

CASE NO. 22835

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

MEWBOURNE OIL COMPANY'S EXHIBIT LIST

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

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 22835

APPLICATION

Mewbourne Oil Company applies for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2SE/4 of Section 17, the W/2E/2 of Section 20, and the W/2NE/4 of Section 29, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the W/2SE/4 of Section 17, the W/2E/2 of Section 20, and the W/2NE/4 of Section 29, and has the right to drill a well thereon.
2. Applicant proposes to drill the North Wilson Deep Unit Well No. 6H to a depth sufficient to test the Bone Spring formation, with a first take point in the NW/4SE/4 of Section 17 and a last take point in the SW/4NE/4 of Section 29.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2SE/4 of Section 17, the W/2E/2 of Section 20, and the W/2NE/4 of Section 29 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 formation underlying the W/2SE/4 of Section 17, the W/2E/2 of Section 20, and the W/2NE/4 of Section 29, pursuant to NMSA 1978 §70-2-17.

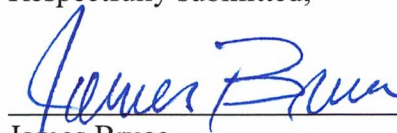
EXHIBIT /

5. The pooling of all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2SE/4 of Section 17, the W/2E/2 of Section 20, and the W/2NE/4 of Section 29 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 uncommitted mineral interest owners in the Bone Spring formation underlying the W/2SE/4 of Section 17, the W/2E/2 of Section 20, and the W/2NE/4 of Section 29;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing 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 and completing 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, Lea 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 W/2SE/4 of Section 17, the W/2E/2 of Section 20, and the W/2NE/4 of Section 29, Township 21 South, Range 35 East, NMPM. The unit will be dedicated to the North Wilson Deep Unit Well No. 6H, with a first take point in the NW/4SE/4 of Section 17 and a last take point in the SW/4NE/4 of Section 29. 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 7-1/2 miles west-southwest of Oil Center, 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
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

Case No. 22835

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 an associate landman for two years and a landman for three 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 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 W2SE of Section 17, the W2E2 of Section 20 and the W2NE of Section 29, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the North Wilson Deep Unit #6H. There are no depth severances in the Bone Spring Formation.

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

EXHIBIT

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- (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.

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

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

ASalgado
Adriana Salgado

SUBSCRIBED AND SWORN TO before me this 26th day of May, 2022 by Adriana Salgado.

My Commission Expires: 8-28-22

T Alexander
Notary Public

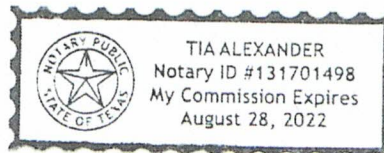
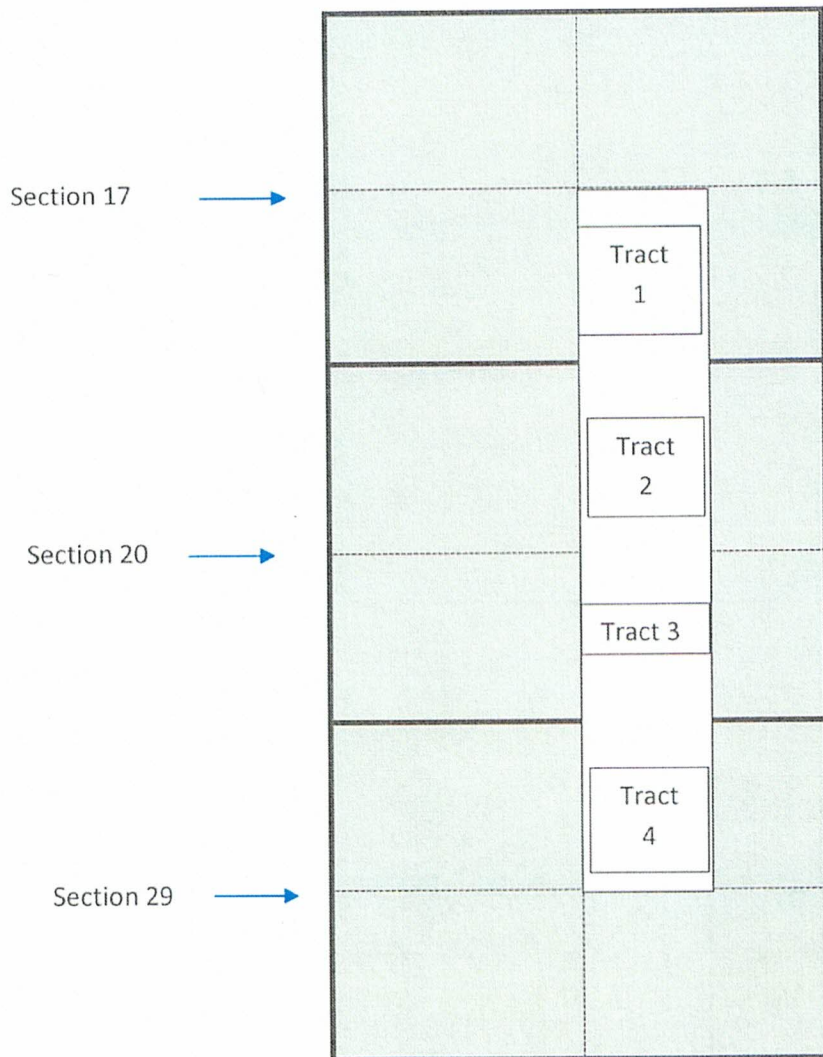


