

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING JUNE 2, 2022**

**CASE NO. 22806**

*MAD DOG 26/35 B2/CN STATE COM 1H*

**LEA COUNTY, NEW MEXICO**



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

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

**CASE NO. 22806**


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

<b>Case: 22806</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: June 2, 2022</b>	
Applicant	<b>Mewbourne Oil Company</b>
Designated Operator & OGRID (affiliation if applicable)	<b>Mewbourne Oil Company [OGRID 14744]</b>
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	
Well Family	Mad Dog 26/35
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Antelope Ridge;Bone Spring (2200)
Well Location Setback Rules:	Standard
Spacing Unit Size:	320-acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	Standup
Description: TRS/County	E2W2 of Sections 26 & 35, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-1
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	<b>Mad Dog 26/35 B2CN State Com 1H</b> , API No. pending SHL: 205' FNL & 1260 FWL (Unit D) of Sec. 26, T23S, R34E BHL: 100' FSL & 1650' FWL (Unit N) of Sec. 35, T23S, R34E  Completion Target: Bone Spring formation Well Orientation: North to South Completion Location expected to be:Standard

Horizontal Well First and Last Take Points	Exhibit A-5
Completion Target (Formation, TVD and MD)	Exhibit A-3
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-1
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	Exhibits C & D
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-3
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit A-5
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
	Exhibit A-5

Tracts	Exhibit A-1
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit A-5
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-2
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Michael H. Feldewert
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	31-May-22

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

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

CASE NO. 22806

APPLICATION

Mewbourne Oil Company (“Mewbourne” or “Applicant” ) (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation [Antelope Ridge; Bone Spring Pool (2200)] underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E2W2 of Sections 26 & 35, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. In support of its application, Mewbourne states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Mad Dog 26/35 B2CN State Com 1H** well to be horizontally drilled from a surface location in the NW4NW4 (Unit D) of Section 26 to a bottom hole location in the SE4SW4 (Unit N) of Section 35.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the working interest owners in the subject spacing unit.
4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

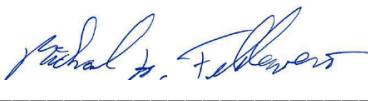
5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 2, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial well thereon;
- B. Designating Applicant as operator of the horizontal spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile  
mhfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
jbroggi@hollandhart.com

**ATTORNEYS FOR MEWBOURNE OIL  
COMPANY**



**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  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

Case No. 22806

**VERIFIED STATEMENT OF ADRIANA SALGADO**

Adriana Salgado, being duly sworn upon her 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 worked as a landman for two years. I hold a Bachelor of Arts Degree in Humanities from the University of Texas of the Permian Basin. I have 4 years of land work experience with Apache Corporation, prior to working at Mewbourne Oil Company. Collectively, I have 11 years of land work experience.

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 Bone Spring formation [Antelope Ridge; Bone Spring Pool (2200)] 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. All interest owners have been located.

(c) A plat outlining the unit being pooled is attached hereto as Exhibit 1. Mewbourne seeks an order approving a 320.00-acre horizontal spacing unit in the Bone Spring formation comprised of the E2W2 of Section 26 and the E2W2 of Section 35, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Mad Dog 26/35 B2CN State Com #1H.

(d) The parties being pooled and their interests are set forth in Exhibit 2. Their current and correct addresses are also set forth.

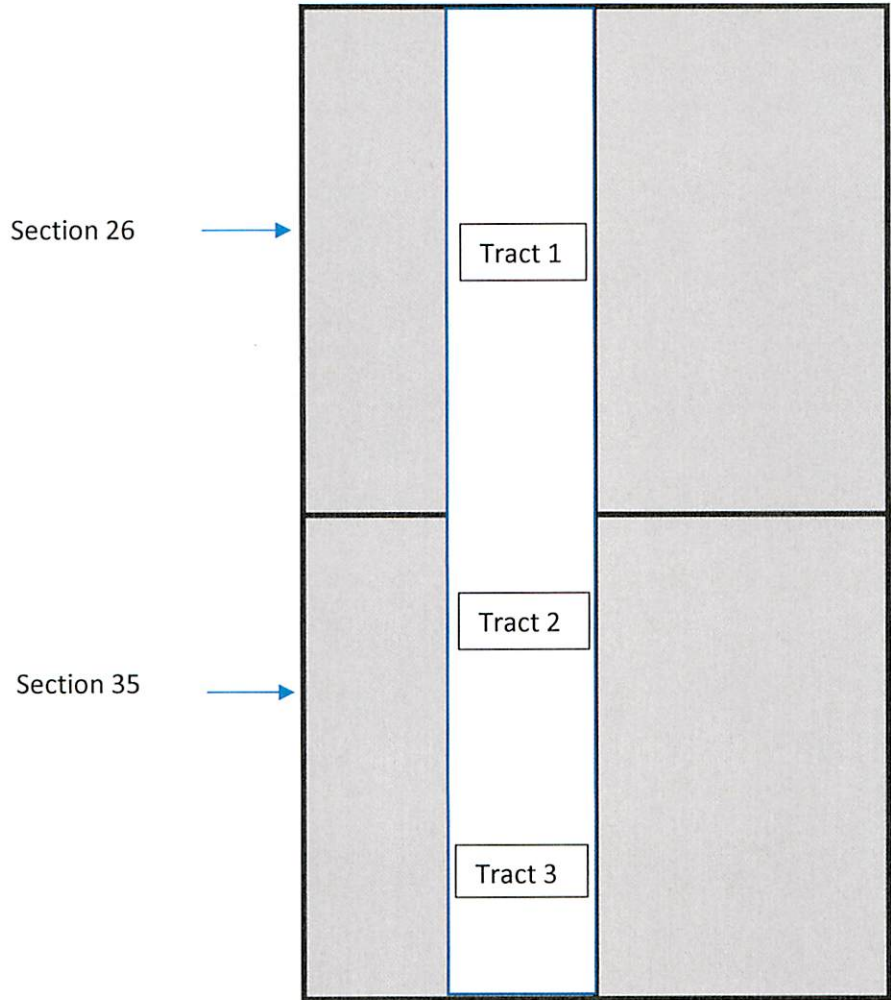
BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A  
Submitted by: Mewbourne Oil Company  
Hearing Date: June 2, 2022  
Case No. 22806

- (e) Exhibit 3 contains a summary of contacts with the interest owners, together with copies of the proposal letters sent to them, delivery receipts for each and copies of all email correspondence as listed.
- (f) In order to locate the interest owners, Mewbourne examined the county records, performed internet searches, checked telephone records, and searched pertinent computer searches.
- (g) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well.
- (h) Mewbourne has the right to pool the overriding royalty owners in the well unit.
- (i) Exhibit 4 is the Authorization for Expenditure for the proposed well. The estimated cost of the well 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 Lea County.
- (j) 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 Lea County. Mewbourne requests that these rates be adjusted periodically as provided in the standard COPAS. Accounting Procedure.
- (k) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (l) Applicant requests that it be designated operator of the well.
- (m) The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.
- (n) The granting of this application is in the interests of conservation and the prevention of waste.



# EXHIBIT 1

**Section Plat**  
Mad Dog 26/35 B2CN State Com #1H  
E/2W/2 of Section 26 & E/2W/2 of Section 35  
T23S-R34E, Lea County, NM



**Tract 1: E2W2 of Section 26 – State Lse. K-5283 (E2NW) & State Lse. L-5014 (E2SW) – Contractual Rights IA dtd 3/10/13 & 8/25/13**

Mewbourne Oil Company  
Chevron U.S.A. Inc.  
Nortex Corporation

**Tract 2: E2NW of Section 35– State Lse. V-8253 (E2NW)**

Mewbourne Oil Company  
Chevron U.S.A. Inc.  
\*Marathon Oil Permian LLC  
\*Hanley Petroleum LLC  
Mavros Oil Company, LLC  
\*LHAH Properties LLC  
H6 Holdings LLC  
TBO Cattle Company, LLC

**Tract 3: E2SW of Section 35 – State Lse. V-8275 (E2SW)**

Mewbourne Oil Company  
Chevron U.S.A. Inc.  
Prospector, LLC  
\*McCombs Energy, Ltd.  
Parrot Head Properties, LLC  
Big Three Energy Group, LLC

\*Indicates parties being pooled.

