

CASE NO. 21885

**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. Pooling Checklist

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 21885

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 18 and the S/2N/2 of Section 17, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the S/2N/2 of Section 18 and the S/2N/2 of Section 17, and has the right to drill a well thereon.
2. Applicant proposes to drill the Local Legend 18/17 B2EH Fed. Com. Well No. 1H to a depth sufficient to test the Bone Spring formation, and to dedicate S/2N/2 of Section 18 and the S/2N/2 of Section 17 thereto. The well is a horizontal well, with a first take point in the SW/4NW/4 of 18 and a last take point in the SE/4NE/4 of Section 17.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2N/2 of Section 18 and the S/2N/2 of Section 17 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

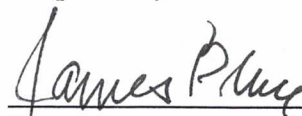
formation underlying the s/2N/2 of Section 18 and the S/2N/2 of Section 17, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interest owners in the Bone Spring formation underlying the S/2N/2 of Section 18 and the S/2N/2 of Section 17 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 interest owners in the Bone Spring formation underlying the S/2N/2 of Section 18 and the S/2N/2 of Section 17;
- 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 pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 18 and the S/2N2 of Section 17, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Local Legend 18/17 B2EH Fed. Com. Well No. 1H, a horizontal well a first take point in the SW/4NW/4 of Section 18 and a last take point in the SE/4NE/4 of Section 17. 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 6-1/2 miles southeast of Loco Hills, 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. 21885

VERIFIED STATEMENT OF MITCH ROBB

Mitch Robb, being duly sworn upon his oath, 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 NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:

(a) The purpose of this application is to force pool working interest owners into the Wolfcamp 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 regarding the proposed well, but have failed or refused to voluntarily commit their interests to the well. Some interest owners may be unlocatable.

(c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne seeks an order pooling all mineral interests in the Bone Spring formation underlying the S/2N/2 of Section 18 and the S/2N/2 of Section 17, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to:

(i) the Local Legend 18/17 B2EH Fed Com #1H, a horizontal well with a first take point in the SW/4 NW/4 of 18 and a final take point in the SE/4 NE/4 of Section 17;

(d) The parties being pooled and their interests are set forth in Attachment B. Their current and correct addresses, or last known addresses, are also set forth.

EXHIBIT

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- (e) In order to locate the interest owners Mewbourne examined the county records, performed internet searches, checked telephone records, made calls to family members, and searched Accurint and Whitepages.
- (f) Attachment C contains a summary of contacts or attempted contacts with the interest owners, together with copies of the proposal letters sent to the interest owners.
- (g) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed wells, or to locate the owners.
- (h) Mewbourne has the right to pool the overriding royalty owners in the well unit.
- (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 portion 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 wells.
- (l) The attachments to this affidavit were prepared by me, or compiled from Company business records.
- (m) The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

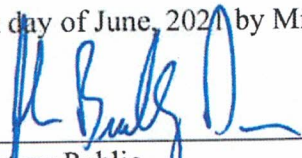
Mitch Robb, being duly sworn upon his oath, deposes and states that: He is a landman for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.



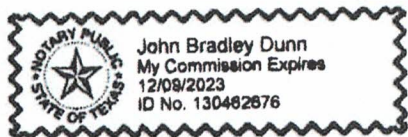
Mitch Robb

SUBSCRIBED AND SWORN TO before me this 25th day of June, 2021 by Mitch Robb.

My Commission Expires: 12/09/2023



Notary Public



Local Legend 18/17 B2EH Fed Com #1H



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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name LOCAL LEGEND 18/17 B2EH FED COM						⁶ Well Number 1H	
⁷ OGRID NO.		⁸ Operator Name MEWBOURNE OIL COMPANY						⁹ Elevation 3624'	
¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
2	18	18S	31E		1650	NORTH	335	WEST	EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	17	18S	31E		1800	NORTH	100	EAST	EDDY
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No.					

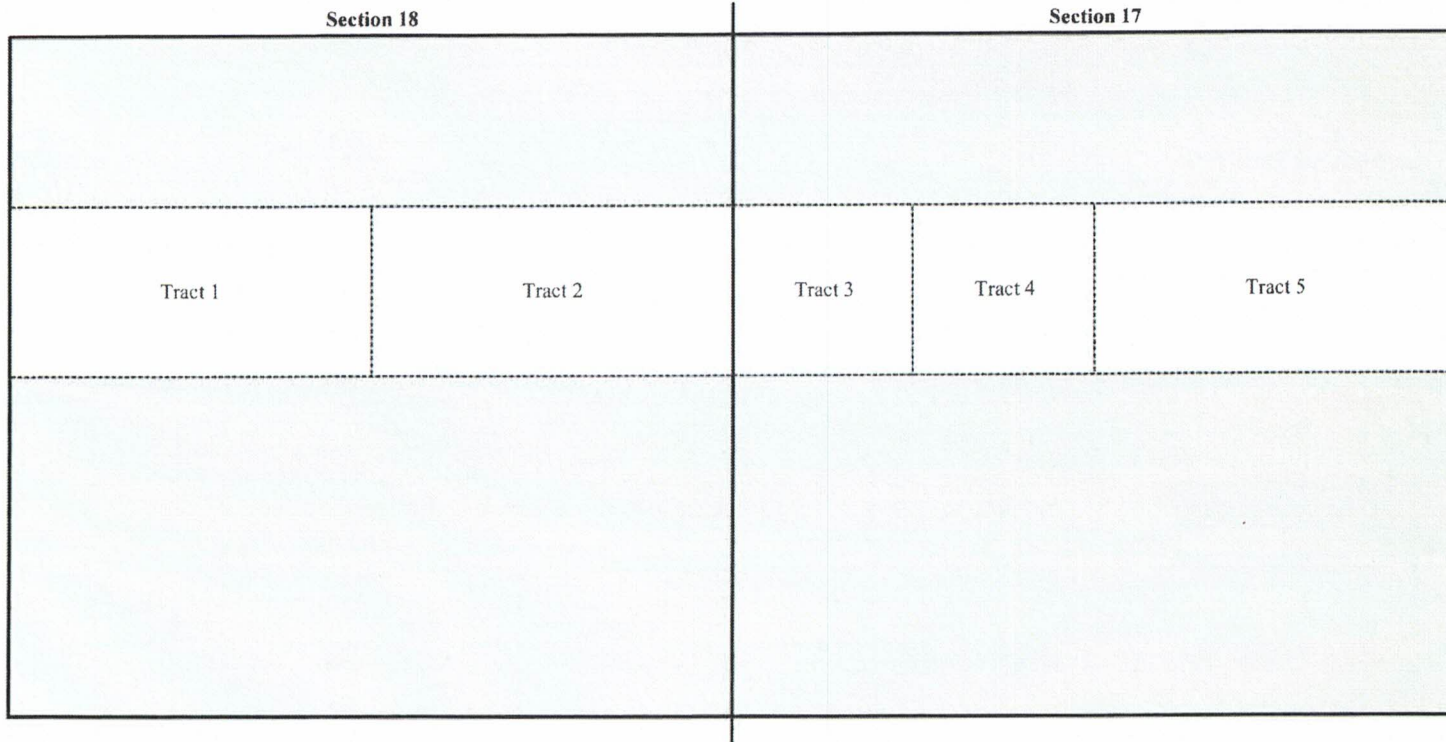
No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p>¹⁶</p> <p style="text-align: center;"><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <p>A: FOUND BRASS CAP "1916" N: 633253.0 - E: 669383.5</p> <p>B: FOUND BRASS CAP "1916" N: 635982.2 - E: 669374.2</p> <p>C: FOUND BRASS CAP "1916" N: 638531.3 - E: 669365.9</p> <p>D: FOUND BRASS CAP "1916" N: 638545.8 - E: 671820.8</p> <p>E: FOUND BRASS CAP "1916" N: 638562.7 - E: 674461.7</p> <p>F: FOUND BRASS CAP "1916" N: 638597.2 - E: 679742.5</p> <p>G: FOUND BRASS CAP "1916" N: 635956.7 - E: 679757.2</p> <p>H: FOUND BRASS CAP "1916" N: 633315.2 - E: 679778.5</p> <p>I: FOUND BRASS CAP "1916" N: 633299.3 - E: 677133.9</p> <p>J: FOUND BRASS CAP "1916" N: 633284.4 - E: 674492.0</p> <p>K: FOUND BRASS CAP "1916" N: 633266.5 - E: 671854.3</p> <p>L: FOUND BRASS CAP "1916" N: 635923.5 - E: 674476.9</p>	<p style="text-align: center;">¹⁷ OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
	<p style="text-align: center;"><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p style="text-align: center;"><u>SURFACE LOCATION</u> N: 636883.6 - E: 669706.0</p> <p>S.L. LAT: 32.7501342° N LONG: 103.9157917° W</p> <p style="text-align: center;"><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p style="text-align: center;"><u>BOTTOM HOLE</u> N: 636797.0 - E: 679652.6</p> <p>B.H. LAT: 32.7497840° N LONG: 103.8834408° W</p>

