

CASE NO. 21959

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

MEWBOURNE OIL COMPANY'S EXHIBIT LIST

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

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 21959

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in Bone Spring formation underlying a horizontal spacing unit comprised of the S/2SE/4 of Section 29 and the S/2S/2 of Section 28, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the S/2SE/4 of Section 29 and the S/2S/2 of Section 28, and has the right to drill a well thereon.

2. Applicant proposes to drill its Pavo Frio 29/28 B3OP Fed. Com. Well No. 2H to a depth sufficient to test the Bone Spring formation, and to dedicate the S/2SE/4 of Section 29 and the S/2S/2 of Section 28 to the well. The well has a first take point in the SW/4SE/4 of Section 29 and a final take point in the SE/4SE/4 of Section 28.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation in the S/2SE/4 of Section 29 and the S/2S/2 of Section 28 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring

EXHIBIT 

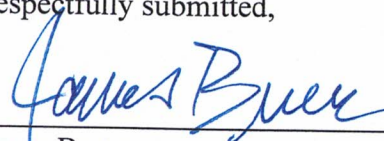
formation in the S/2SE/4 of Section 29 and the S/2S/2 of Section 28, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Bone Spring formation underlying the S/2SE/4 of Section 29 and the S/2S/2 of Section 28 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the Bone Spring formation underlying the S/2SE/4 of Section 29 and the S/2S/2 of Section 28;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling, completing, and equipping the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Mewbourne Oil Company

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.

Mewbourne Oil Company seeks an order of all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 9 and the S/2S/2 of Section 10, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Perazzi 9-10 WOMP Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4SW/4 of Section 9, and a final take point in the SE/4SE/4 of Section 10. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 15-1/2 miles east-southeast of Lakewood, New Mexico.

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

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

Case No. 21959

SELF-AFFIRMED STATEMENT OF TYLER JOLLY

COUNTY OF MIDLAND)
) ss.
STATE OF TEXAS)

EXHIBIT 2

Tyler Jolly deposes and states:

1. I am a landman for Mewbourne Oil Company (“Mewbourne”), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.

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

(a) The purpose of this application is to force pool working interest owners into the horizontal spacing unit described below, and in wells to be drilled in the unit.

(b) No opposition is expected because the interest owners being pooled have been contacted since regarding the proposed wells, but have simply failed or refused to voluntarily commit their interests to the wells.

(c) A plat outlining the unit being pooled is submitted as Attachment A. Mewbourne seeks an order pooling of all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the S/2SE/4 of Section 29 and the S/2S/2 of Section 28, Township 18 South, Range 29 East, NMPM for the Pavo Frio 29/28 B3OP Fed. Com. Well No. 2H. The C-102 is part of Attachment A.

(d) There is no depth severance in the Bone Spring formation.

(e) The parties being pooled are the heirs or devisees of Donna Bliven, who is apparently deceased. Attachment B. She owned a 0.01627%% interest in the well unit. Mewbourne has had contact with persons who are apparently her heirs, but they have

never provided information to Mewbourne on her probate, of any, or the identity of the heirs. Exhibit C contains the proposal letter to the party being pooled.

(f) Mewbourne has made a good faith effort to locateobtain the voluntary joinder of the working interest owners in the proposed wells.

(g) Mewbourne has the right to pool the overriding royalty owners in the well unit.

(h) Attachment D contains the Authorization for Expenditure for the well. The estimated cost of the wells set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depth and length drilled in this area of Eddy County.

(i) Mewbourne requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Eddy County. They are also the rates set forth in the Joint Operating Agreement for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

(j) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

(k) Mewbourne requests that it be designated operator of the well.

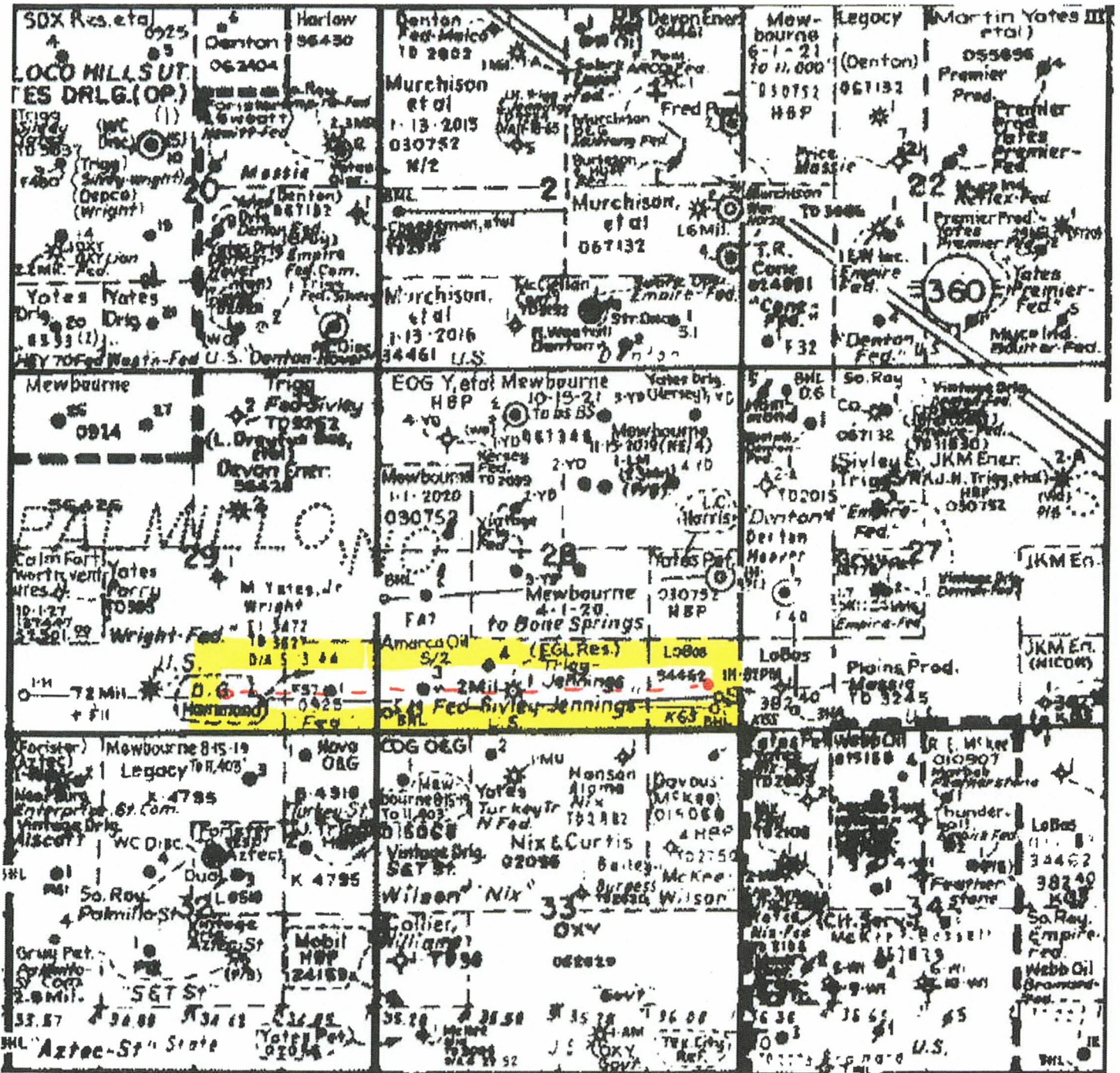
(l) The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.