**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**  
**Exhibit No. A1**  
**Submitted by: Mewbourne Oil Company**  
**Hearing Date: June 2, 2022**  
**Case No. 22806**

# EXHIBIT 2

**TRACT OWNERSHIP  
Mad Dog 26/35 B2CN State Com #1H  
E2W2 of Section 26 & E2W2 of Section 35,  
Township 23 South, Range 34 East  
Lea County, New Mexico**

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	37.500000%
Chevron U.S.A. Inc. P.O. Box 2100 Houston, Texas 77252	37.500000%
*Marathon Oil Permian LLC 5555 San Felipe Houston, Texas 77056	6.250000%
Nortex Corporation 3009 Post Oak Blvd. Houston, Texas 77056	4.687500%
*Hanley Petroleum 415 W. Wall Street, Suite 1500 Midland, Texas 79701-4473	3.867175%
Prospector LLC P.O. Box 429 Roswell, New Mexico 88202	3.500000%
*McCombs Energy, Ltd. 755 East Mulberry, Suite 600 San Antonio, Texas 78212	2.812500%
Mavros Oil Company, LLC P.O. Box 50820 Midland, Texas 79710-0820	1.562500%
Parrot Head Properties P.O. Box 429 Roswell, New Mexico 88202	0.750000%

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A2  
Submitted by: Mewbourne Oil Company  
Hearing Date: June 2, 2022  
Case No. 22806

Big Three Energy Group P.O. Box 429 Roswell, New Mexico 88202	0.750000%
*LHAH Properties LLC 415 W. Wall Street, Suite 1500 Midland, Texas 79701	0.468750%
H6 Holdings LLC P.O. Box 1212 Midland, Texas 79701	0.234375%
TBO Cattle Company, LLC 4505 Mockingbird Lane Midland, Texas 79707	0.117200%
Total	100.00000%

**\*Total interest being pooled: 13.398425%**

<b>EXHIBIT 3</b>
------------------

**Summary of Communications**

Mad Dog 26/35 B1DM State Com #1H

Mad Dog 26/35 B2DM State Com #1H

Mad Dog 26/35 H3DM State Com #1H

Mad Dog 26/35 B2CN State Com #1H

Company Name: Marathon Oil Permian LLC		
Date:	Communicated with:	Comments/Actions:
4/4/22	Jeff Broussard	Mailed & emailed well & JOA proposals via certified mail.
4/11/22	Jeff Broussard	Jeff emailed me letting me know they received the AFE/JOA proposals and asked questions.
4/11/22	Jeff Broussard	I emailed Jeff back answering his questions.
4/11/22	Jeff Broussard	Jeff emailed me stating he needed to investigate title for this area and asked about if we were going to pool.
4/11/22	Jeff Broussard	I emailed Jeff letting him know what we showed to be their interest and where it was derived. I also told him we would probably pool them.
4/11/22	Jeff Broussard	I emailed Jeff asking for an update on their review process for these wells/OA.
4/27/22	Jeff Broussard	Jeff emailed me asking if they were the only non-participating party.
4/27/22	Jeff Broussard	I emailed Jeff back answering his question.
4/27/22	Jeff Broussard	Jeff emailed me back stating they would prefer to trade or farmout their acreage in these wells.
5/17/22	Jeff Broussard	I emailed Jeff an offer to carry Marathon's interest through tanks.
5/19/22	Jeff Broussard	Jeff stated they were going to evaluate our offer and later sent me another email with follow-up questions.
5/19/22	Jeff Broussard	I emailed Jeff answering his questions.

Company Name: McCombs Energy, Ltd.		
Date:	Communicated with:	Comments/Actions:
3/25/22		Mailed well & JOA proposals via certified mail.
3/28/22		Certified Mail receipt showed successful delivery at 1:55 PM
5/11/22	Mark Hajdik	I got an email from Mark at Colgate Energy stating CM Resources II was the JV entity these wells were under now. He sent me the Assignment copy and copies of the Mad Dog proposal packets we sent to McCombs originally. He asked when they were being pooled and for case numbers. He stated he anticipated the JOA would be signed and it was currently being routed, along with the AFEs.
5/11/22	Mark Hajdik	I emailed Mark back answering his questions.
5/17/22	Mark Hajdik	I emailed Mark for asking for an update.
5/17/22	Mark Hajdik	Mark emailed me letting me know he thinks they'll be good to go on signing the JOA and he asked me a question about well formation.
5/17/22	Mark Hajdik	I emailed Mark back letting him know the answer.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A3  
Submitted by: Mewbourne Oil Company  
Hearing Date: June 2, 2022  
Case No. 22806



Company Name: Hanley Petroleum LLC		
Date:	Communicated with:	Comments/Actions:
3/25/22	Frank Closuit	Mailed well & JOA proposals via certified mail.
3/31/22		Certified Mail receipt showed successful delivery at 4:34 PM
4/4/22	Frank Closuit	Emailed well & JOA proposals since I received mail returned as undeliverable from one of the Hanley entities. I resent to an updated address I received from a colleague.
4/4/22	Frank Closuit	Frank emailed me asking questions.
4/27/22	Frank Closuit	I emailed Frank asking for an update.
4/28/22	Frank Closuit	Frank emailed letting me know they were going to participate, and he would get elections back to me within a week.
4/28/22	Frank Closuit	I responded by email confirming his response.
4/29/22	Frank Closuit	Frank emailed asking more questions on proposals.
4/29/22	Frank Closuit	I emailed Frank back answering his questions.
5/13/22	Frank Closuit	Frank sent me the signed AFEs for both Hanley Petroleum and LHAH Properties. He stated the JOA was being circulated for signatures.
5/17/22	Frank Closuit	I emailed Frank to follow-up on the JOA.
5/17/22	Frank Closuit	Frank emailed me and let me know he was out of the office and would send me signed copy of JOA once he was back in office next week.
5/25/22	Frank Closuit	I emailed Frank to follow-up on the JOA.

Company Name: LHAH Properties LLC		
Date:	Communicated with:	Comments/Actions:
3/25/22	Frank Closuit	Mailed well & JOA proposals via certified mail.
3/31/22		Certified Mail receipt showed successful delivery at 4:34 PM
4/4/22	Frank Closuit	Emailed well & JOA proposals since I received mail returned as undeliverable from one of the Hanley entities. I resent to an updated address I received from a colleague.
4/4/22	Frank Closuit	Frank emailed me asking questions.
4/27/22	Frank Closuit	I emailed Frank asking for an update.
4/28/22	Frank Closuit	Frank emailed letting me know they were going to participate, and he would get elections back to me within a week.
4/28/22	Frank Closuit	I responded by email confirming his response.
4/29/22	Frank Closuit	Frank emailed asking more questions on proposals.
4/29/22	Frank Closuit	I emailed Frank back answering his questions.
5/13/22	Frank Closuit	Frank sent me the signed AFEs for both Hanley Petroleum and LHAH Properties. He stated the JOA was being circulated for signatures.
5/17/22	Frank Closuit	I emailed Frank to follow-up on the JOA.
5/17/22	Frank Closuit	Frank emailed me and let me know he was out of the office and would send me signed copy of JOA once he was back in office next week.
5/25/22	Frank Closuit	I emailed Frank to follow-up on the JOA.



## MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715  
FACSIMILE (432) 685-4170

March 25, 2022

*Via Certified Mail & Email*

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

Re: Mad Dog 26/35 B1DM State Com #1H  
205' FNL & 1240' FWL (SL) (Sec 26)  
100' FSL & 660' FWL (BHL) (Sec 35)  
Sections 26 & 35, T23S, R34E  
Lea County, New Mexico  
TVD: 9,990' MD: 20,075'  
Proration Unit/Project Area: W2W2 of Sec 26 & 35

Mad Dog 26/35 B2CN State Com #1H  
205' FNL & 1260' FWL (SL) (Sec 26)  
100' FSL & 1650' FWL (BHL) (Sec 35)  
Sections 26 & 35, T23S, R34E  
Lea County, New Mexico  
TVD: 10,471' MD: 20,580'  
Proration Unit/Project Area: E2W2 of Sec 26 & 35

Mad Dog 26/35 B2DM State Com #1H  
205' FNL & 1200' FWL (SL) (Sec 26)  
100' FSL & 330' FWL (BHL) (Sec 35)  
Sections 26 & 35, T23S, R34E  
Lea County, New Mexico  
TVD: 10,462' MD: 20,550'  
Proration Unit/Project Area: W2W2 of Sec 26 & 35

Mad Dog 26/35 H3DM State Com #1H  
205' FNL & 1220' FWL (SL) (Sec 26)  
100' FSL & 660' FWL (BHL) (Sec 35)  
Sections 26 & 35, T23S, R34E  
Lea County, New Mexico  
TVD: 10,862' MD: 20,960'  
Proration Unit/Project Area: W2W2 of Sec 26 & 35

Dear Sir or Madam:

Mewbourne Oil Company ("Mewbourne") hereby proposes to drill the above referenced horizontal Bone Spring wells. The referenced wells will be drilled as stated above. The estimated costs for these wells are as follows:

Well Name	Est Cost to Casing Point	Est Cost of Producing Well
Mad Dog 26/35 B1DM State Com #1H	\$3,429,700	\$9,391,700
Mad Dog 26/35 B2CN State Com #1H	\$3,449,700	\$9,420,100
Mad Dog 26/35 B2DM State Com #1H	\$3,448,100	\$9,415,700
Mad Dog 26/35 H3DM State Com #1H	\$3,465,100	\$10,214,900

Enclosed are Mewbourne's AFEs for the wells, more fully detailing drilling costs. To make your election to participate in the proposed wells, properly execute and return the AFEs to my attention. You will also need to provide your "Well Information" requirements. As a reminder, Mewbourne's AFEs provide all participants the opportunity to opt out of the "Extra Expense Well Control Insurance" that Mewbourne purchases for each well it drills. If you do opt out, you must provide evidence that you have adequate "Well Control Insurance". If you do not wish to participate in the wells, Mewbourne is interested in discussing other options for your interest.

To facilitate the drilling of these wells and the development of this project area, Mewbourne proposes forming a working interest unit by signing an Operating Agreement with a Contract Area comprised of the All of Section 26 and All of Section 35, Township 23 South, Range 34 East, Lea County, New Mexico. Our Joint Operating Agreement (JOA), whereas Mewbourne is listed as Operator, is attached for your review and execution. To make your election to participate in the proposed JOA, properly execute and return the marked signature and acknowledgement pages to my attention. Feel free to contact me if you have any questions. I can be reached by phone at (432) 682-3715 or via email at [asalgado@mewbourne.com](mailto:asalgado@mewbourne.com).

Sincerely,  
**MEWBOURNE OIL COMPANY**

*Asalgado*

Adriana Jimenez-Salgado  
Landman



## Proof of Acceptance (Electronic)

Date: 5/25/2022

Client Name: Mewbourne Oil Company

Certified with RR(E) item number 9402836897846123612023,  
addressed to Marathon Oil Permian LLC

Accepted at USPS Regional Facility-March 25, 2022, 6:13 pm,  
MIDLAND TX DISTRIBUTION CENTER,

The item number, time, date, city, state, and zip code is a true extract of  
information provided by the United States Postal Service to  
SimpleCertifiedMail.com.

Marathon Oil Permian LLC  
5555 San Felipe  
Houston, TX 77056  
Reference #: Mad Dog 26 35 Proposals  
Item ID: Mad Dog 26 35 Proposals  
Group Name: MIDLAND OFFICE

The above information is for the sole use of SimpleCertifiedMail.com  
clients and represents information provided by the United States Postal  
Service.



## Proof of Delivery (Electronic)

Date: 5/25/2022

Client Name: Mewbourne Oil Company

Certified with RR(E) item number 9402836897846164397859, addressed to Permian Land Manager was designated Held at Post Office, At Customer Request at 9:42 PM on April 07, 2022.

The item number, time, date, city, state, and zip code is a true extract of information provided by the United States Postal Service to SimpleCertifiedMail.com.

Permian Land Manager  
Marathon Oil Permian LLC  
990 Town & Country Blvd.  
Houston, TX 77024  
Reference #: Mad Dog 26/35

The above information is for the sole use of SimpleCertifiedMail.com clients and represents information provided by the United States Postal Service.

**Adriana Salgado**

---

**From:** Broussard, Jeff (MRO) <jbroussard1@marathonoil.com>  
**Sent:** Monday, April 11, 2022 8:30 AM  
**To:** Adriana Salgado  
**Subject:** [EXT] Mad Dog 26/35 Well Proposals

Adriana,

I received your well proposals for the above captions wells. Could you tell me what you show as Marathon's WI/NRI in these tracts?

Also, what is your anticipated spud/completion dates?

Thanks,

Jeff Broussard  
Marathon Oil  
O: 713-296-3159  
C: 409-351-2656

**CONFIDENTIAL**

*This e-mail message and all corresponding e-mail messages, including all attachments, are intended solely for the individual(s) named above. They contain confidential and/or proprietary information. Do not forward, copy, distribute or otherwise relay the messages or their content to any individual without first contacting the sender of this message.*

**Notice:** Should the contents of this message concern any potential agreement it is understood that any final agreement is subject to diligence and management approval; there shall be no binding agreement until the parties have executed and exchanged a definitive final agreement.



**MEWBOURNE OIL COMPANY**

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

TELEPHONE (432) 682-3715  
FACSIMILE (432) 685-4170

March 25, 2022

Via Certified Mail

McCombs Energy, Ltd.  
755 East Mulberry, Suite 600  
San Antonio, Texas 78212  
Attn: Land Manager

Re: Mad Dog 26/35 BIDM State Com #1H  
205' FNL & 1240' FWL (SL) (Sec 26)  
100' FSL & 660' FWL (BHL) (Sec 35)  
Sections 26 & 35, T23S, R34E  
Lea County, New Mexico  
TVD: 9,990' MD: 20,075'  
Proration Unit/Project Area: W2W2 of Sec 26 & 35

Mad Dog 26/35 B2CN State Com #1H  
205' FNL & 1260' FWL (SL) (Sec 26)  
100' FSL & 1650' FWL (BHL) (Sec 35)  
Sections 26 & 35, T23S, R34E  
Lea County, New Mexico  
TVD: 10,471' MD: 20,580'  
Proration Unit/Project Area: E2W2 of Sec 26 & 35

Mad Dog 26/35 B2DM State Com #1H  
205' FNL & 1200' FWL (SL) (Sec 26)  
100' FSL & 330' FWL (BHL) (Sec 35)  
Sections 26 & 35, T23S, R34E  
Lea County, New Mexico  
TVD: 10,462' MD: 20,550'  
Proration Unit/Project Area: W2W2 of Sec 26 & 35

Mad Dog 26/35 H3DM State Com #1H  
205' FNL & 1220' FWL (SL) (Sec 26)  
100' FSL & 660' FWL (BHL) (Sec 35)  
Sections 26 & 35, T23S, R34E  
Lea County, New Mexico  
TVD: 10,862' MD: 20,960'  
Proration Unit/Project Area: W2W2 of Sec 26 & 35