Job No: LS20090475

Section Plat

Local Legend 18/17 B2EH Fed Com #1H
S/2N/2 of Section 18 & S/2N/2 of Section 17-T18S-R31E
Eddy County, NM



Tract 1: S/2NW/4 of Section 18 - Federal Lease NMNM 134871
Mewbourne Oil Company

Tract 2: S/2NE/4 of Section 18 - Federal Lease NMLC 029393B
Mewbourne Oil Company

Tract 3: SW/4NW/4 of Section 17 - Federal Lease NMLC 029393B
Mewbourne Oil Company

Tract 4: SE/4NW/4 of Section 17 - Federal Lease NMNM 134872
Devon Energy Production Company, Inc.

Tract 5: S/2NE/4 of Section 17 - Federal Lease NMLC 029393C
Magnum Hunter Production, Inc.

ATTACHMENT



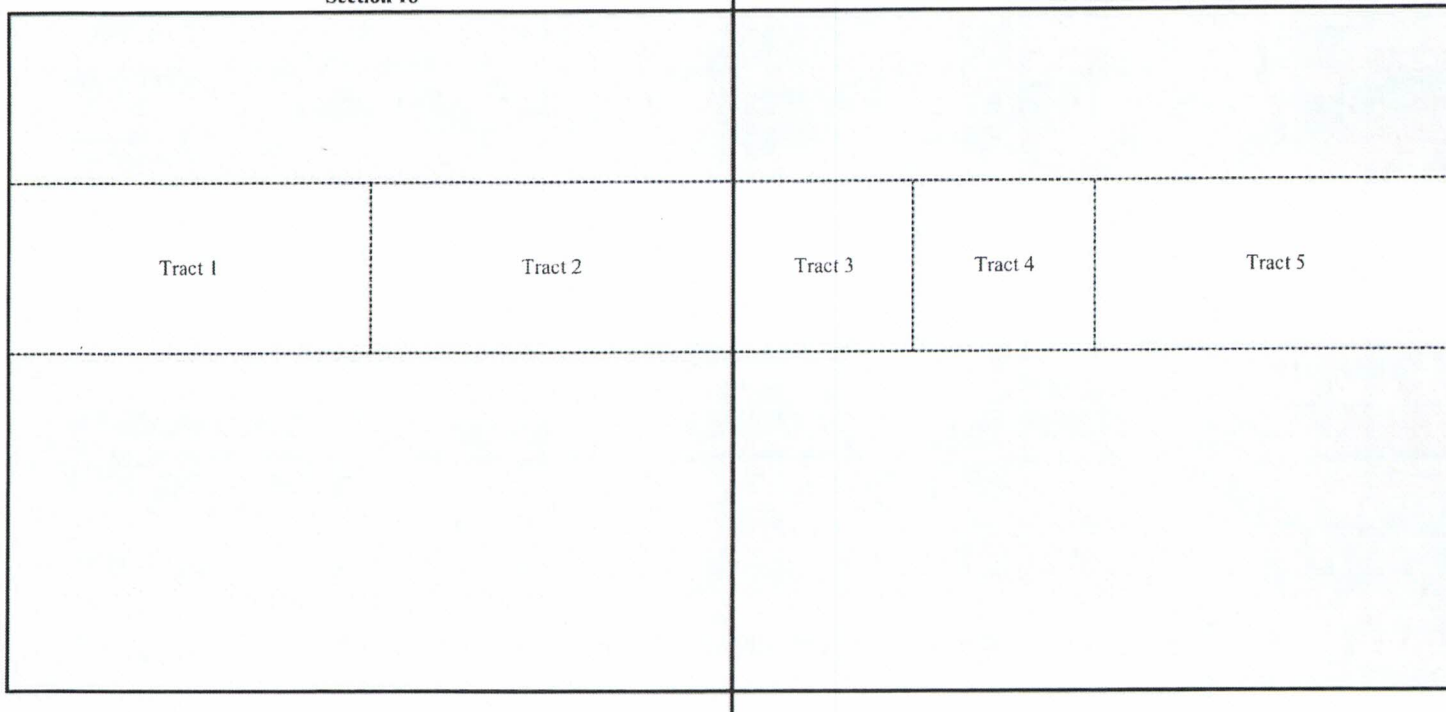
RECAPITULATION FOR LOCAL LEGEND 18/17 B2EH Fed Com #1H