(m) The granting of this application is in the interests of conservation and the prevention of waste.

3. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 2(m) above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: June 15.2021


Tyler Jolly



ATTACHMENT *A*

Form 3160-5
 (June 2015)

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

FORM APPROVED
 OMB NO. 1004-0137
 Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
 Do not use this form for proposals to drill or to re-enter an
 abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
 NMNM56428

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
 PAVO FRIO 29/28 B3OP FED COM 2H

2. Name of Operator
 MEWBOURNE OIL COMPANY
 Contact: JACKIE LATHAN
 E-Mail: jlathan@mewbourne.com

9. API Well No.
 30-015-45994-00-X1

3a. Address
 P O BOX 5270
 HOBBS, NM 88241
 3b. Phone No. (include area code)
 Ph: 575-393-5905

10. Field and Pool or Exploratory Area
 PALMILLO-BONE SPRING, EAST
 North

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 Sec 29 T18S R29E SESW 850FSL 2435FWL
 32.713512 N Lat, 104.097580 W Lon

11. County or Parish, State
 EDDY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Change to Original PD
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Mewbourne Oil Company requests approval to make the following changes to the approved APD:

- 1) Change well name to Pavo Frio 29/28 B3OP Fed Com #2H
- 2) Change BHL to 500' FSL & 100' FEL, Sec 28, T18S, R29E
- 3) Change casing & cement design as detailed in attachment.

See attachments for C-102, drilling program & directional plan
 Please contact Andy Taylor with any questions.

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #525419 verified by the BLM Well Information System
 For MEWBOURNE OIL COMPANY, sent to the Carlsbad
 Committed to AFMS for processing by PRISCILLA PEREZ on 08/14/2020 (20PP3746SE)**

Name (Printed/Typed) JAKE MAXEY	Title ENGINEER
Signature (Electronic Submission)	Date 08/13/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By OLABODE AJIBOLA Title PETROLEUM ENGINEER Date 09/21/20

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Carlsbad

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

SEP 21 2020

NM OIL CONSERVATION
ARTESIA DISTRICT

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

MAY 14 2019

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

RECEIVED

AMENDED REPORT

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Bruzos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

49554
WELL LOCATION AND ACREAGE DEDICATION PLAT

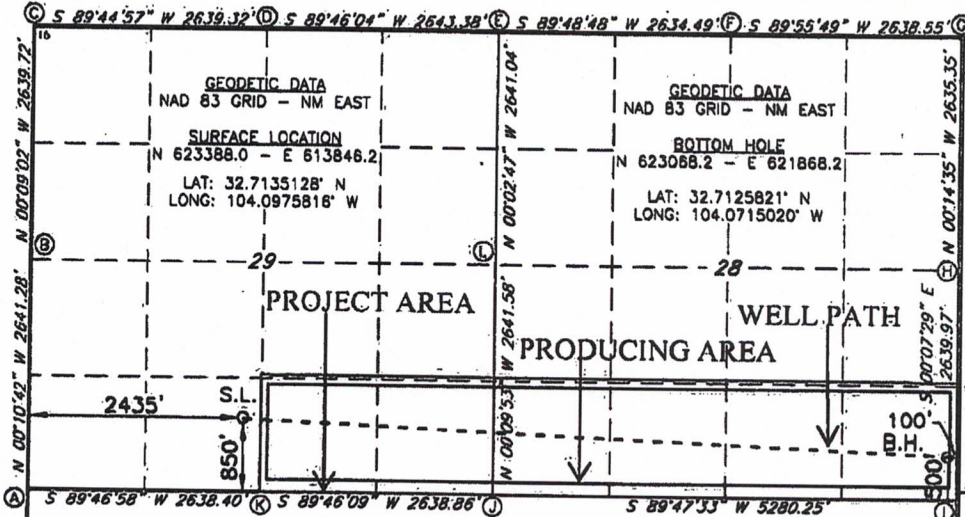
1 API Number 30-015-45994		2 Pool Code 49554		3 Well Name PALM, No. PAMILLO EAST BONE SPRING North	
4 Property Code 325677		5 Property Name PAVO FRIO 29/28 B20PFED COM			6 Well Number 1H
7 GRID NO. 14744		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3451'

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
N	29	18S	29E		850	SOUTH	2435	WEST	EDDY

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	28	18S	29E		500	SOUTH	100	EAST	EDDY

12 Dedicated Acres 240	13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Bradley Bishop* Date: 8-8-18
Printed Name: BRADLEY BISHOP
E-mail Address: BBISHOP@MEWBOURNE.COM

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

03-28-2018
Date of Survey
Signature and Seal of *Robert M. Howett*
19680
Certificate Number

Job No.: LS1803411

RVP 5-17-19

Tract Ownership

Pavo Frio 29-28 B3OP Fed Com #2H

S2SE4 of Section 29 & S2S2 of Section 28, T18S, R29E, Eddy County, New Mexico

Mewbourne Oil Company, et al.	99.98373%
Donna Bliven	<u>0.01627%*</u>
	100.000000%

*Indicates interest is being pooled.