EXHIBIT 1

Section Plat
North Wilson Deep Unit #6H
W2SE of Section 17, W2E2 of Section 20 & W2NE of Section 29
T21S-R35E, Lea County, NM



Tract 1: W2SE of Section 17 – State Lse. E-1921
COG Operating LLC
*Devon Energy Operating, L.P.

Tract 2: W2NE of Section 20 – State Lse. VB-756
Mewbourne Oil Company

Tract 3: W2SE of Section 20 – State Lse. E-2446
Mewbourne Oil Company
Javelina Partners
Zorro Partners

Tract 4: W2NE of Section 29 – State Lse. B-158
Chevron U.S.A. Inc.

*Indicates parties being pooled.

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 30-025-50172		² Pool Code 97704		³ Pool Name WILSON; BONE SPRING, NORTH	
⁴ Property Code 325675		⁵ Property Name NORTH WILSON DEEP UNIT			⁶ Well Number 6H
⁷ OGRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY			⁹ Elevation 3652'

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
G	17	21S	35E		2370	NORTH	1910	EAST	LEA

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
G	29	21S	35E		2535	NORTH	2050	EAST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

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GEODETIC DATA
NAD 83 GRID - NM EAST
SURFACE LOCATION
N: 539564.2 - E: 833059.7
LAT: 32.4797690° N
LONG: 103.3873167° W

GEODETIC DATA
NAD 83 GRID - NM EAST
BOTTOM HOLE
N: 528831.4 - E: 833014.9
LAT: 32.4502720° N
LONG: 103.3877705° W

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND NAIL N: 526063.9 - E: 829805.6	I: FOUND 3/4" REBAR N: 536671.5 - E: 834996.6
B: FOUND 3/4" REBAR N: 531345.9 - E: 829761.3	J: FOUND 12"x4"x4" LIMESTONE ROCK N: 534030.7 - E: 835020.3
C: FOUND 12"x4"x4" LIMESTONE ROCK N: 533983.1 - E: 829739.3	K: FOUND 1/2" REBAR N: 531388.9 - E: 835040.6
D: FOUND 3/4" REBAR N: 536624.0 - E: 829716.2	L: FOUND 1/2" REBAR N: 528748.9 - E: 835065.4
E: CALCULATED CORNER N: 541904.6 - E: 829671.3	M: FOUND 6"x4"x4" LIMESTONE ROCK N: 526106.9 - E: 835090.2
F: FOUND LIMESTONE ROCK N: 541926.5 - E: 832309.8	N: FOUND 1/2" REBAR N: 526085.6 - E: 832448.7
G: FOUND LIMESTONE ROCK N: 541952.2 - E: 834936.7	O: FOUND 1" PIPE N: 531359.3 - E: 832400.3
H: FOUND LIMESTONE ROCK N: 539312.3 - E: 834973.1	P: FOUND 12"x4"x4" LIMESTONE ROCK N: 536645.7 - E: 832356.2