Tract Number	Number of Acres Committeed	Percentage of Interst in Communitized Area
1	74.59	23.710226%
2	80	25.429925%
3	40	12.714962%
4	40	12.714962%
5	80	25.429925%
TOTAL	314.59	100.000000%

T18S-R31E, Eddy County, NM

Section 18

Section 17



TRACT OWNERSHIP

Local Legend 18/17 B2EH Fed Com #1H
 S/2N/2 of Section 18 & S/2N/2 of Section 17-T18S-R31E
 Eddy County, NM

S/2N/2 of Section 18 & S/2N/2 of Section 17**Bone Spring Formation:**

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	61.855113%
*Magnum Hunter Production, Inc. 600 N Marienfeld St # 600 Midland, TX 79701	25.429925%
*Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, OK 73102	12.714962%
TOTAL	100.000000%
Total Interest Being Pooled:	38.144887%

OWNERSHIP BY TRACT**S/2N/2 of Section 18****SW/4NW/4 of Section 17**

Owner	% of Leasehold Interest
Mewbourne Oil Company	100.000000%
TOTAL	100.000000%

SE/4NW/4 of Section 17

Owner	% of Leasehold Interest
Devon Energy Production Company, L.P.	100.000000%
TOTAL	100.000000%

S/2NE/4 of Section 17

Owner	% of Leasehold Interest
Magnum Hunter Production, Inc.	100.000000%
TOTAL	100.000000%

Summary of Communications
Local Legend 18/17 B2EH Fed Com #1H
S/2N/2 of Section 18 & S/2N/2 of Section 17
T18S-R31E, Eddy County, NM

Magnum Hunter Production, Inc.:

2/2/2021: Correspondence with above listed party regarding Working Interest Unit.

2/11/2021: Mailed Working Interest Unit, Well Proposal and Joint Operating Agreement to the above listed party.

3/8/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

5/11/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

5/13/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

5/17/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

5/18/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

6/16/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

6/17/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

Devon Energy Production Company, LP.:

2/11/2021: Mailed Working Interest Unit, Well Proposal and Joint Operating Agreement to the above listed party.

Ongoing: Have not heard from above listed party regarding Working Interest Unit and Well Proposal.

ATTACHMENT 

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

February 11, 2021

Via Certified Mail

Magnum Hunter Production, Inc.
600 N Marienfeld St # 600
Midland, TX 79701
Attn: Riley Morris

Re: Local Legend 18/17 B2DA Fed Com #1H
SL: 1620' FNL & 335' FWL (Section 18);
BHL: 400' FNL & 100' FEL (Section 17)

Local Legend 18/17 B2EH Fed Com #1H
SL: 1650' FNL & 335' FWL (Section 18);
BHL: 1800' FNL & 100' FEL (Section 17)

Local Legend 18/17 B2LI Fed Com #1H
SL: 2050' FSL & 335' FEL (Section 13);
BHL: 2050' FSL & 100' FEL (Section 17)

Local Legend 18/17 B2MP Fed Com #1H
SL: 2020' FSL & 335' FEL (Section 13);
BHL: 660' FSL & 100' FEL (Section 17)

Sections 18 & 17, T18S, R31E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1258.56 acre Working Interest Unit ("WIU") covering the All of the captioned Sections 18 and 17 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 captioned Local Legend 18/17 B2DA Fed Com #1H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 8,489 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,283 feet. The N/2N/2 of the captioned Sections 18 & 17 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned Local Legend 18/17 B2EH Fed Com #1H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 8,522 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,251 feet. The S/2N/2 of the captioned Sections 18 & 17 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned Local Legend 18/17 B2LI Fed Com #1H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 8,547 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,925 feet. The N/2S/2 of the captioned Sections 18 & 17 will be dedicated to the well as the proration unit.


Finally, Mewbourne as Operator hereby proposes to drill the captioned Local Legend 18/17 B2MP Fed Com #1H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 8,596 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 19,072 feet. The S/2S/2 of the captioned Sections 18 & 17 will be dedicated to the well as the proration unit

Regarding the above, enclosed for your further handling is our Operating Agreement dated February 1, 2021, along with an extra set of signature pages and our AFEs dated January 14, 2021 for the captioned proposed wells. Please sign and return said AFEs and extra set of JOA signature pages at your earliest convenience if you elect to participate in the captioned wells and WIU and return to me within thirty (30) days.

Should you have any questions regarding the above, please email me at mrobb@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY


Mitch Robb
Landman

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: LOCAL LEGEND 18/17 B2EH FED COM #1H		Prospect: 2ND BSS	
Location: SL: 1650 FNL & 335 FWL (18); BHL: 1800 FNL & 100 FEL (17)		County: Eddy ST: NM	
Sec. 18/17	Blk:	Survey:	TWP: 18S RNG: 31E Prop. TVD: 8522 TMD: 18251

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$70,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$30,000
Daywork / Turnkey / Footage Drilling	33 days drlg / 3 days comp @ \$18,550/d	0180-0110	\$653,800	0180-0210	\$59,400
Fuel	1700 gal/day @ \$1.30/gal	0180-0114	\$80,200	0180-0214	\$204,900
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120	\$60,000	0180-0220	
Mud - Specialized		0180-0121	\$90,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$30,000
Cementing		0180-0125	\$80,000	0180-0225	\$35,000
Logging & Wireline Services		0180-0130	\$2,500	0180-0230	\$295,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$40,000
Mud Logging		0180-0137	\$30,000		
Stimulation	51 Stq 20.2MM gal & 20.2MM lbs			0180-0241	\$1,300,000
Stimulation Rentals & Other				0180-0242	\$180,000
Water & Other		0180-0145	\$40,000	0180-0245	\$256,800
Bits		0180-0148	\$108,800	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	\$20,000
Welding, Construction, & Maint Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$54,500	0180-0270	\$30,400
Directional Services	Includes vertical control	0180-0175	\$448,600		
Equipment Rental		0180-0180	\$236,000	0180-0280	\$15,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,600	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$10,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	\$10,000
Company Supervision		0180-0195	\$408,000	0180-0295	\$79,100
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	2% (TCP) 2% (CC)	0180-0199	\$57,100	0180-0299	\$58,600
TOTAL			\$2,913,100		\$2,988,700