*Donna Bliven is unlocatable; believed to be deceased.

ATTACHMENT



Summary of Communications
Pavo Frio 29-28 B3OP Fed Com #2H
S2SE4 of Section 29 & S2S2 of Section 28, T18S, R29E, Eddy County, NM

Donna Bliven

1. Well Proposal dated March 29, 2021 sent to heirs of Donna Bliven. Proof of delivery is attached.
2. Donna Bliven is believed to be deceased, but no proof of death has been obtained.
3. Have made numerous attempts to talk to call relatives to obtain proof of death or whereabouts.
4. She appears to be an unlocatable person at this point.

*Donna Bliven is believed to be deceased, but no proof of death has been obtained.

*Appears to be unlocatable.

ATTACHMENT

C

MEWBOURNE OIL COMPANY
500 West Texas, Suite 1020
Midland, Texas 79701
Phone (432) 682-3715

March 29, 2021

Via Certified Mail

The heirs and devisees of Donna Bliven
506 W. Orchard Lane, Apt. 17
Carlsbad, New Mexico 88202

Re: Pavo Frio 29-28 B3OP Fed Com #2H
S2SE4 of Section 29 & S2S2 of Section 28
T18S, R29E, Eddy County, New Mexico

Ladies and Gentlemen:

Per Operating Agreement dated October 1, 2018, Mewbourne Oil Company, as Operator, hereby proposes drilling the following horizontal test:

Pavo Frio 29-28 B3OP Fed Com #2H – API #30-015-45994
Surface Location: 850' FSL, 2415' FWL, Section 29
Bottom Hole Location: 500' FSL, 100' FEL, Section 28
Proposed Total Vertical Depth: 8650'
Proposed Total Measured Depth: 16348'
Target: 3rd Bone Spring Sand

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to the undersigned within thirty (30) days. Please enclose your most current well information requirements so that we may supply well data when available.

Please contact me at (432) 682-3715 or via email at tjolly@mewbourne.com if you have any questions.

Very truly yours,

MEWBOURNE OIL COMPANY



Tyler Jolly
Landman



March 31, 2021

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number: **9414 8368 9784 6773 5910 25.**

Item Details


Status: Delivered, Front Desk/Reception/Mail Room
Status Date / Time: March 31, 2021, 11:36 am
Location: CARLSBAD, NM 88220
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
 Return Receipt Electronic

Recipient Name: the heirs and devisees of Donna Bliven

Shipment Details

Weight: 1.0oz

Recipient Signature

Signature of Recipient:	 506 W ORCHARD LN APT 17 CARLSBAD, NM 88220
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

the heirs and devisees of Donna Bliven 506 W. Orchard Lane, Apt 17 Carlsbad, NM 88202 Reference #: Pavo Frio 29-28

MEWBORNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: PAVO FRIO 29/28 B3OP FED COM #2H		Prospect: Pavo Frio	
Location: SL: 850 FSL & 2415 FWL (29); BHL: 500 FSL & 100 FEL (28)		County: Eddy ST: NM	
Sec. 29	Blk: 	Survey: 	TWP: 18S RNG: 29E Prop. TVD: 8650 TMD: 16348

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$35,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$200,000	0180-0206	\$5,000
Daywork / Turnkey / Footage Drilling 25 days drlg / 3 days comp @ \$18550/d	0180-0110	\$495,300	0180-0210	\$59,400
Fuel 1700 gal/day @ \$3/gal	0180-0114	\$136,200	0180-0214	\$275,000
Alternate Fuels	0180-0115		0180-0215	
Mud, Chemical & Additives	0180-0120	\$60,000	0180-0220	
Mud - Specialized	0180-0121	\$100,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$150,000
Stimulation Toe Preparation			0180-0223	\$25,000
Cementing	0180-0125	\$60,000	0180-0225	\$35,000
Logging & Wireline Services	0180-0130	\$2,300	0180-0230	\$253,000
Casing / Tubing / Snubbing Services	0180-0134	\$15,000	0180-0234	\$40,000
Mud Logging	0180-0137	\$30,000		
Stimulation 44 Stg 14.5 MM gal / 14.5 MM lb			0180-0241	\$1,070,000
Stimulation Rentals & Other			0180-0242	\$150,000
Water & Other	0180-0145	\$35,000	0180-0245	\$173,000
Bits	0180-0148	\$106,800	0180-0248	\$5,000
Inspection & Repair Services	0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services	0180-0154		0180-0254	\$10,000
Testing & Flowback Services	0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig			0180-0260	\$10,500
Rig Mobilization	0180-0164	\$120,000		
Transportation	0180-0165	\$30,000	0180-0265	\$5,000
Welding, Construction & Maint. Services	0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision	0180-0170	\$45,000	0180-0270	\$31,500
Directional Services Includes Vertical Control	0180-0175	\$341,000		
Equipment Rental	0180-0180	\$197,400	0180-0280	\$3,400
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$4,200	0180-0285	
Intangible Supplies	0180-0188	\$8,000	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	\$180,000	0180-0295	\$63,000
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 2% (TCP) 2% (CC)	0180-0199	\$46,200	0180-0299	\$49,600
TOTAL		\$2,358,400		\$2,528,400