Dear Sir or Madam:

Mewbourne Oil Company ("Mewbourne") hereby proposes to drill the above referenced horizontal Bone Spring wells. The referenced wells will be drilled as stated above. The estimated costs for these wells are as follows:

Well Name	Est Cost to Casing Point	Est Cost of Producing Well
Mad Dog 26/35 BIDM State Com #1H	\$3,429,700	\$9,391,700
Mad Dog 26/35 B2CN State Com #1H	\$3,449,700	\$9,420,100
Mad Dog 26/35 B2DM State Com #1H	\$3,448,100	\$9,415,700
Mad Dog 26/35 H3DM State Com #1H	\$3,465,100	\$10,214,900

Enclosed are Mewbourne's AFEs for the wells, more fully detailing drilling costs. To make your election to participate in the proposed wells, properly execute and return the AFEs to my attention. You will also need to provide your "Well Information" requirements. As a reminder, Mewbourne's AFEs provide all participants the opportunity to opt out of the "Extra Expense Well Control Insurance" that Mewbourne purchases for each well it drills. If you do opt out, you must provide evidence that you have adequate "Well Control Insurance". If you do not wish to participate in the wells, Mewbourne is interested in discussing other options for your interest.

To facilitate the drilling of these wells and the development of this project area, Mewbourne proposes forming a working interest unit by signing an Operating Agreement with a Contract Area comprised of the All of Section 26 and All of Section 35, Township 23 South, Range 34 East, Lea County, New Mexico. Our Joint Operating Agreement (JOA), whereas Mewbourne is listed as Operator, is attached for your review and execution. To make your election to participate in the proposed JOA, properly execute and return the marked signature and acknowledgement pages to my attention. Feel free to contact me if you have any questions. I can be reached by phone at (432) 682-3715 or via email at [asalgado@mewbourne.com](mailto:asalgado@mewbourne.com).

Sincerely,  
**MEWBOURNE OIL COMPANY**

*Asalgado*

Adriana Jimenez-Salgado  
Landman

**Adriana Salgado**

---

**From:** webmaster@simplecertifiedmail.com  
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Regards,

*The Client Services Group-Assistance*

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111 Commonwealth Court, Suite 103  
Cary, NC 27511-4447  
[888-462-1750 ext. 2](tel:888-462-1750) | [assistance@simplecertifiedmail.com](mailto:assistance@simplecertifiedmail.com)

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**MEWBOURNE OIL COMPANY**

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

TELEPHONE (432) 682-3715  
FACSIMILE (432) 685-4170

April 4, 2022

*Via Certified Mail & Email*

Hanley Petroleum  
2501 Ridgmar Plaza  
Fort Worth, TX 76116  
Attn: Mr. Fred Closuit

Re: Mad Dog 26/35 B1DM State Com #1H  
205' FNL & 1240' FWL (SL) (Sec 26)  
100' FSL & 660' FWL (BHL) (Sec 35)  
Sections 26 & 35, T23S, R34E  
Lea County, New Mexico  
TVD: 9,990' MD: 20,075'  
Proration Unit/Project Area: W2W2 of Sec 26 & 35

Mad Dog 26/35 B2CN State Com #1H  
205' FNL & 1260' FWL (SL) (Sec 26)  
100' FSL & 1650' FWL (BHL) (Sec 35)  
Sections 26 & 35, T23S, R34E  
Lea County, New Mexico  
TVD: 10,471' MD: 20,580'  
Proration Unit/Project Area: E2W2 of Sec 26 & 35

Mad Dog 26/35 B2DM State Com #1H  
205' FNL & 1200' FWL (SL) (Sec 26)  
100' FSL & 330' FWL (BHL) (Sec 35)  
Sections 26 & 35, T23S, R34E  
Lea County, New Mexico  
TVD: 10,462' MD: 20,550'  
Proration Unit/Project Area: W2W2 of Sec 26 & 35

Mad Dog 26/35 H3DM State Com #1H  
205' FNL & 1220' FWL (SL) (Sec 26)  
100' FSL & 660' FWL (BHL) (Sec 35)  
Sections 26 & 35, T23S, R34E  
Lea County, New Mexico  
TVD: 10,862' MD: 20,960'  
Proration Unit/Project Area: W2W2 of Sec 26 & 35

Dear Sir or Madam:

Mewbourne Oil Company ("Mewbourne") hereby proposes to drill the above referenced horizontal Bone Spring wells. The referenced wells will be drilled as stated above. The estimated costs for these wells are as follows:

Well Name	Est Cost to Casing Point	Est Cost of Producing Well
Mad Dog 26/35 B1DM State Com #1H	\$3,429,700	\$9,391,700
Mad Dog 26/35 B2CN State Com #1H	\$3,449,700	\$9,420,100
Mad Dog 26/35 B2DM State Com #1H	\$3,448,100	\$9,415,700
Mad Dog 26/35 H3DM State Com #1H	\$3,465,100	\$10,214,900

Enclosed are Mewbourne's AFEs for the wells, more fully detailing drilling costs. To make your election to participate in the proposed wells, properly execute and return the AFEs to my attention. You will also need to provide your "Well Information" requirements. As a reminder, Mewbourne's AFEs provide all participants the opportunity to opt out of the "Extra Expense Well Control Insurance" that Mewbourne purchases for each well it drills. If you do opt out, you must provide evidence that you have adequate "Well Control Insurance". If you do not wish to participate in the wells, Mewbourne is interested in discussing other options for your interest.

To facilitate the drilling of these wells and the development of this project area, Mewbourne proposes forming a working interest unit by signing an Operating Agreement with a Contract Area comprised of the All of Section 26 and All of Section 35, Township 23 South, Range 34 East, Lea County, New Mexico. Our Joint Operating Agreement (JOA), whereas Mewbourne is listed as Operator, is attached for your review and execution. To make your election to participate in the proposed JOA, properly execute and return the marked signature and acknowledgement pages to my attention. Feel free to contact me if you have any questions. I can be reached by phone at (432) 682-3715 or via email at [asalgado@mewbourne.com](mailto:asalgado@mewbourne.com).

Sincerely,  
**MEWBOURNE OIL COMPANY**

*Asalgado*

Adriana Jimenez-Salgado  
Landman

**Adriana Salgado**

---

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If you have questions or concerns, please let us know.

Regards,

*The Client Services Group-Assistance*

SimpleCertifiedMail.com  
111 Commonwealth Court, Suite 103  
Cary, NC 27511-4447  
[888-462-1750 ext. 2](tel:888-462-1750) | [assistance@simplecertifiedmail.com](mailto:assistance@simplecertifiedmail.com)

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## Adriana Salgado

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### Document Delivered

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If you have questions or concerns, please let us know.