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	600' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft	0181-0794	\$20,600		
Casing (8.1" - 10.0")	2000' - 9 5/8" 36# J-55 LT&C @ \$18.31/ft	0181-0795	\$39,100		
Casing (6.1" - 8.0")	8660' - 7" 29# HCP-110 LT&C @ \$21.47/ft	0181-0796	\$198,600		
Casing (4.1" - 6.0")	10760' - 4 1/2" 13.5# P-110 BPN @ \$11.72/ft			0181-0797	\$134,700
Tubing	7930' - 2 7/8" 6.5# L-80 EUE tbq @ \$4.54/ft			0181-0798	\$38,500
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section				0181-0870	\$50,000
Horizontal Completion Tools	Completion liner hanger			0181-0871	\$82,000
Subsurface Equip. & Artificial Lift Sys	Gas lift valves & packer			0181-0880	\$25,000
Pumping Unit Systems				0181-0885	
Service Pumps	(1/2) SWD pump/circ pump/VRU			0181-0896	\$50,000
Storage Tanks	(1/2) 6 - 750 bbl & 5 - 750 bbl coated			0181-0890	\$120,000
Emissions Control Equipment				0181-0892	\$70,000
Separation / Treating Equipment	GB,30"x10"x1k# 3ph,36"x15"x1k#,VRT,flare,6"x20"x75# HT			0181-0895	\$120,000
Automation / Metering Equipment				0181-0898	\$60,000
Line Pipe & Valves - Gathering				0181-0900	\$15,000
Fittings / Valves & Accessories				0181-0906	\$170,000
Cathodic Protection				0181-0908	\$8,000
Electrical Installation				0181-0909	\$75,000
Equipment Installation				0181-0910	\$100,000
Pipeline Construction				0181-0920	\$10,000
TOTAL			\$298,300		\$1,128,200
SUBTOTAL			\$3,211,400		\$4,116,900

TOTAL WELL COST		\$7,328,300	
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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: _____ T. Cude Date: 1/14/2021

Company Approval: _____ Date: _____

Joint Owner Interest: 22.24764900% Amount: \$1,630,374.46

Joint Owner Name: Magnum Hunter Production, Inc. Signature: _____

ATTACHMENT

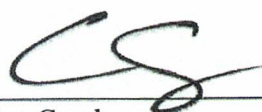
(d) There is no faulting or other geologic impediment in the area which will affect the drilling of the subject wells.

5. Attachment D contains production information from other Second Bone Spring Sand wells drilled in this area. There are both standup and laydown Bone Spring wells in this area, but with a preference for lay down wells.

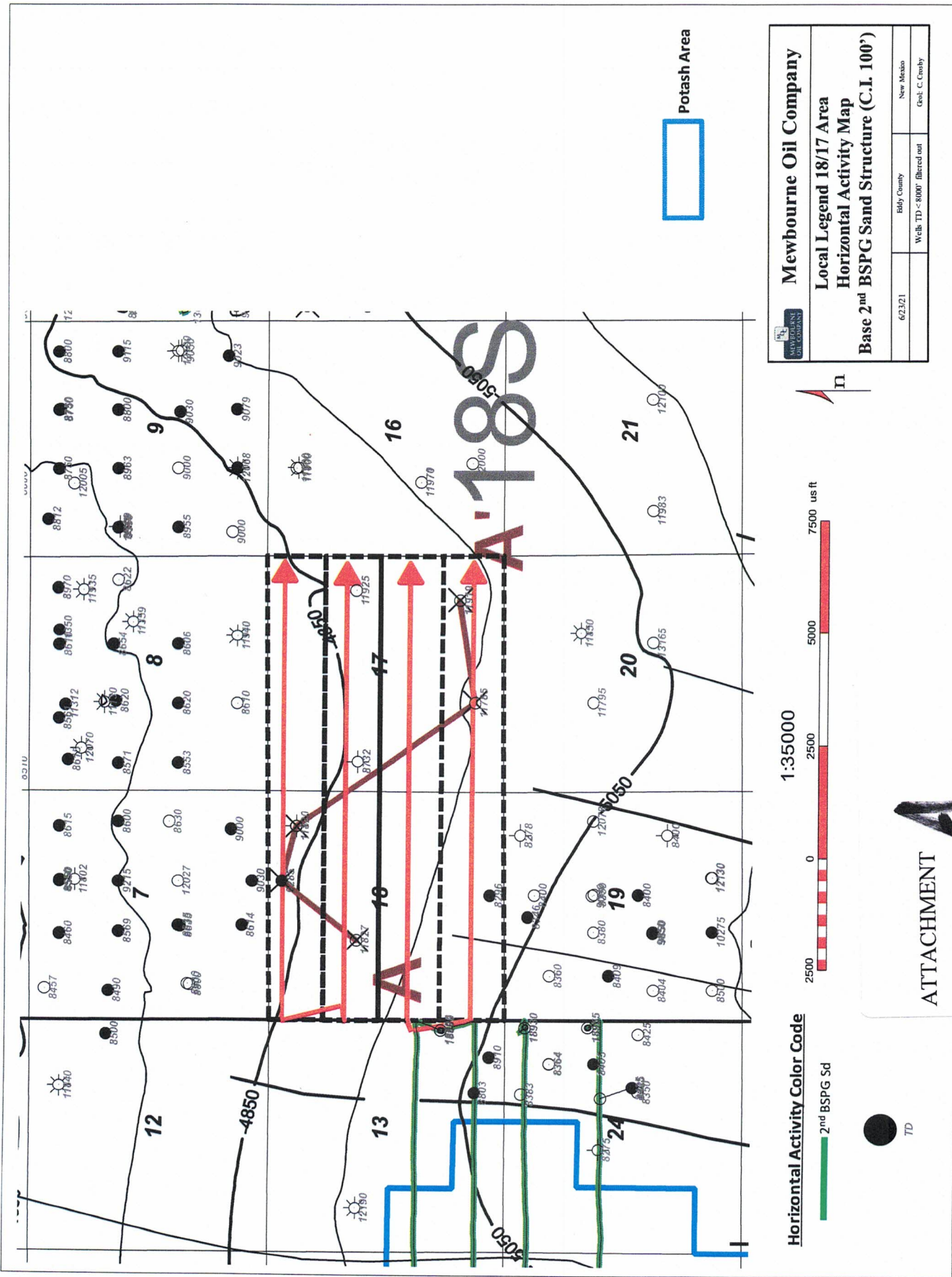
6. Attachment E contains the survey calculation reports for the proposed wells. The producing intervals of the wells will be orthodox.