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
Casing (19.1" - 30")	0181-0793			
Casing (10.1" - 19.0") 300' - 13 3/8" 54.5# J-55 ST&C @ \$36.5/ft	0181-0794	\$11,700		
Casing (8.1" - 10.0") 1300' - 9 5/8" 36# J-55 LT&C @ \$20.5/ft	0181-0795	\$28,500		
Casing (6.1" - 8.0") 8700' - 7" 29# HCP-110 LT&C @ \$27/ft	0181-0796	\$250,900		
Casing (4.1" - 6.0") 8300' - 4 1/2" 13.5# HCP-110 LT&C @ \$14.5/ft			0181-0797	\$128,500
Tubing 8100' - 2 7/8" 6.5# L-80 Tbg @ \$7.82/ft			0181-0798	\$67,800
Drilling Head	0181-0860	\$35,000		
Tubing Head & Upper Section			0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger			0181-0871	\$50,000
Subsurface Equip. & Artificial Lift			0181-0880	\$25,000
Pumping Unit Systems			0181-0885	
Service Pumps			0181-0886	
Storage Tanks			0181-0890	
Emissions Control Equipment			0181-0892	
Separation / Treating Equipment (1/3) H sep/V sep/HT			0181-0895	\$55,000
Automation Metering Equipment			0181-0898	\$8,400
Line Pipe & Valves - Gathering			0181-0900	
Fittings / Valves & Accessories			0181-0906	\$116,700
Cathodic Protection			0181-0908	
Electrical Installation			0181-0909	\$25,000
Equipment Installation			0181-0910	\$33,400
Pipeline Construction			0181-0920	
TOTAL		\$326,100		\$539,600
SUBTOTAL		\$2,684,500		\$3,068,000

TOTAL WELL COST	\$5,752,500
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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.

Prepared by: <u>Levi Jackson</u>	Date: <u>3/18/2021</u>
Company Approval: <u><i>M. Whitt</i></u>	Date: <u>3/22/2021</u>
Joint Owner Interest: _____ Amount: _____	Signature: _____
Joint Owner Name: _____	

File: Pavo Frio 29-28 B3OP Fed Com #2H (1).xlsx

Revised: 8/11/2020

ATTACHMENT

D

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

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

Case No. 21959

SELF-AFFIRMED STATEMENT OF CHARLES CROSBY

COUNTY OF MIDLAND)
) ss.
STATE OF TEXAS)

Charles Crosby deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in these cases. I have been qualified by the Division as an expert petroleum geologist.
3. The following geological plats are attached hereto:
 - (a) Attachment A is a structure map on the top of the Wolfcamp formation, which accurately reflects the structure of the Third Bone Spring Sand. It shows that structure dips gently to the southeast. It also shows Bone Spring wells in the area, and a line of cross-section.
 - (b) Attachment B is a Third Bone Spring Sand Gross Thickness Map, which is the completion zone of the Pavo Frio B3OP Fed. Com. Well No. 2H.
 - (c) Attachment C is a cross section of the Third Bone Spring Sand. The well logs on the cross-section give a representative sample of those zones in this area. The target zones for the well is continuous and uniformly thick across the well unit.
4. I conclude from the maps that:
 - (a) The horizontal spacing units are justified from a geologic standpoint.
 - (b) The target zone is continuous and of relatively uniform thickness across the well units.

EXHIBIT **3**

(c) Each quarter-quarter section in each well unit will contribute more or less equally to production from the target zone.


(d) There is no faulting or other geologic impediment in the area which will affect the drilling of the subject well.

5. Attachment D contains information from nearby Third Bone Spring Sand wells drilled in this area. There is a preference for laydown wells.

6. Attachment E contains the horizontal drilling plans for the proposed well. The producing interval of the wells will be orthodox.

7. I understand that this Self-Affirmed Statement will be used as written testimony in these cases. I affirm that my testimony in paragraphs 1 through 6 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