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

Signature: *Bradley C Bishop* Date: 5/5/22
Printed Name: **BRADLEY BISHOP**
E-mail Address: **BBISHOP@MEWBOURNE.COM**

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

Date of Survey: 02/14/22
Signature and Seal of Professional Surveyor: *Robert M. Howett*
Certificate Number: 19680

Job No.: LS22020138

Exhibit 2

TRACT OWNERSHIP
North Wilson Deep Unit #6H
W2SE of Section 17, W2E2 of Section 20 & W2NE of Section 29,
Township 21 South, Range 35 East
Lea County, New Mexico

Bone Spring Formation:

	<u>% Leasehold Interest</u>
Mewbourne Oil Company 500 West Texas, Ste. 1020 Midland, Texas 79701	50.974547%
Chevron U.S.A. Inc. 1400 Smith Street Houston, Texas 77002	14.010787%
COG Operating LLC 600 W. Illinois Ave. Midland, Texas 79701	7.164981%
*Devon Energy Corporation 333 W. Sheridan Avenue Oklahoma City, Oklahoma 73102	6.250000%
Kaiser-Francis Oil Company 6733 South Yale Ave. Tulsa, Oklahoma 74136	4.901129%
OXY USA WTP Limited Partnership 5 Greenway Plaza, Suite 110 Houston, Texas 77056	3.393072%
ConocoPhillips Company 600 W. Illinois Ave. Midland, Texas 79701	3.278731%
SBI West Texas I LLC 5065 Westheimer, Suite 625 Houston, Texas 77056	2.635396%

MRC Permian Company (fka Ascent Energy, LLC) 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240	2.559628%
Alpha Energy Partners, LLC 508 W. Wall St., Suite 1020 Midland, Texas 79701	1.687311%
Cimarex Energy Company 600 N. Marienfeld St., Ste. 600 Midland, Texas 79701	1.403425%
Northern Oil & Gas (fka Veritas MOC Resources LLC) 4350 Baker Road, Suite 400 Minnetonka, MN 55343	0.391414%
Earthstone Operating (fka Chisholm Energy Operating, LLC) 600 N. Marienfeld, Ste. 1000 Midland, Texas 79701	0.472086%
Magnum Hunter Production Company 600 N. Marienfeld St., Ste. 600 Midland, Texas 79701	0.465412%
Penroc Oil Corporation 1515 W. Calle Sur, Suite 174 Hobbs, New Mexico 77046	0.148241%
Javelina Partners 616 Texas Street Fort Worth, Texas 76102-4612	0.131770%
Zorro Partners 616 Texas St. Fort Worth, TX 76102	0.131770%
Total	100.00000%
*Total interest being pooled:	6.250000%%

EXHIBIT 3

Summary of Communications North Wilson Deep Unit #6H

Company Name: Devon Energy Corporation		
Date:	Communicated with:	Comments/Actions:
3/11/2022		Mailed well proposals (both #6H & #7H) via certified mail.
3/15/2022		Certified Mail receipt showed successful delivery at 2:32 PM
5/11/2022	Ryan Cloer	Ryan emailed me letting me know they received our AFEs and they are reviewing them.
5/11/2022	Ryan Cloer	I emailed Ryan to let him know our offices were closed due to power outage and I would follow up with him within a week.
5/18/2022	Ryan Cloer	Ryan emailed me asking for a copy of our proposed JOA as to just the #6H & #7H wells.
5/20/2022	Ryan Cloer	I emailed Ryan to let him know that we only have one Unit JOA which Devon didn't sign. I asked him if he could let us know why they want to see the JOA.
5/23/2022	Ryan Cloer	Ryan emailed asking if we had a proposed form for the spacing unit for only the #6H & #7H wells.
5/24/2022	Ryan Cloer	I emailed Ryan to let him know we do not have a proposed OA for for only those two wells, again.