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: 7/13/21



Charles Crosby



Mewbourne Oil Company
Local Legend 18/17 Area
Horizontal Activity Map
Base 2nd BSPG Sand Structure (C.I. 100')

62321	Bddy County	New Mexico
	Wellb. TD < 8000' filtered out	Geol. C. Chewy



Horizontal Activity Color Code

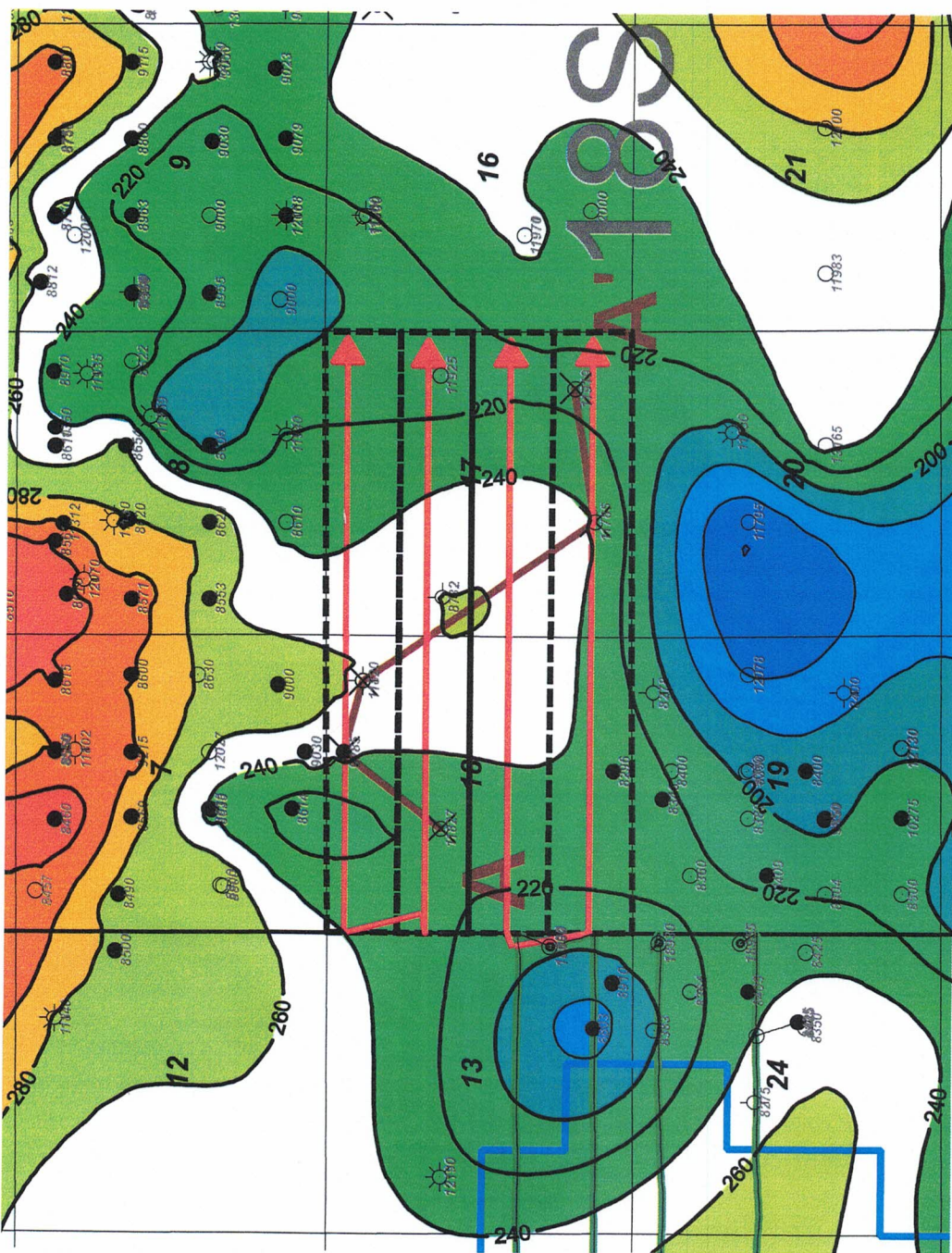


ATTACHMENT **A**

ATTACHMENT

B

Potash Area



Horizontal Activity Color Code

2nd BSPG Sd

1:35000

0 2500 5000 7500 us ft

Lower 2nd BSPG Gross Isopach (C.I. 20')
Color Filled Contour
Entry

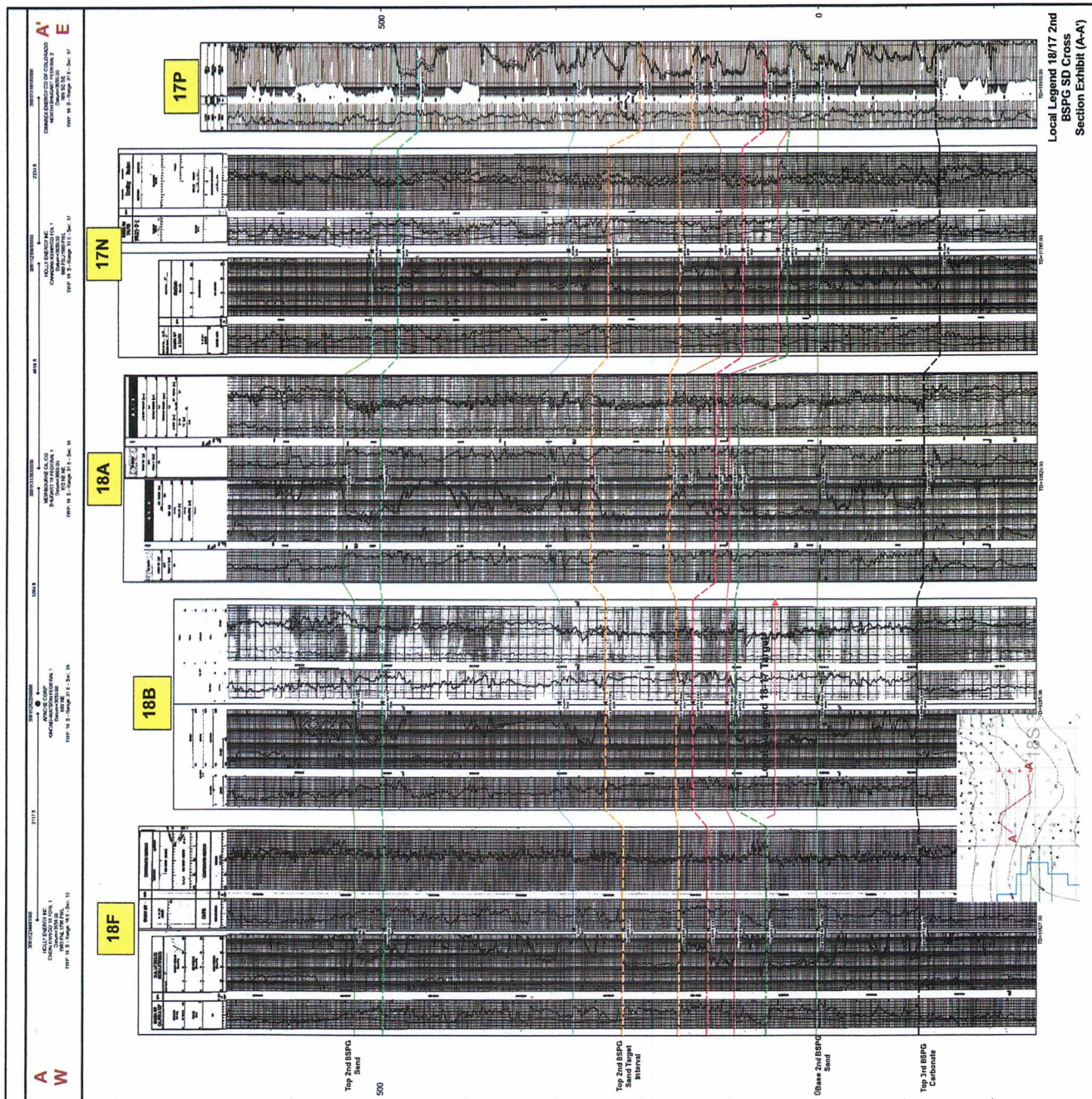
140
165
200
275
350

TD

Mewbourne Oil Company

Local Legend 18/17 Area
Horizontal Activity Map
Lower 2nd BSPG Sand Gross Thickness Isopach (C.I. 20')

6/23/21	Eddy County	New Mexico
	Wells TD < 8000' filtered out	Cont. C. Crosby



ATTACHMENT



Local Legend Area 2nd 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