Regards,

*The Client Services Group-Assistance*

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111 Commonwealth Court, Suite 103  
Cary, NC 27511-4447  
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**MEWBOURNE OIL COMPANY**

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

TELEPHONE (432) 682-3715  
FACSIMILE (432) 685-4170

April 4, 2022

Via Certified Mail & Email

LHAH Properties LLC  
2501 Ridgmar Plaza  
Fort Worth, TX 76116  
Attn: Mr. Fred Closuit

Re: Mad Dog 26/35 B1DM State Com #1H  
205' FNL & 1240' FWL (SL) (Sec 26)  
100' FSL & 660' FWL (BHL) (Sec 35)  
Sections 26 & 35, T23S, R34E  
Lea County, New Mexico  
TVD: 9,990' MD: 20,075'  
Proration Unit/Project Area: W2W2 of Sec 26 & 35

Mad Dog 26/35 B2CN State Com #1H  
205' FNL & 1260' FWL (SL) (Sec 26)  
100' FSL & 1650' FWL (BHL) (Sec 35)  
Sections 26 & 35, T23S, R34E  
Lea County, New Mexico  
TVD: 10,471' MD: 20,580'  
Proration Unit/Project Area: E2W2 of Sec 26 & 35

Mad Dog 26/35 B2DM State Com #1H  
205' FNL & 1200' FWL (SL) (Sec 26)  
100' FSL & 330' FWL (BHL) (Sec 35)  
Sections 26 & 35, T23S, R34E  
Lea County, New Mexico  
TVD: 10,462' MD: 20,550'  
Proration Unit/Project Area: W2W2 of Sec 26 & 35

Mad Dog 26/35 H3DM State Com #1H  
205' FNL & 1220' FWL (SL) (Sec 26)  
100' FSL & 660' FWL (BHL) (Sec 35)  
Sections 26 & 35, T23S, R34E  
Lea County, New Mexico  
TVD: 10,862' MD: 20,960'  
Proration Unit/Project Area: W2W2 of Sec 26 & 35

Dear Sir or Madam:

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Sincerely,  
**MEWBOURNE OIL COMPANY**

*Asalgado*

Adriana Jimenez-Salgado  
Landman

**Adriana Salgado**

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If you have questions or concerns, please let us know.

Regards,

*The Client Services Group-Assistance*

SimpleCertifiedMail.com  
111 Commonwealth Court, Suite 103  
Cary, NC 27511-4447  
[888-462-1750 ext. 2](tel:888-462-1750) | [assistance@simplecertifiedmail.com](mailto:assistance@simplecertifiedmail.com)

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**EXHIBIT 4**

**MEWBOURNE OIL COMPANY**  
 AUTHORIZATION FOR EXPENDITURE

Well Name: **MAD DOG 26/35 B2CN STATE COM #1H** Prospect: **MAD DOG 26**  
 Location: **SL: 205 FNL & 1260 FWL (26); BHL: 100 FSL & 1650 FWL (35)** County: **Lea** ST: **NM**  
 Sec. **26** Blk:  Survey:  TWP: **23S** RNG: **34E** Prop. TVD: **10471** TMD: **20580**

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$40,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$50,000
Daywork / Turnkey / Footage Drilling	24 days drlg / 3 days comp @ \$23000/d	0180-0110	\$589,500	0180-0210	\$73,700
Fuel	1700 gal/day @ \$4.7/gal	0180-0114	\$204,800	0180-0214	\$497,300
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120	\$70,000	0180-0220	
Mud - Specialized		0180-0121	\$130,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$50,000
Cementing		0180-0125	\$120,000	0180-0225	\$50,000
Logging & Wireline Services		0180-0130	\$34,000	0180-0230	\$371,800
Casing / Tubing / Snubbing Services		0180-0134	\$25,000	0180-0234	\$13,000
Mud Logging		0180-0137	\$15,000		
Stimulation	51 Stg 20.2 MM gal / 25.3 MM lb			0180-0241	\$2,292,200
Stimulation Rentals & Other				0180-0242	\$241,000
Water & Other		0180-0145	\$35,000	0180-0245	\$384,000
Bits		0180-0148	\$70,500	0180-0248	
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$15,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$135,700	0180-0270	\$57,100
Directional Services	Includes Vertical Control	0180-0175	\$357,000		
Equipment Rental		0180-0180	\$160,200	0180-0280	\$10,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,300	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$1,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$10,000
Company Supervision		0180-0195	\$97,200	0180-0295	\$36,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$129,400	0180-0299	\$223,600
<b>TOTAL</b>			<b>\$2,716,600</b>		<b>\$4,696,200</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	795' - 13 3/8" 54.5# J-55 ST&C @ \$58.73/ft	0181-0794	\$49,900		
Casing (8.1" - 10.0")	4880' - 9 5/8" 40# HCL80 LT&C @ \$49.46/ft	0181-0795	\$257,800		
Casing (6.1" - 8.0")	9900' - 7" 29# HPP110 BT&C @ \$36.92/ft	0181-0796	\$390,400		
Casing (4.1" - 6.0")	10880' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$20.31/ft			0181-0797	\$236,000
Tubing	9880' - 2 7/8" 6.5# L-80 IPC Tbg @ \$11.25/ft			0181-0798	\$118,700
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871	\$70,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Pumping Unit Systems				0181-0885	
Service Pumps	(1/4) TP/CP/Circ pump			0181-0886	\$8,000
Storage Tanks	(1/4) 8 OT/ 6 WT/ 1 GB			0181-0890	\$120,300
Emissions Control Equipment	(1/4) 2VRT's/VRU/Flare/ 3KO's			0181-0892	\$74,000
Separation / Treating Equipment	(1/4) 4 H sep/ 4 V sep/ HHT/ VHT			0181-0895	\$74,000
Automation Metering Equipment	Automation/fiber/meters			0181-0898	\$41,500
Line Pipe & Valves - Gathering	(2) 1.4 mi SWDL & 1.3 mi 6 in GL/Facility gas work			0181-0900	\$62,300
Fittings / Valves & Accessories	Flowline/parts			0181-0906	\$183,300
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$93,000
Equipment Installation				0181-0910	\$82,300
Pipeline Construction	(2) 1.4 mi SWDL & 1.3 mi 6 in GL/Facility gas work			0181-0920	\$55,800
<b>TOTAL</b>			<b>\$733,100</b>		<b>\$1,274,200</b>
<b>SUBTOTAL</b>			<b>\$3,449,700</b>		<b>\$5,970,400</b>
<b>TOTAL WELL COST</b>			<b>\$9,420,100</b>		

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: Landon Stallings Date: 3/17/2022  
 Company Approval: *M. Whittall* Date: 3/17/2022

Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_  
 Joint Owner Name: \_\_\_\_\_ Signature: \_\_\_\_\_



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

<sup>1</sup> API Number		<sup>2</sup> Pool Code <b>2200</b>		<sup>3</sup> Pool Name <b>Antelope Ridge; Bone Spring</b>	
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>MAD DOG 26/35 B2CN STATE COM</b>			<sup>6</sup> Well Number <b>1H</b>
<sup>7</sup> GRID NO.		<sup>8</sup> Operator Name <b>MEWBOURNE OIL COMPANY</b>			<sup>9</sup> Elevation <b>3413'</b>