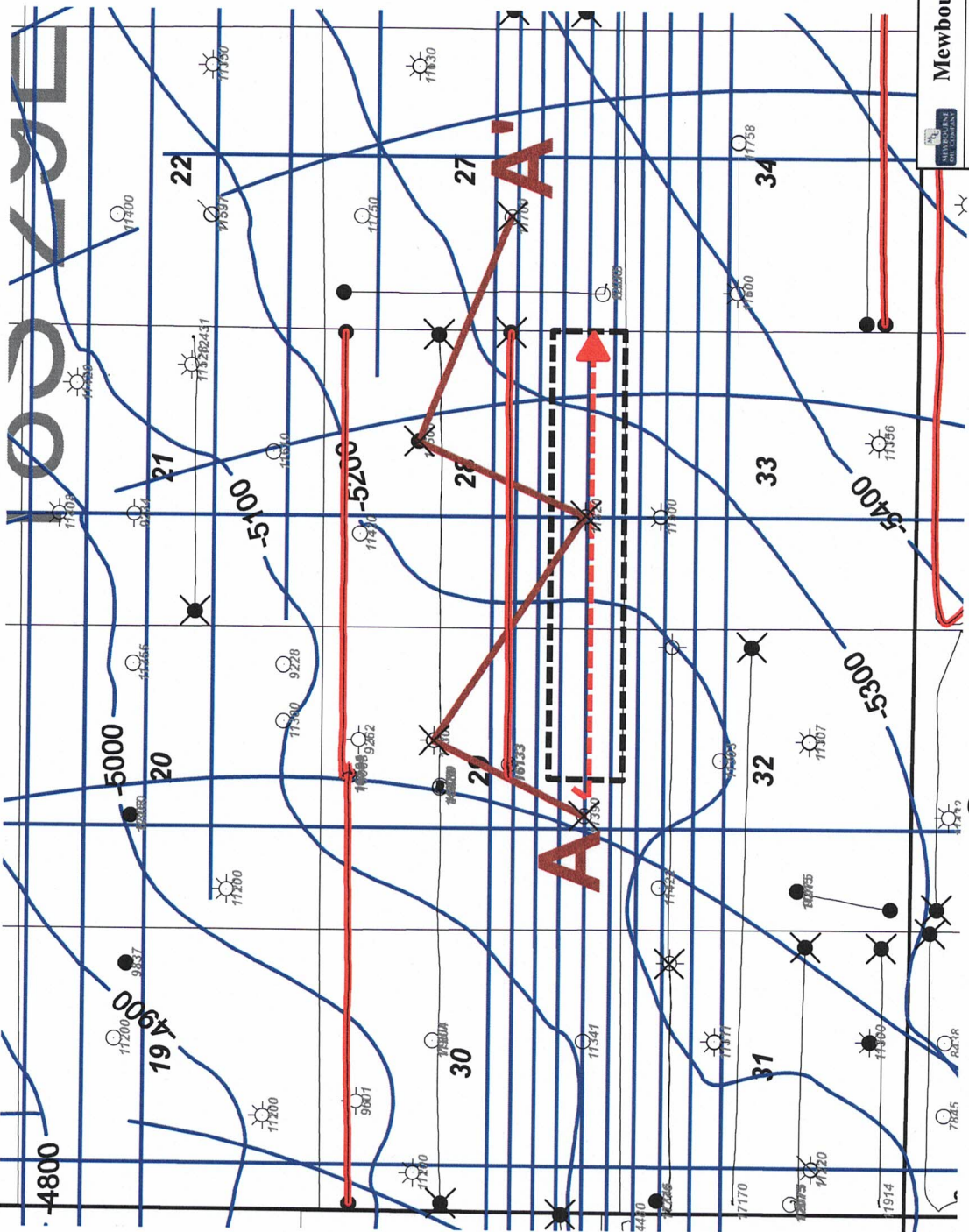
Date: 6/15/21



Charles Crosby

ATTACHMENT

A



Mewbourne Oil Company

Pavo Frio 29/28 B3OP Fed Com 2H
Horizontal Activity Map
Top Wolfcamp Structure Map (C.I. 100')

5/26/21	Eddy County	New Mexico
	Wells TD < 6000' Filtered out	Geol. C. Crosby

Horizontal Activity Color Code

● TD

— 3rd BSPG SD

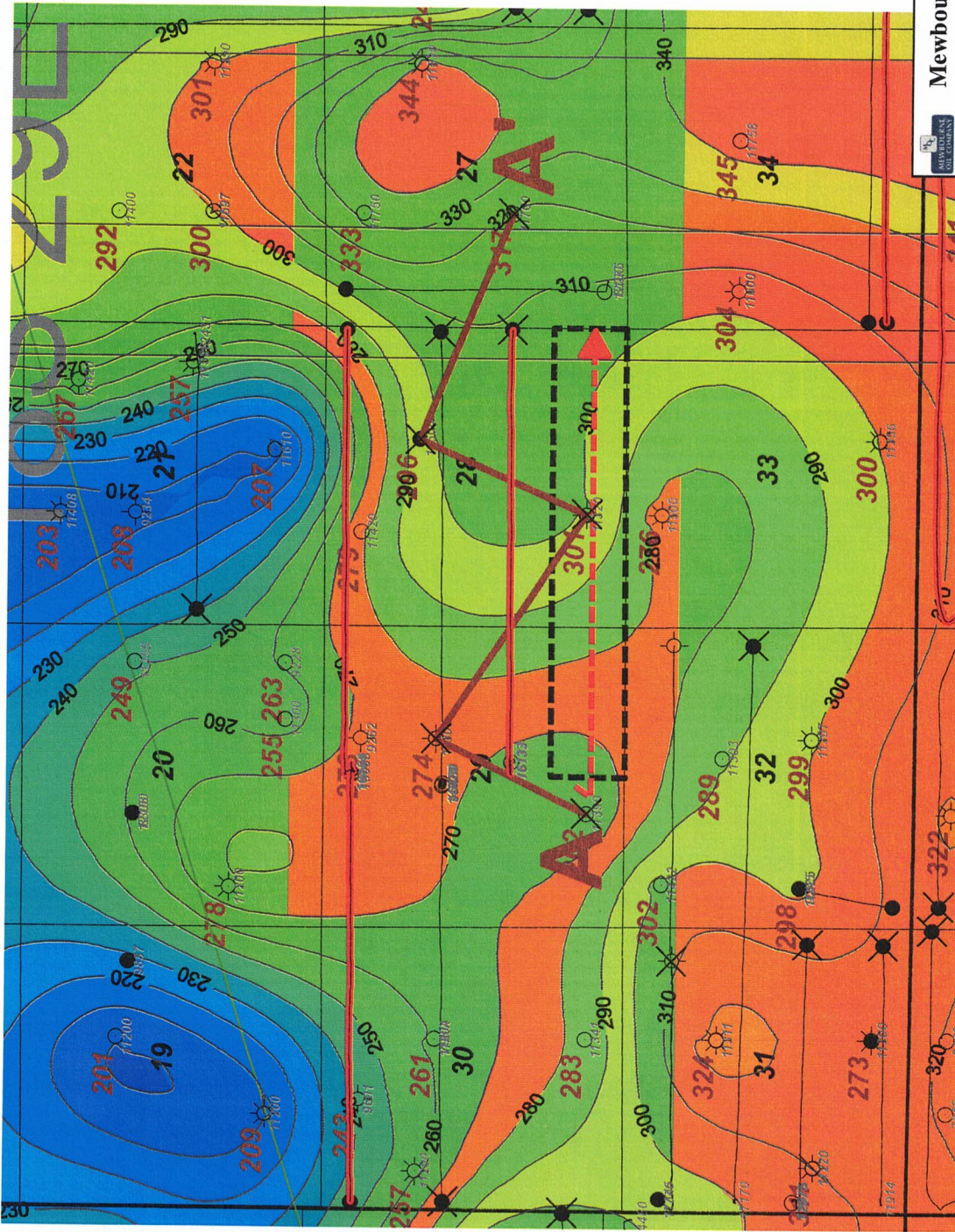
Scale: 1:34000

0 2150 4300 6450 us ft

North Arrow

ATTACHMENT

B



Mewbourne Oil Company

Pavo Frio 29/28 B3OP Fed Com 2H
Horizontal Activity Map
3rd BSPG SD Gross Thickness (C.I. 10')