Virgo 24/23 B2AD Fed Com 1H	Mewbourne	3001544579	24A/18S/30E	10/4/2018	516.2	0.8	387.4	EW	2nd Bone Spring Sand
Virgo 24/23 B2HE Fed Com 1H	Mewbourne	3001544655	24H/18S/30E	3/21/2019	466.0	0.8	286.0	EW	2nd Bone Spring Sand
Knox 13/14 B2IL Fed Com 1H	Mewbourne	3001547490	13I/18S/30E	3/1/2021	74.6	0.06	113.1	EW	2nd Bone Spring Sand
Knox 13/14 B2PM Fed Com 1H	Mewbourne	3001547762	13I/18S/30E					EW	2nd Bone Spring Sand

Pending

ATTACHMENT



Mewbourne Oil Company

SURVEY CALCULATION REPORT
Minimum Curvature Calculations

Operator: Mewbourne Oil Company
Lease Name: Local Legend 18/17 B2EH Fed Com 1H
KOP 8024.54
SL: 1650 FNL & 335 FWL Sec 18/18S/31E
PBHL: 1800 FNL & 100 FEL Sec 17/18S/31E

Target KBTVD: 8,502 Feet 8502.00
Target Angle: 89.88 Degrees 89.88
Section Plane: 90.53 Degrees
Declination Corrected to True North: 6.63 Degrees
Bit to Survey Offset: 44 Feet