<sup>10</sup> Surface Location

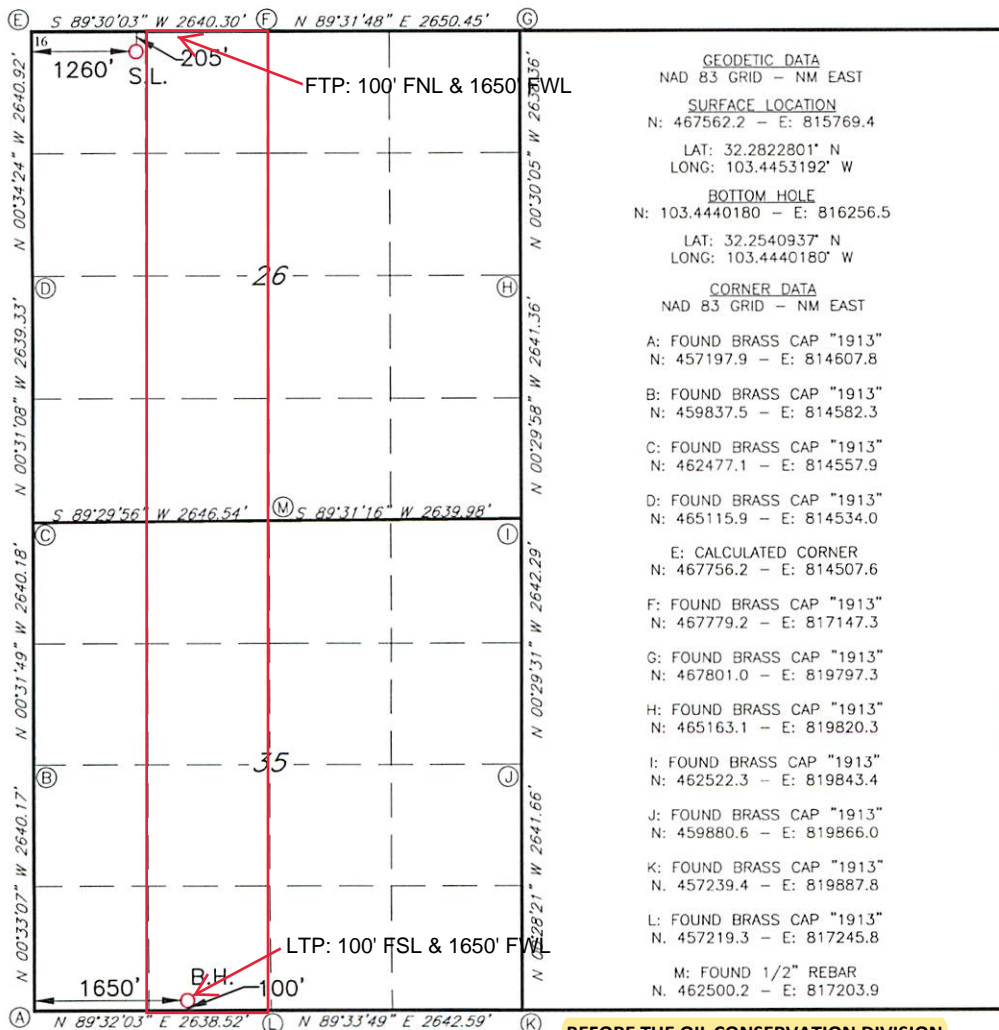
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>D</b>	<b>26</b>	<b>23S</b>	<b>34E</b>		<b>205</b>	<b>NORTH</b>	<b>1260</b>	<b>WEST</b>	<b>LEA</b>

<sup>11</sup> 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
<b>N</b>	<b>35</b>	<b>23S</b>	<b>34E</b>		<b>100</b>	<b>SOUTH</b>	<b>1650</b>	<b>WEST</b>	<b>LEA</b>

<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



**<sup>17</sup> 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 \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name \_\_\_\_\_  
E-mail Address \_\_\_\_\_

**<sup>18</sup> 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.

**12/13/2021**  
Date of Survey

Signature and Seal of Professional Surveyor \_\_\_\_\_

**19680**  
Certificate Number

REV: BH MOVE 03/02/22

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A5  
Submitted by: Mewbourne Oil Company  
Hearing Date: June 2, 2022  
Case No. 22806

Job No: LS21121284R

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

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

**Case No. 22806**

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

**Case No. 22807**

**SELF-AFFIRMED STATEMENT OF JORDAN CARRELL**

Jordan Carrell 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 B-1 is a regional map showing the southern half of Lea County and where the Mad Dog 26/35 drilling units are located.
  - (b) Attachment B-2 is a structure map on the top of the 3<sup>rd</sup> Bone Spring Sand. It shows that structure dips to the east across the unit. It also shows Bone Spring horizontal wells in the area, and a line of cross-section.
  - (c) Attachment B-3 is a cross section of the Bone Spring Formation showing the target zones for the Mad Dog 26/35 B1DM State Com 1H, Mad Dog 26/35 B2DM State Com 1H, Mad Dog 26/35 B2CN State Com 1H, and Mad Dog 26/35 H3DM State Com 1H. The B1DM well will target the 1<sup>st</sup> Bone Spring Formation, the B2DM and B2CN wells will target the 2<sup>nd</sup> Second Bone Spring Formation, and the H3DM will target the 3<sup>rd</sup> Bone Spring Formation.

The well logs on the cross-section give a representative sample of the Bone Spring Formation in this area. The target zones are continuous and uniformly thick across the well units.

4. I conclude from the maps that:

**BEFORE THE OIL CONSERVATION DIVISION  
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Submitted by: Mewbourne Oil Company  
Hearing Date: June 2, 2022  
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- (a) The horizontal spacing units are justified from a geologic standpoint.
- (b) The target zones are continuous and of relatively uniform thickness across the well units.
- (c) Each quarter-quarter section in the well units 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 drilling of the subject wells.

5. 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 4 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: 5-27-2022

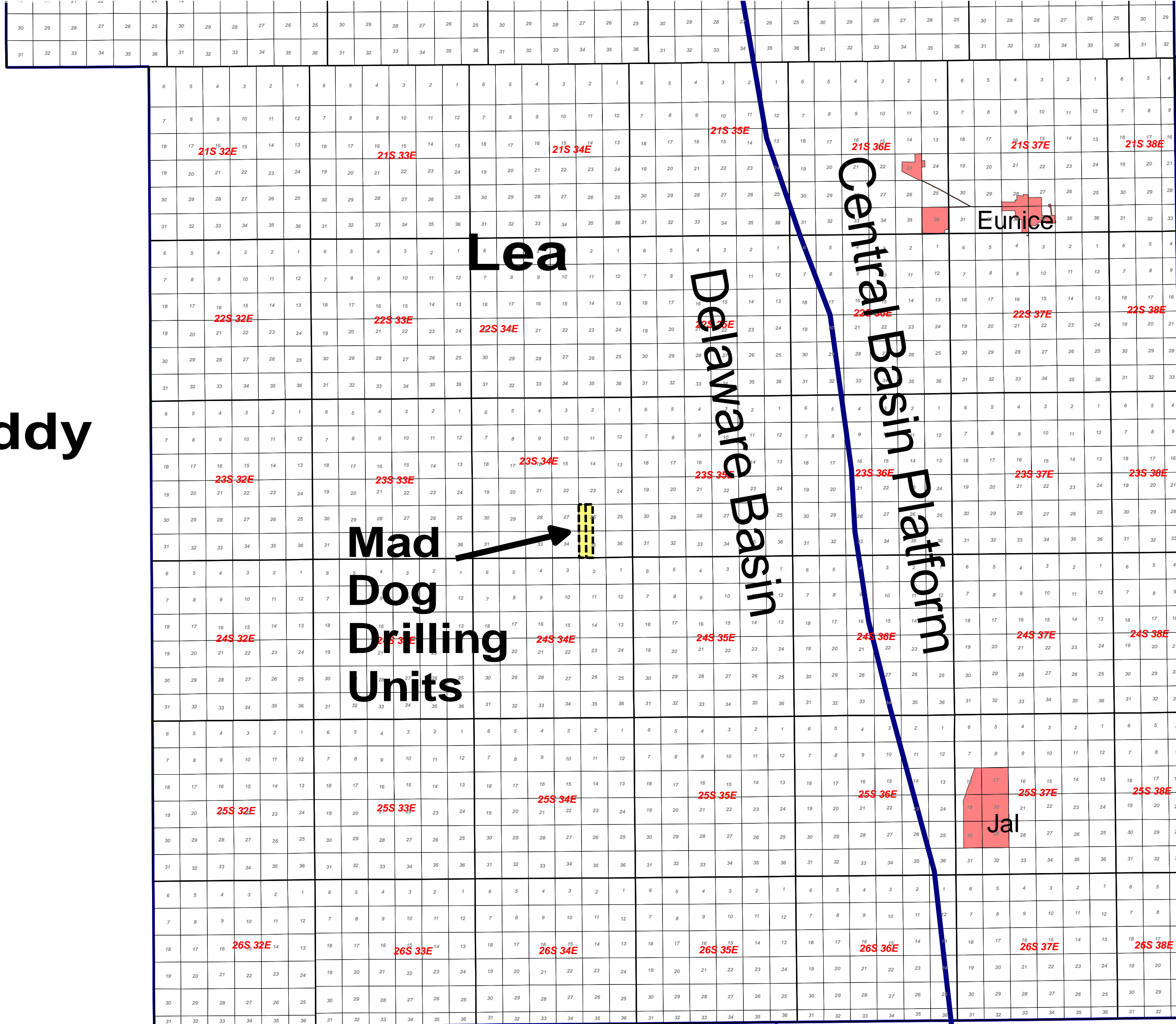


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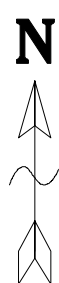
Jordan Carrell