575671	Eddy County	New Mexico
	Wells TD < 6000' filtered out	Geol. C. Craby

Horizontal Activity Color Code

3rd BSPG SD

1:34000

6450 us ft

4300

2150

0

2150

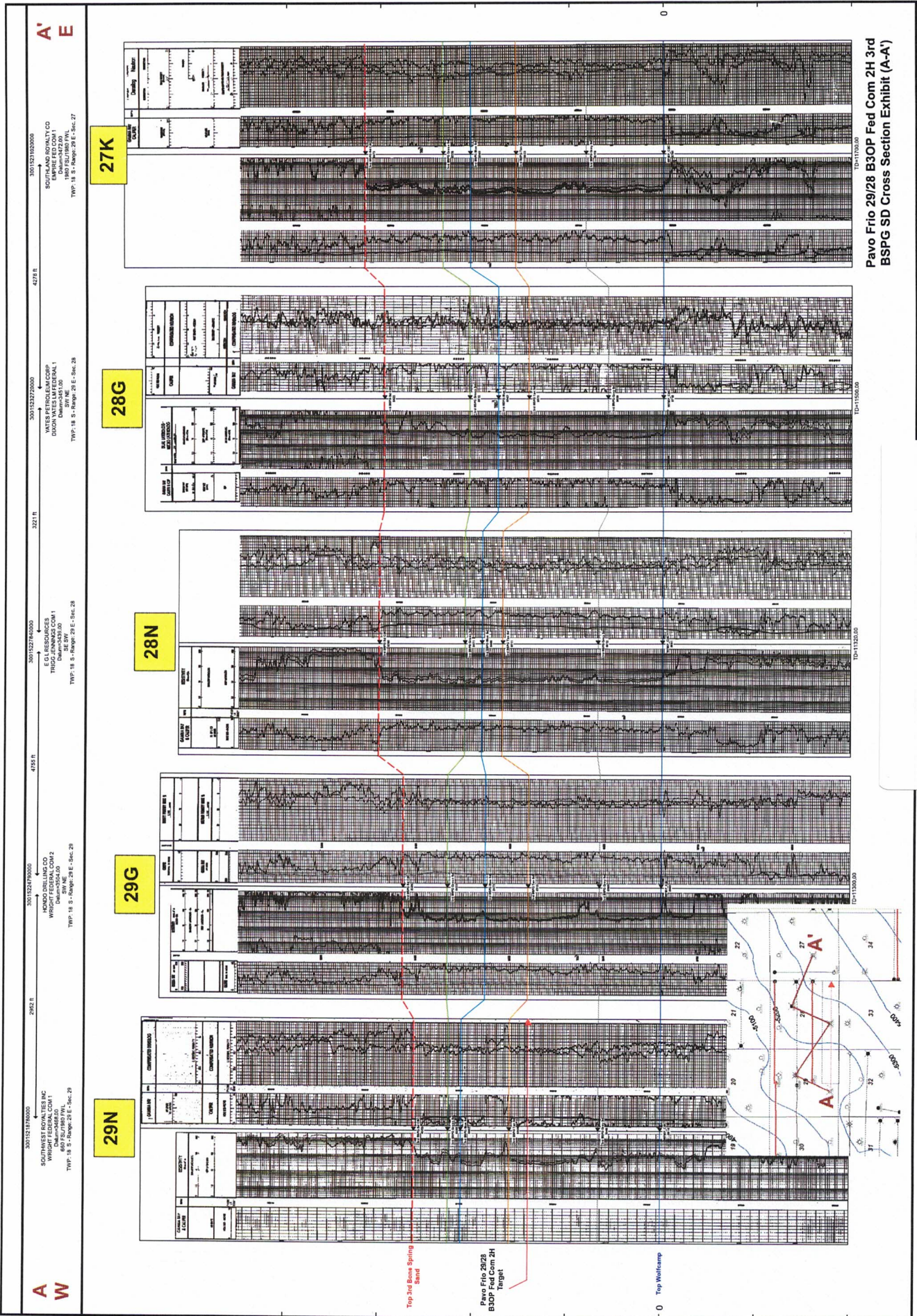
3rd BSPG Gross Thickness Legend (C.I. 10')

Color Field Contour

Entity

TD

3rd BSPG SD



ATTACHMENT C

Pavo Frio Area 3rd Bone Spring Sand Horizontal Production Table

Well Name	Operator	API	Location	Completion Date	Cum Oil (Mbo)	Cum Gas (Bcf)	Cum Water (Mbw)	NS/EW	Production Zone
Turkey Track 4/3 State 31H	OXY	30015443340000	4D/19S/29E	10/23/2018	314.5	0.4	208.6	EW	3rd Bone Spring Sand
Pavo Frio 29/30 B3CD Fed Com 1H	Mewbourne	30015454060000	29B/18S/29E	10/1/2020	80.9	0.1	351.7	EW	3rd Bone Spring Sand
Pavo Frio 29/28 B3BA Fed Com 1H	Mewbourne	30015460170000	29B/18S/29E	10/1/2020	96.6	0.10	171.2	EW	3rd Bone Spring Sand
Pavo Frio 29/28 B3J Fed Com 1H	Mewbourne	30015460180000	29J/18S/29E	10/2/2019	303.3	0.4	336.3	EW	3rd Bone Spring Sand
Wishbone 35/34 B3PM Fed Com 2H	Mewbourne	30015462670000	35P/18S/29E	3/24/2020	112	0.1	289.3	EW	3rd Bone Spring Sand

ATTACHMENT

D



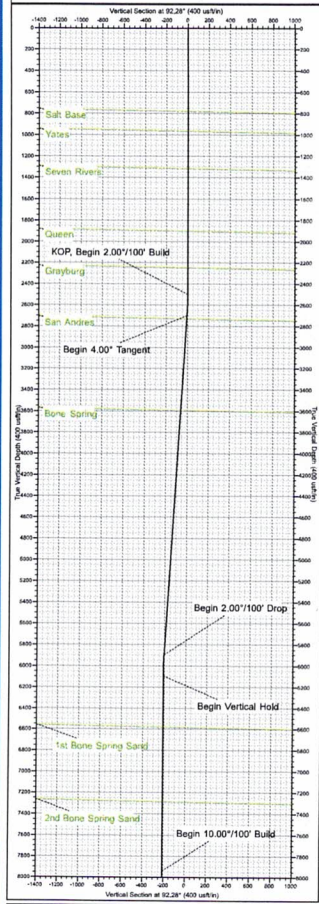
Company: Mewbourne Oil Company
Site: Pavo Frio
Well: Pavo Frio 29/28 B30P FED COM 2H
Project: Eddy County, N.M. Nad (83)
Rig: Patterson 816