Survey No.	Measured Depth-ft	Drift (Deg.)	Azimuth (Deg.)	Course Length	TVD (Feet)	Vertical Section	+N/-S (Feet)	+E/-W (Feet)	Closure Distance	Closure Direction	BUR	DLS	KBTVD	+Above -Below Target	DRIFT (RADIAN)	AZIMUTH (RADIAN)
T/I	8024.54	0.00	90.53	N/A	8024.5	0.0	0.0	0.0	0.0	0.0	N/A	N/A	8024.5	477.5	1E-12	1.58 #VALUE!
1	8099.43	8.99	90.53	74.899	8099.1	5.9	-0.1	5.9	5.9	90.5	12.0	12.0	8099.1	402.9	0.1568686	1.58 0.1568686
2	8174.33	17.98	90.53	74.899	8171.9	23.3	-0.2	23.3	23.3	90.5	12.0	12.0	8171.8	330.2	0.3137372	1.58 0.1568686
3	8248.23	26.96	90.53	74.899	8241.0	51.9	-0.5	51.9	51.9	90.5	12.0	12.0	8240.9	261.1	0.4706058	1.58 0.1568686
4	8324.13	35.95	90.53	74.899	8304.9	91.0	-0.8	90.9	91.0	90.5	12.0	12.0	8304.7	197.3	0.6274743	1.58 0.1568686
5	8399.03	44.94	90.53	74.899	8361.8	139.5	-1.3	139.5	139.5	90.5	12.0	12.0	8361.5	140.5	0.7843429	1.58 0.1568686
6	8473.93	53.93	90.53	74.899	8410.5	196.3	-1.8	196.3	196.3	90.5	12.0	12.0	8410.0	92.0	0.9412115	1.58 0.1568686
7	8548.83	62.92	90.53	74.899	8449.6	260.1	-2.4	260.1	260.1	90.5	12.0	12.0	8449.1	52.9	1.0980801	1.58 0.1568686
8	8623.73	71.90	90.53	74.899	8478.4	329.2	-3.0	329.1	329.2	90.5	12.0	12.0	8477.7	24.3	1.2549487	1.58 0.1568686
9	8698.63	80.89	90.53	74.899	8496.0	401.9	-3.7	401.9	401.9	90.5	12.0	12.0	8495.1	6.9	1.4118173	1.58 0.1568686
10	8773.53	89.88	90.53	74.899	8502.0	476.5	-4.4	476.4	476.5	90.5	12.0	12.0	8501.0	1.0	1.5686859	1.58 0.1568686
11	8800.00	89.88	90.53	26.473	8502.1	502.9	-4.6	502.9	502.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
12	8900.00	89.88	90.53	100	8502.3	602.9	-5.5	602.9	602.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
13	9000.00	89.88	90.53	100	8502.5	702.9	-6.4	702.9	702.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
14	9100.00	89.88	90.53	100	8502.7	802.9	-7.4	802.9	802.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
15	9200.00	89.88	90.53	100	8502.9	902.9	-8.3	902.9	902.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
16	9300.00	89.88	90.53	100	8503.1	1002.9	-9.2	1002.9	1002.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
17	9400.00	89.88	90.53	100	8503.3	1102.9	-10.1	1102.9	1102.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
18	9500.00	89.88	90.53	100	8503.5	1202.9	-11.0	1202.9	1202.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
19	9600.00	89.88	90.53	100	8503.7	1302.9	-12.0	1302.9	1302.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
20	9700.00	89.88	90.53	100	8504.0	1402.9	-12.9	1402.9	1402.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
21	9800.00	89.88	90.53	100	8504.2	1502.9	-13.8	1502.9	1502.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
22	9900.00	89.88	90.53	100	8504.4	1602.9	-14.7	1602.9	1602.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
23	10000.00	89.88	90.53	100	8504.6	1702.9	-15.6	1702.9	1702.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
24	10100.00	89.88	90.53	100	8504.8	1802.9	-16.5	1802.9	1802.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
25	10200.00	89.88	90.53	100	8505.0	1902.9	-17.5	1902.8	1902.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
26	10300.00	89.88	90.53	100	8505.2	2002.9	-18.4	2002.8	2002.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
27	10400.00	89.88	90.53	100	8505.4	2102.9	-19.3	2102.8	2102.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
28	10500.00	89.88	90.53	100	8505.6	2202.9	-20.2	2202.8	2202.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
29	10600.00	89.88	90.53	100	8505.9	2302.9	-21.1	2302.8	2302.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
30	10700.00	89.88	90.53	100	8506.1	2402.9	-22.0	2402.8	2402.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
31	10800.00	89.88	90.53	100	8506.3	2502.9	-23.0	2502.8	2502.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
32	10900.00	89.88	90.53	100	8506.5	2602.9	-23.9	2602.8	2602.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
33	11000.00	89.88	90.53	100	8506.7	2702.9	-24.8	2702.8	2702.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
34	11100.00	89.88	90.53	100	8506.9	2802.9	-25.7	2802.8	2802.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
35	11200.00	89.88	90.53	100	8507.1	2902.9	-26.6	2902.8	2902.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
36	11300.00	89.88	90.53	100	8507.3	3002.9	-27.5	3002.8	3002.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
37	11400.00	89.88	90.53	100	8507.5	3102.9	-28.5	3102.8	3102.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
38	11500.00	89.88	90.53	100	8507.8	3202.9	-29.4	3202.8	3202.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
39	11600.00	89.88	90.53	100	8508.0	3302.9	-30.3	3302.8	3302.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
40	11700.00	89.88	90.53	100	8508.2	3402.9	-31.2	3402.8	3402.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
41	11800.00	89.88	90.53	100	8508.4	3502.9	-32.1	3502.8	3502.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
42	11900.00	89.88	90.53	100	8508.6	3602.9	-33.1	3602.8	3602.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
43	12000.00	89.88	90.53	100	8508.8	3702.9	-34.0	3702.8	3702.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
44	12100.00	89.88	90.53	100	8509.0	3802.9	-34.9	3802.8	3802.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
45	12200.00	89.88	90.53	100	8509.2	3902.9	-35.8	3902.8	3902.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
46	12300.00	89.88	90.53	100	8509.4	4002.9	-36.7	4002.8	4002.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
47	12400.00	89.88	90.53	100	8509.7	4102.9	-37.6	4102.7	4102.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
48	12500.00	89.88	90.53	100	8509.9	4202.9	-38.6	4202.7	4202.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
49	12600.00	89.88	90.53	100	8510.1	4302.9	-39.5	4302.7	4302.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
50	12700.00	89.88	90.53	100	8510.3	4402.9	-40.4	4402.7	4402.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
51	12800.00	89.88	90.53	100	8510.5	4502.9	-41.3	4502.7	4502.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
52	12900.00	89.88	90.53	100	8510.7	4602.9	-42.2	4602.7	4602.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
53	13000.00	89.88	90.53	100	8510.9	4702.9	-43.1	4702.7	4702.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
54	13100.00	89.88	90.53	100	8511.1	4802.9	-44.1	4802.7	4802.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
55	13200.00	89.88	90.53	100	8511.3	4902.9	-45.0	4902.7	4902.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10
56	13300.00	89.88	90.53	100	8511.6	5002.9	-45.9	5002.7	5002.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58 1E-10