# Eddy

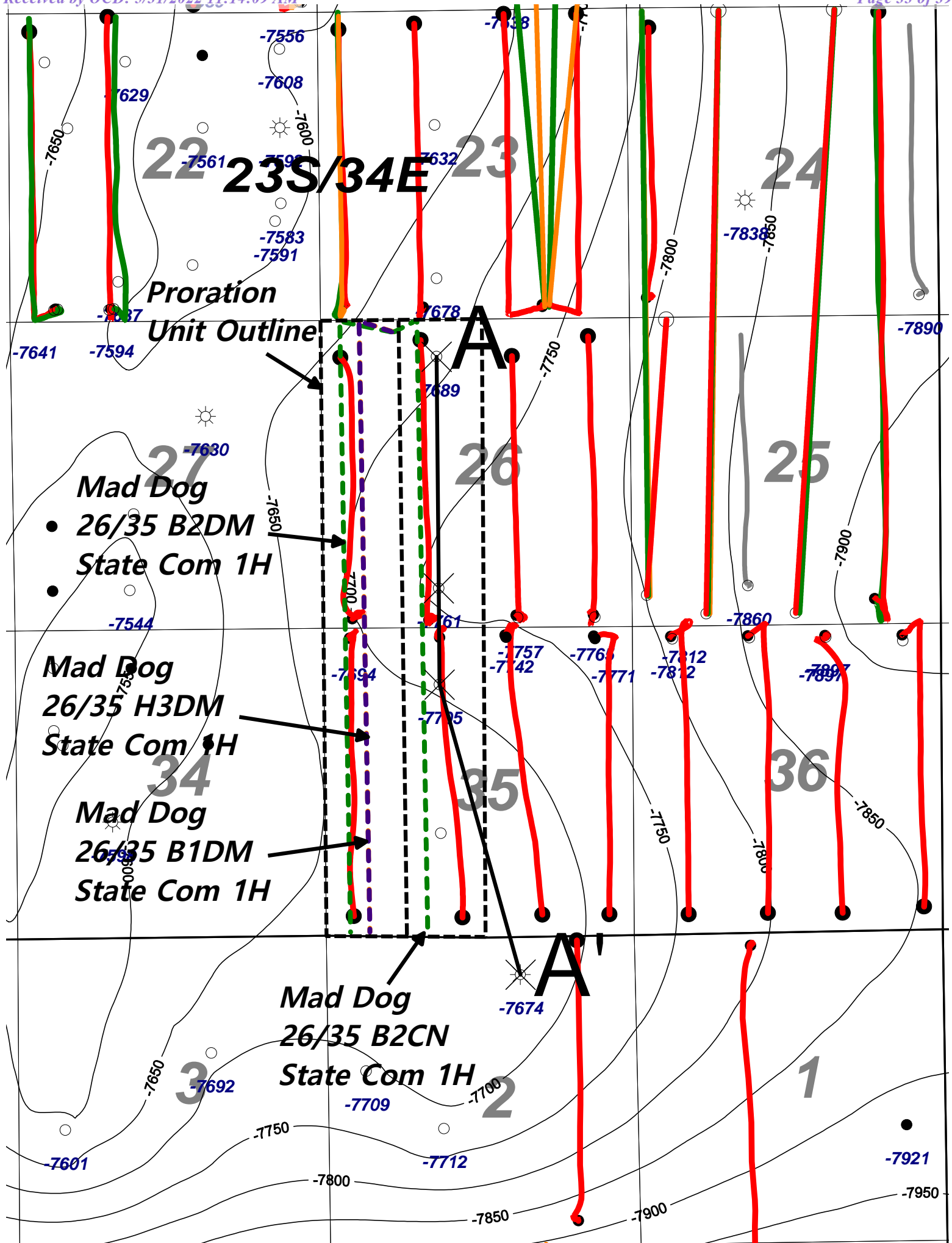


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<b>Mad Dog 26/35          Lea County Locator Map</b>		
5/26/22	Lea County	New Mexico





Wells deeper than 7000'

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2500 0 2500 ft

1 inch = 2000 feet

3rd BSPG Sand structural top (subsea)