To convert a Magnetic Direction to a Grid Direction, Add 6.72°

ANNOTATIONS

MD	Inc	Azi	TVD	+N-S	+E/W	V Sect	Departure	Annotation
2500.00	0.00	0.00	2500.00	0.00	0.00	0.00	0.00	KOP, Begin 2.00°/100' Build
2699.75	4.00	245.06	2699.59	-2.94	-6.31	-6.19	6.96	Begin 4.00° Tangent
5903.36	4.00	245.06	5895.41	-87.06	-208.69	-204.66	230.16	Begin 2.00°/100' Drop
6103.11	0.00	0.00	6095.00	-100.00	-215.00	-210.86	237.12	Begin Vertical Hold
7949.11	0.00	0.00	7941.00	-100.00	-215.00	-210.86	237.12	Begin 10.00°/100' Build
8839.01	88.99	106.90	8513.87	-263.62	323.55	333.77	799.98	Begin 88.99° Lateral, 3.00°/100' Turn
9409.24	88.99	89.79	8523.99	-346.07	885.56	898.61	1370.11	Hold 89.79° Azi
16586.24	88.99	89.79	8650.00	-319.90	8041.40	8047.76	8526.01	PBHL

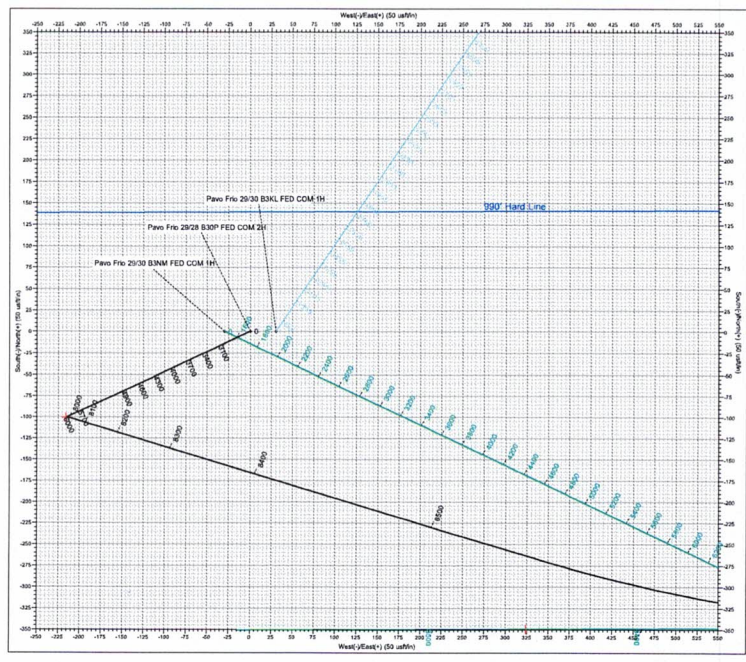
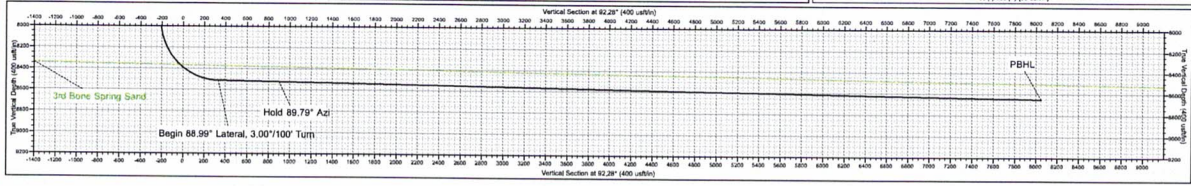
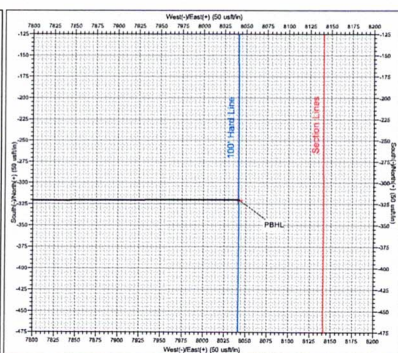
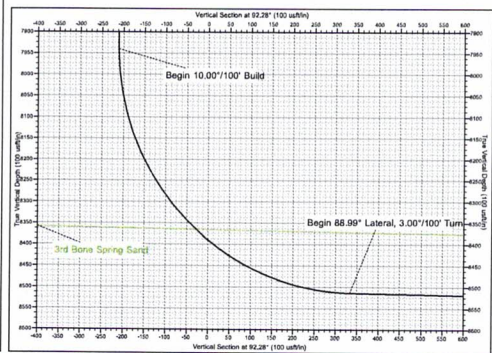


Admiralty to Grid North
True North: -0.13°
Magnetic North: 6.72°

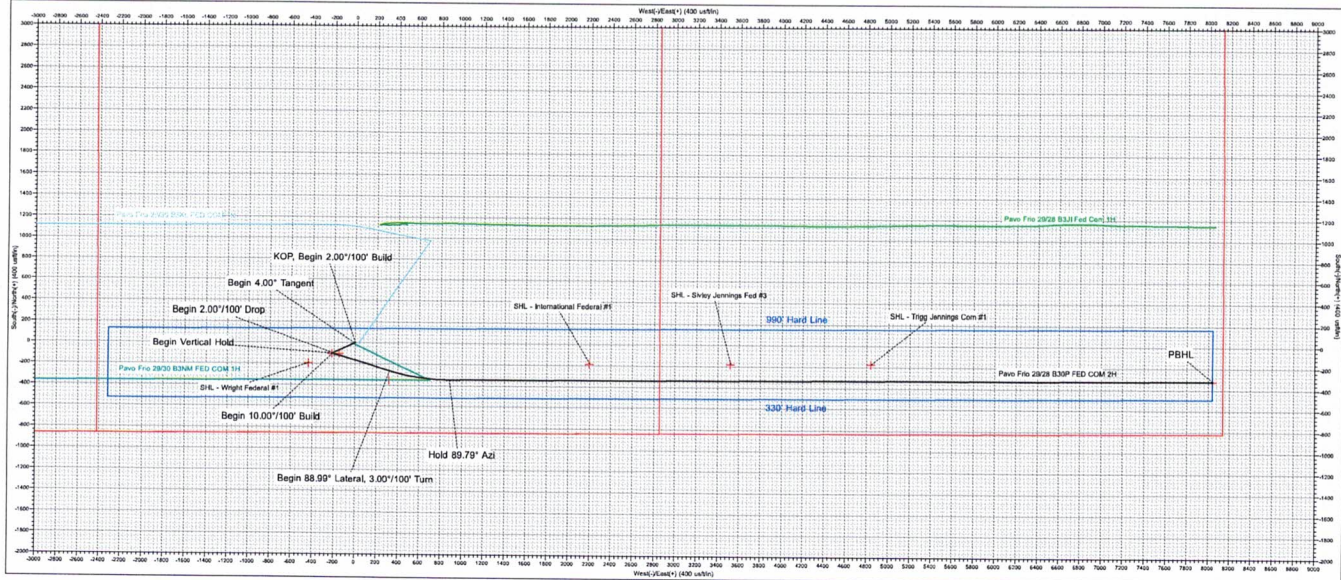
Magnetic Field
Strength: 47741.0nT
Dip Angle: 62.27°
Date: 5/1/2021
Model: IGRF2020

