/2023: Certified mail returned due to unlocatable/undeliverable address.
- 3) 8/15/2024: Detailed search on the internet for a new address of this company/current contact information. Owner unlocatable.
- 4) 3/4/2025: Detailed search on the internet for a new address of this company/current contact information. No good contact information found. 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. 25260  
ORDER NO. R-22818**

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

1. I am the attorney in fact and authorized representative of Mewbourne Oil Company, the Applicant herein.
2. I am familiar with the Notice Letter attached as **Exhibit B-1**, and caused the Notice Letter, along with the Application in this case, to be sent to the parties listed in the Postal Delivery Report attached as **Exhibit B-2**.
3. Exhibit B-2 also provides the date the Notice Letter was sent, along with the delivery status of each.
4. An electronic return receipt is attached as **Exhibit B-3** as supporting documentation for proof of mailing and the information provided on Exhibit B-2.
5. On March 23, 2025, I caused a notice to be published 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 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

March 28, 2025  
Date

**Mewbourne Oil Company  
Case No. 25260  
Exhibit B**



March 19, 2025

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

**TO: ALL PERSONS ENTITLED TO NOTICE**

**Re: Case No. 25260 - 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 ("OCD"). The hearing will be conducted on **April 10, 2025**, beginning at 9:00 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, 1<sup>st</sup> Floor, Santa Fe, NM 87505. The hearing may be held only virtually at the discretion of the Division. To confirm the manner in which the hearing will be held, and to participate virtually, please visit the OCD Hearings website at the following link:

<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 prior to the scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. If you are not registered with OCD's E-Permitting system, you must submit the statement via e-mail to [ocd.hearings@emnrd.nm.gov](mailto:ocd.hearings@emnrd.nm.gov) and should include: the names of the parties; whether or not the parties are represented by counsel; a concise statement of the case; the names of witnesses anticipated to be called to testify at the hearing; the approximate amount of time needed to present the case; and an 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, Landman at Mewbourne Oil Company at [bdunn@mewbourne.com](mailto:bdunn@mewbourne.com).

125 Lincoln Avenue, Suite 223  
Santa Fe, NM 87501  
505-230-4410

HardyMcClean.com

Writer:  
Jaclyn M. McLean  
Managing Partner  
[jmclean@hardymcClean.com](mailto:jmclean@hardymcClean.com)

**Mewbourne Oil Company**  
**Case No. 25260**  
**Exhibit B-1**



Hardy McLean LLC  
March 19, 2025

Page 2

Sincerely,  
/s/ Jaclyn M. McLean  
Jaclyn M. McLean

Postal Delivery Report  
MEWBOURNE OIL COMPANY CASE NO. 25260

Recipient	Mailed	USPS Tracking Number	Delivered	Delivery Status
K-Tex Energy, LLC Attn: Permian Land Manager	3/19/2025	9414836208551280003665	3/24/2025	Delivered
Cactus Resources, Inc. Attn: Permian Land Manager	3/19/2025	9414836208551280003672	3/25/2025	Return to Sender
Midway Minerals, LLC	3/19/2025	9414836208551280003696	3/28/2025	In Transit

Mewbourne Oil Company  
Case No. 25260  
Exhibit B-2





March 24, 2025

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number:  
**9414 8362 0855 1280 0036 65.**

#### Item Details

<b>Status:</b>	Delivered, Front Desk/Reception/Mail Room
<b>Status Date / Time:</b>	March 24, 2025, 11:29 am
<b>Location:</b>	DALLAS, TX 75204
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	K Tex Energy LLC

#### Recipient Signature

Signature of Recipient:



Address of Recipient:



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

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

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

K-Tex Energy, LLC  
Attn: Permian Land Manager  
4131 N. Central Expressway  
Ste 900  
Dallas, TX 75204  
Reference #: Beefalo R-22818  
Item ID: Beefalo R-22818

**Mewbourne Oil Company**  
**Case No. 25260**  
**Exhibit B-3**

**Affidavit of Publication**

STATE OF NEW MEXICO  
COUNTY OF LEA

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

Beginning with the issue dated  
March 23, 2025  
and ending with the issue dated  
March 23, 2025.



Publisher

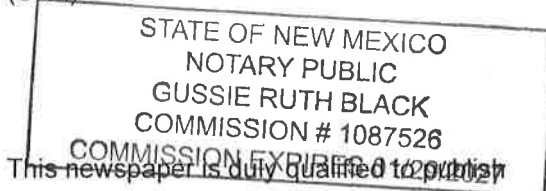
Sworn and subscribed to before me this  
23rd day of March 2025.



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
<b>LEGAL NOTICE</b> <b>March 23, 2025</b>	
<p>This is to notify all interested parties, including; Cactus Resources, Inc.; K-Tex Energy, LLC; Midway Minerals, LLC; and their successors and assigns; that the New Mexico Oil Conservation Division will conduct a hearing on the applications submitted by Mewbourne Oil Company ("Applicant") (Case No. 25260). The hearing will be conducted on April 10, 2025, in a hybrid fashion, both virtually and in person at the Energy, Minerals, Natural Resources Department, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD website: <a href="https://www.emnrd.nm.gov/oed/hearing-info/">https://www.emnrd.nm.gov/oed/hearing-info/</a>. In Case No. 25260, 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 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. The Division subsequently entered Order No. R-22818-A, which pooled additional interests under the terms of the Order. Since the entry of Order No. R-22818-A, 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.</p> <p>#00299367</p>	

67118479

00299367

HARDY MCLEAN LLC  
125 LINCOLN AVE, STE. 223  
SANTA FE, NM 87501

**Mewbourne Oil Company**  
**Case No. 25260**  
**Exhibit B-4**