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57	13400.00	89.88	90.53	100	8511.8	5102.9	-46.8	5102.7	5102.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
58	13500.00	89.88	90.53	100	8512.0	5202.9	-47.7	5202.7	5202.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
59	13600.00	89.88	90.53	100	8512.2	5302.9	-48.7	5302.7	5302.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
60	13700.00	89.88	90.53	100	8512.4	5402.9	-49.6	5402.7	5402.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
61	13800.00	89.88	90.53	100	8512.6	5502.9	-50.5	5502.7	5502.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
62	13900.00	89.88	90.53	100	8512.8	5602.9	-51.4	5602.7	5602.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
63	14000.00	89.88	90.53	100	8513.0	5702.9	-52.3	5702.7	5702.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
64	14100.00	89.88	90.53	100	8513.2	5802.9	-53.2	5802.7	5802.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
65	14200.00	89.88	90.53	100	8513.5	5902.9	-54.2	5902.7	5902.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
66	14300.00	89.88	90.53	100	8513.7	6002.9	-55.1	6002.7	6002.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
67	14400.00	89.88	90.53	100	8513.9	6102.9	-56.0	6102.7	6102.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
68	14500.00	89.88	90.53	100	8514.1	6202.9	-56.9	6202.7	6202.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
69	14600.00	89.88	90.53	100	8514.3	6302.9	-57.8	6302.7	6302.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
70	14700.00	89.88	90.53	100	8514.5	6402.9	-58.7	6402.6	6402.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
71	14800.00	89.88	90.53	100	8514.7	6502.9	-59.7	6502.6	6502.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
72	14900.00	89.88	90.53	100	8514.9	6602.9	-60.6	6602.6	6602.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
73	15000.00	89.88	90.53	100	8515.1	6702.9	-61.5	6702.6	6702.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
74	15100.00	89.88	90.53	100	8515.4	6802.9	-62.4	6802.6	6802.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
75	15200.00	89.88	90.53	100	8515.6	6902.9	-63.3	6902.6	6902.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
76	15300.00	89.88	90.53	100	8515.8	7002.9	-64.2	7002.6	7002.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
77	15400.00	89.88	90.53	100	8516.0	7102.9	-65.2	7102.6	7102.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
78	15500.00	89.88	90.53	100	8516.2	7202.9	-66.1	7202.6	7202.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
79	15600.00	89.88	90.53	100	8516.4	7302.9	-67.0	7302.6	7302.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
80	15700.00	89.88	90.53	100	8516.6	7402.9	-67.9	7402.6	7402.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
81	15800.00	89.88	90.53	100	8516.8	7502.9	-68.8	7502.6	7502.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
82	15900.00	89.88	90.53	100	8517.0	7602.9	-69.8	7602.6	7602.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
83	16000.00	89.88	90.53	100	8517.3	7702.9	-70.7	7702.6	7702.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
84	16100.00	89.88	90.53	100	8517.5	7802.9	-71.6	7802.6	7802.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
85	16200.00	89.88	90.53	100	8517.7	7902.9	-72.5	7902.6	7902.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
86	16300.00	89.88	90.53	100	8517.9	8002.9	-73.4	8002.6	8002.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
87	16400.00	89.88	90.53	100	8518.1	8102.9	-74.3	8102.6	8102.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
88	16500.00	89.88	90.53	100	8518.3	8202.9	-75.3	8202.6	8202.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
89	16600.00	89.88	90.53	100	8518.5	8302.9	-76.2	8302.6	8302.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
90	16700.00	89.88	90.53	100	8518.7	8402.9	-77.1	8402.6	8402.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
91	16800.00	89.88	90.53	100	8518.9	8502.9	-78.0	8502.6	8502.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
92	16900.00	89.88	90.53	100	8519.1	8602.9	-78.9	8602.5	8602.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
93	17000.00	89.88	90.53	100	8519.4	8702.9	-79.8	8702.5	8702.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
94	17100.00	89.88	90.53	100	8519.6	8802.9	-80.8	8802.5	8802.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
95	17200.00	89.88	90.53	100	8519.8	8902.9	-81.7	8902.5	8902.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
96	17300.00	89.88	90.53	100	8520.0	9002.9	-82.6	9002.5	9002.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
97	17400.00	89.88	90.53	100	8520.2	9102.9	-83.5	9102.5	9102.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
98	17500.00	89.88	90.53	100	8520.4	9202.9	-84.4	9202.5	9202.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
99	17600.00	89.88	90.53	100	8520.6	9302.9	-85.3	9302.5	9302.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
100	17700.00	89.88	90.53	100	8520.8	9402.9	-86.3	9402.5	9402.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
101	17800.00	89.88	90.53	100	8521.0	9502.9	-87.2	9502.5	9502.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
102	17900.00	89.88	90.53	100	8521.3	9602.9	-88.1	9602.5	9602.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
103	18000.00	89.88	90.53	100	8521.5	9702.9	-89.0	9702.5	9702.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
104	18100.00	89.88	90.53	100	8521.7	9802.9	-89.9	9802.5	9802.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10
105	18200.00	89.88	90.53	100	8521.9	9902.9	-90.9	9902.5	9902.9	90.5	0.0	0.0	8501.0	1.0	1.5686859	1.58	1E-10

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

April 30, 2021

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

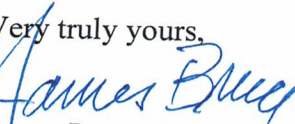
To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling (Case No. 21885), filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, seeking to pool the Bone Spring formation underlying the S/N/2 of Section 18 and the S/2N/2 of Section 17, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, May 20, 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, May 13, 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 **A**

EXHIBIT A

Local Legend 18/17 B2EH Fed Com #1H

Magnum Hunter Production, Inc.
600 N Marienfeld St # 600
Midland, TX 79701
Attn: Riley Morris

Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102
Attn: Land Department

SENDER: COMPLETE THIS SECTION

- 1. Complete items 1, 2, and 3.
- 2. Print your name and address on the reverse so that we can return the card to you.
- 3. Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102



9590 9402 5941 0062 9339 89

2. Article Number (Transfer from service label)

7020 0640 0000 1389 5865

PS Form 3811, July 2015 PSN 7530-02-000-9053

M L L Z

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent
- B. Received by (Printed Name) Addressee
- C. Date of Delivery

D. Is delivery address different from item 1? Yes No



- 3. Service Type
 - Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail®
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

restricted Delivery

Domestic Return Receipt

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 and Fees \$

Sent To \$

Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

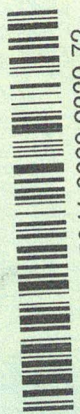
Street and Apt. No.

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

Magnum Hunter Production, Inc.
600 N Marrenfeld St # 600
Midland, TX 79701



9590 9402 5941 0062 9339 72

2. 7020 0640 0000 1389 5216

PS Form 3811, July 2015 PSN 7530-02-000-9053

M L L Z

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- 1. Article Addressed to:
- 2. Complete items 1, 2, and 3.
- 3. Print your name and address on the reverse so that we can return the card to you.
- 4. Attach this card to the back of the mailpiece, or on the front if space permits.

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent
- B. Received by (Printed Name) Addressee
- C. Date of Delivery

D. Is delivery address different from item 1? Yes No

- 3. Service Type
 - Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail®
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

restricted Delivery

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 and Fees \$

Sent To \$

Magnum Hunter Production, Inc.
600 N Marrenfeld St # 600
Midland, TX 79701

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

9725 6967 0000 0490 0202

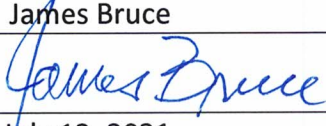
COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case:	21885
Date:	July 15, 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	Local Legend Bone Spring wells
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:	Shugart; Bone Spring, North (Pool Code46405)
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)	320 acres
Building Blocks:	
Orientation:	West-East
Description: TRS/County	S/2N/2 §18 and S/2N/2 §17-18S-31E, NMPM
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)	Local Legend 18/17 B2EH Fed. Com. Well No. 1H API No. 30-015-Pending SHL: 1650 FNL & 335 FWL §18 BHL: 1800 FNL & 100 FEL §17 FTP: 1800 FNL & 100 FWL §18 LTP: 1800 FNL & 100 FEL §17 Bone Spring/TVD 8522 feet/MD 18251 feet
Horizontal Well First and Last Take Points	See above

EXHIBIT

S

AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 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)	Not necessary
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-B
Pooled Parties (including ownership type)	Exhibit 2-B
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (i.e. 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
Spacing Unit Schematic	Exhibit 3-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-A
Well Orientation (with rationale)	Standup/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-B
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B
General Location Map (including basin)	Exhibit 2-A
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):	
Date:	July 13, 2021