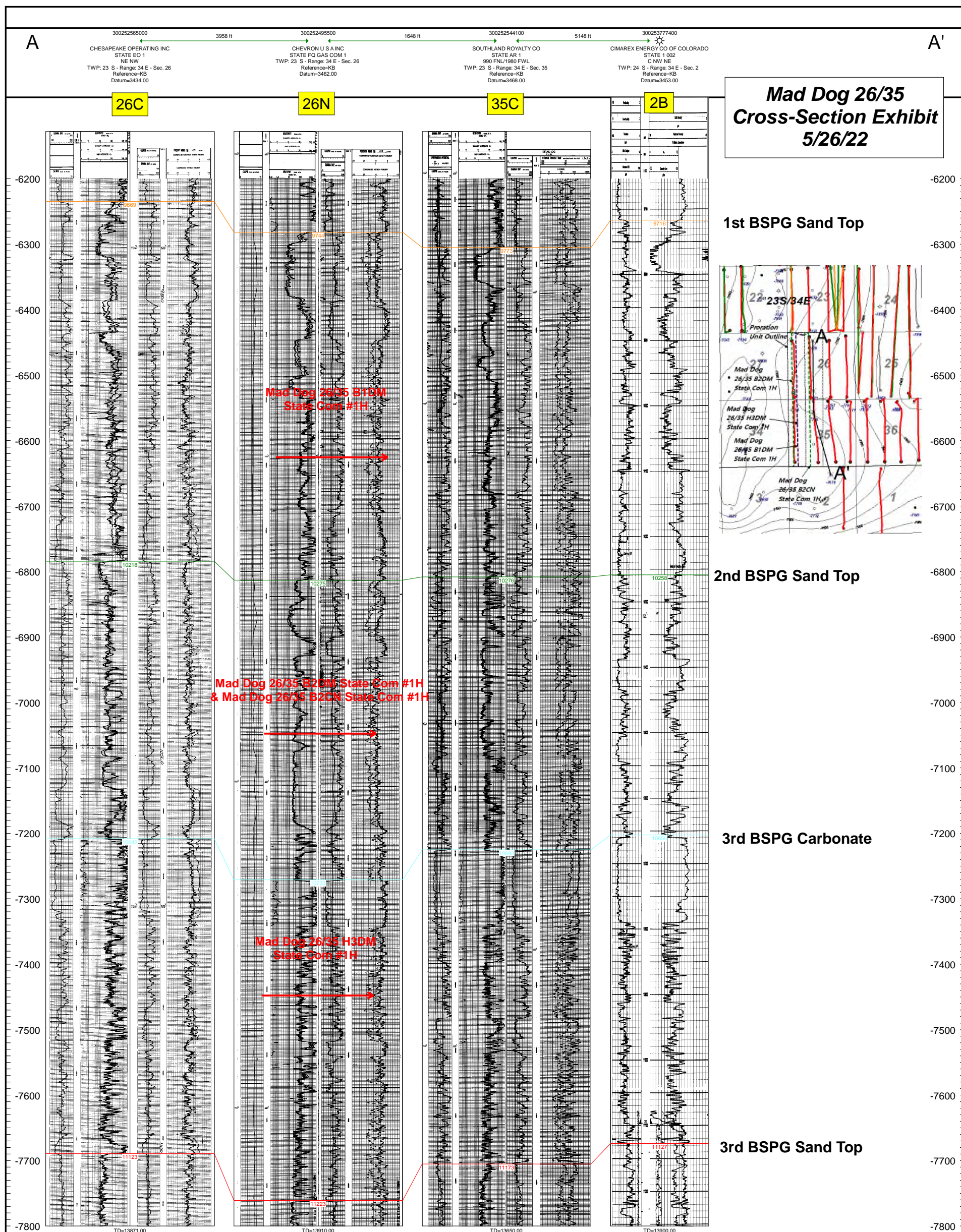
BSPG Horizontal Color Code

- Avalon Shale Well
- 1st BSPG Well
- 2nd BSPG Well
- 3rd BSPG Well

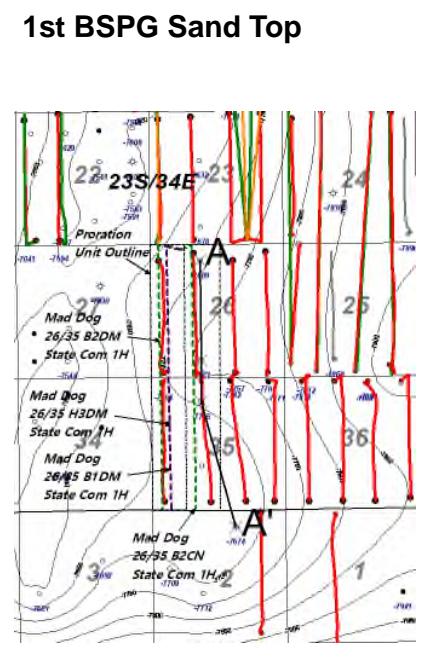


<b>MOC Mewbourne Oil Company</b>		
<b>Mad Dog 26/35</b> 3rd BSPG Sand Structure Contour Map C.I. = 50'		
5/26/22	Lea County	New Mexico





**Mad Dog 26/35  
Cross-Section Exhibit  
5/26/22**



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B3  
Submitted by: Mewbourne Oil Company  
Hearing Date: June 2, 2022  
Case No. 22806



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

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

**CASE NO. 22806**

**AFFIDAVIT**

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

Michael H. Feldewert, attorney in fact and authorized representative of the Applicant herein, being first duly sworn, upon oath, states

1. The above-referenced application and notice of the hearing on this application was sent by certified mail to the affected parties on the date set forth in the letter attached hereto.

2. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

3. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of May 24, 2022

4. I caused a notice to be published to all parties subject to these compulsory pooling proceedings on May 17, 2022. An affidavit of publication from the publication's legal clerk with a copy of the notice publication is attached as Exhibit D.




\_\_\_\_\_  
Michael H. Feldewert

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: Mewbourne Oil Company  
Hearing Date: June 2, 2022  
Case No. 22806**

SUBSCRIBED AND SWORN to before me this 31st day of May, 2022 by Michael H.

Feldewert.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

Nov. 12, 2023

STATE OF NEW MEXICO  
NOTARY PUBLIC  
CARLA GARCIA  
COMMISSION # 1127528  
COMMISSION EXPIRES 11/12/2023



Michael H. Feldewert  
Partner  
Phone (505) 988-4421  
mfeldewert@hollandhart.com

May 13, 2022

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

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico: Mad Dog 26/35 B2/CN State Com 1H**

Ladies & Gentlemen:

This letter is to advise you that Mewbourne Oil Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on June 2, 2022, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. **During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.**

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Adriana Salgado at (432) 682-3715, or at [asalgado@mewbourne.com](mailto:asalgado@mewbourne.com).

Michael H. Feldewert

**ATTORNEY FOR MEWBOURNE OIL COMPANY**

18778666\_v1

T 505.988.4421 F 505.983.6043  
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849  
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208  
[www.hollandhart.com](http://www.hollandhart.com)

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Mewbourne - Mad Dog  
Case Nos. 22806-22807 Postal Delivery Reports

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765879359482	Marathon Oil Permian LLC Attn Mr. Jeff Broussard	990 Town And Country Blvd	Houston	TX	77024-2217	Your item was delivered to the front desk, reception area, or mail room at 1:47 pm on May 16, 2022 in HOUSTON, TX 77024.
9414811898765879359437	McCombs Energy, Ltd. Attn Permian Land Manager	755 E Mulberry Ave Ste 600	San Antonio	TX	78212-6013	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765879359475	Hanley Petroleum LLC Attn Mr. Fred Closuit	2501 Ridgmar Plz	Fort Worth	TX	76116-2689	Your item was delivered to an individual at the address at 3:22 pm on May 16, 2022 in FORT WORTH, TX 76116.
9414811898765879359512	LHAH Properties LLC Attn Mr. Fred Closuit	2501 Ridgmar Plz	Fort Worth	TX	76116-2689	Your item was delivered to an individual at the address at 3:22 pm on May 16, 2022 in FORT WORTH, TX 76116.

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

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

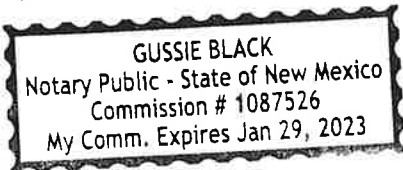
Beginning with the issue dated  
May 17, 2022  
and ending with the issue dated  
May 17, 2022.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
17th day of May 2022.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2023  
(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL	LEGAL	LEGAL
<b>LEGAL NOTICE</b> May 17, 2022		
<b>STATE OF NEW MEXICO</b> <b>ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL</b> <b>CONSERVATION DIVISION SANTA FE, NEW MEXICO</b>		
<p>The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on <b>Thursday, June 2, 2022, beginning at 8:15 a.m.</b> To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a> or obtained from Marlene Salvidrez, at <a href="mailto:Marlene.Salvidrez@state.nm.us">Marlene.Salvidrez@state.nm.us</a>. Documents filed in the case may be viewed at <a href="https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx">https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx</a>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at <a href="mailto:Marlene.Salvidrez@state.nm.us">Marlene.Salvidrez@state.nm.us</a>, or the New Mexico Relay Network at 1-800-659-1779, no later than <b>May 22, 2022</b>.</p> <p>Persons may view and participate in the hearings through the following link:</p> <p><a href="https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e5d4dc968d44b04fb315a668f626e0591">https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e5d4dc968d44b04fb315a668f626e0591</a> Event number: 2481 803 6002 Event password: : 5vuQUIw73bi</p> <p>Join by video: 24818036002@nmemnrd.webex.com You can also dial 173.243.2.68 and enter your meeting number Numeric Password: 156446</p> <p>Join by audio: 1-844-992-4726 United States Toll Free Access code: 2481 803 6002</p> <p style="text-align: center;"><b>STATE OF NEW MEXICO TO:</b> <b>All named parties and persons</b> <b>having any right, title, interest</b> <b>or claim in the following case</b> <b>and notice to the public.</b></p> <p>(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)</p> <p><b>To: All interest owners subject to pooling proceedings, including: Marathon Oil Permian LLC; McCombs Energy, Ltd.; Hanley Petroleum LLC; and LHAH Properties LLC.</b></p> <p><b>Case No. 22806: Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico.</b> Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation [Antelope Ridge; Bone Spring Pool (2200)] underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E2W2 of Sections 26 &amp; 35, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed <b>Mad Dog 26/35 B2CN State Com 1H</b> well to be horizontally drilled from a surface location in the NW4NW4 (Unit D) of Section 26 to a bottom hole location in the SE4SW4 (Unit N) of Section 35. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the operating costs and charges for supervision, the designation of applicant as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles southwest of Eunice, New Mexico. <b>#37667</b></p>		

67100754

HOLLAND & HART LLC  
PO BOX 2208  
SANTA FE, NM 87504-2208

00266880

**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**  
**Exhibit No. D**  
**Submitted by: Mewbourne Oil Company**  
**Hearing Date: June 2, 2022**  
**Case No. 22806**