US State Plane 1983
New Mexico Eastern Zone

Created By: HLH
Date: 15.22, March 31 2021
Plan: Design #2



ATTACHMENT E



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

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

Case No. 21959

SELF-AFFIRMED STATEMENT OF NOTICE

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

James Bruce deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Mewbourne Oil Company.
3. Mewbourne Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owners, at their last known address, by certified mail. Copies of the notice letter and certified return receipt are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Rules.
6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 6/15/21

James Bruce
James Bruce

EXHIBIT **4**

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

May 27, 2021

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

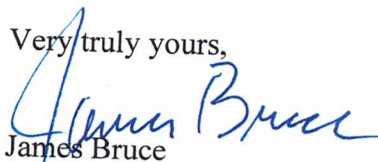
Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling (Case No. 21959), filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, seeking to pool the Bone Spring formation underlying the S/2SE/4 of Section 29 and the S/2S/2 of Section 28, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, June 17, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, <http://emnrd.state.nm.us/OCD/announcements.html>. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, June 10, 2021. This statement may be filed online with the Division at ocd.hearings@state.nm.us, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

ATTACHMENT



EXHIBIT A

Heirs or devisees of Donna Bliven
Apartment 17
506 Orchard Lane
Carlsbad, New Mexico 88220

7020 0640 0000 1389 5421

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

For delivery information, visit our website at 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 at Heirs or devisees of Donna Bliven
 Apartment 17
 506 Orchard Lane
 Carlsbad, New Mexico 88220

Sent To _____

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

City, State, ZIP+4® _____

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

M - P Frio

Postmark Here

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> 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. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p>
<p>1. Article Addressed to:</p> <p>Heirs or devisees of Donna Bliven Apartment 17 506 Orchard Lane Carlsbad, New Mexico 88220</p> <p>9590 9402 5941 0062 9352 59</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>2. Article Number (Transfer from service label)</p> <p>7020 0640 0000 1389 5421</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 checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>	<p>(over \$500) _____ M - P Frio Domestic Return Receipt</p>

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0004765772

This is not an invoice

JAMES BRUCE ATTORNEY AT LAW
POBOX 1056

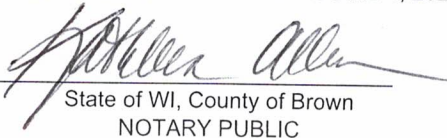
SANTA FE, NM 87504

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

06/04/2021


Legal Clerk

Subscribed and sworn before me this June 4, 2021:


State of WI, County of Brown
NOTARY PUBLIC

1-7-25
My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0004765772
PO #: Pub 2
of Affidavits 1

This is not an invoice

NOTICE

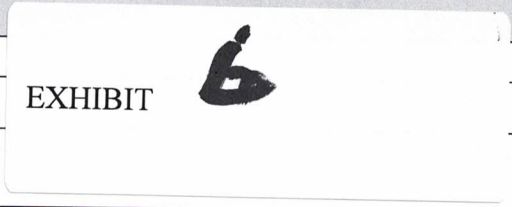
To: Donna Bliven, or your heirs or devisees: Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division (Case No. 21959) seeking an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2SE/4 of Section 29 and the S/2S/2 of Section 28, Township 18 South, Range 29 East, NMPM. The unit will be dedicated to the Pavo Frio 29/28 B3OP Fed. Com. Well No. 2H. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The application is scheduled to be heard at 8:15 a.m. on June 17, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearing or see the instructions posted on the Division's website, <http://emnrd.state.nm.us/OCD/announcements.html>. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, (505) 982-2043, jamesbruc@aol.com. The unit is located approximately 9-1/2 miles southwest of Loco Hills, New Mexico. #4765772, Current Argus, June 4, 2021

EXHIBIT 

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case:	21959
Date	June 17, 2021
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No. 14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Pavo Frio 29/28 B3OP Fed. Com. Well No. 2H
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Palmillo; Bone Spring, North/Pool Code 49554
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 acres
Building Blocks:	40 acres
Orientation:	West-East
Description: TRS/County	S/2SE/4 §29 and S/2S/2 §28-18S-29E, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Pavo Frio 29/28 B3OP Fed. Com. Well No. 2H API No. 30-015-45994 SHL: 850 FSL & 2435 FWL §29 BHL: 500 FSL & 100 FEL §28 FTP: 850 FSL & 2540 FEL §29 LTP: 500 FSL & 100 FEL §28 3rd Bone Spring Sand/TVD 8650 feet/MD 16384 feet



Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2, page 2
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 5
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-A and 2-B
Pooled Parties (including ownership type)	Exhibit 2-B
Unlocatable Parties to be Pooled	Yes
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (<i>i.e.</i> Exhibit A of JOA)	Exhibit 2-B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D
Cost Estimate for Production Facilities	Exhibit 2-D
Geology	
Summary (including special considerations)	Exhibit 3, page 2
Spacing Unit Schematic	Exhibit 2-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-C
Well Orientation (with rationale)	Laydown/Exhibit 3
Target Formation	Bone Spring
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit 2-A
Tracts	Exhibit 2-A
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B

Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3-C
Cross Section (including Landing Zone)	Exhibit 3-C
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	<i>James Bruce</i>
Date:	June 15, 2021