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020
Midland, Texas 79701
Phone (432) 682-3715
Fax (432) 685-4170

March 11, 2022

Via: Certified Mail

Devon Energy Production Company, LP
333 W. Sheridan Ave.
Oklahoma City, OK 73102
Attn: Land Manager

Re: Proposed Horizontal Bone Spring Wells
North Wilson Deep Unit #6H
North Wilson Deep Unit #7H
SE of Section 17, T21S-R35E
E2 of Section 20, T21S-R35E
NE of Section 29, T21S-R35E
Lea County, New Mexico

Dear Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill and operate the following horizontal Bone Spring wells for oil and gas production:

1. North Wilson Deep Unit #6H located at a surface location 2370' FNL & 1910' FEL of Section 17, with a bottom hole location 2535' FNL & 2050' FEL of Section 29, of the above captioned lands. We anticipate drilling to an approximate total vertical depth of 10,091' and plan to continue drilling horizontally to the proposed bottom hole location at an approximate total measured depth of 20,360'. The project area for this well consists of W2SE of Section 17, W2E2 of Section 20, and W2NE of Section 29 in T21S-R35E.
2. North Wilson Deep Unit #7H located at a surface location 2370' FNL & 1890' FEL of Section 17, with a bottom hole location 2535' FNL & 660' FEL of Section 29, of the above captioned lands. We anticipate drilling to an approximate total vertical depth of 9,581' and plan to continue drilling horizontally to the proposed bottom hole location at an approximate total measured depth of 20,200'. The project area for this well consists of E2SE of Section 17, E2E2 of Section 20, and E2NE of Section 29 in T21S-R35E.

Regarding the above, enclosed for your further handling and information is a copy of our Authorization For Expenditure ("AFE") for each of the above wells. Please indicate your participation election by having the AFE executed and returned to my attention at the above address within thirty (30) days of receipt hereof.

Feel free to contact me at (432) 682-3715 or via email at asalgado@mewbourne.com if you have any questions or concerns. I look forward to hearing from you.

Sincerely,

MEWBOURNE OIL COMPANY



Adriana Jimenez-Salgado
Landman

Adriana Salgado

From: webmaster@simplecertifiedmail.com
Sent: Tuesday, March 15, 2022 2:32 PM
To: Adriana Salgado
Subject: [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9414836897846069558725 and reference number of Bone Spring was successfully delivered to Land Manager at Devon Energy Production Co.

This is an "Advisory Notice" from information provided by the United State Postal Service, and may not accurately reflect the delivery status of the item. Please check the Delivery Information Report in SimpleCertifiedMail.com to ensure the item was "Delivered" and not "Returned"

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

Regards,

The Client Services Group-Assistance

888-462-1750 ext. 2 assistance@simplecertifiedmail.com

EXHIBIT 4

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: NORTH WILSON DEEP UNIT #6H (17/29 B2JG)		Prospect: OSUDO	
Location: SL: 2370 FNL & 1910 FEL (17); BHL: 2535 FNL & 2050 FEL (29)		County: Lea ST: NM	
Sec: 17	Blk: 	Survey: 	TWP: 21S RNG: 35E Prop. TVD: 10091 TMD: 20360

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 26 days drlg / 3 days comp @ \$21000/d	0180-0110	\$583,100	0180-0210	\$67,300
Fuel 1700 gal/day @ \$3.15/gal	0180-0114	\$148,700	0180-0214	\$427,000
Alternate Fuels	0180-0115		0180-0215	
Mud, Chemical & Additives	0180-0120	\$65,000	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	\$100,000	0180-0225	\$35,000
Logging & Wireline Services	0180-0130	\$34,000	0180-0230	\$374,000
Casing / Tubing / Snubbing Services	0180-0134	\$25,000	0180-0234	\$18,000
Mud Logging	0180-0137	\$15,000		
Stimulation 51 Stg 20.2 MM gal / 25.3 MM lb			0180-0241	\$2,355,000
Stimulation Rentals & Other			0180-0242	\$252,000
Water & Other	0180-0145	\$35,000	0180-0245	\$384,000
Bits	0180-0148	\$82,200	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	\$20,000
Welding, Construction & Maint. Services	0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision	0180-0170	\$145,700	0180-0270	\$63,100
Directional Services Includes Vertical Control	0180-0175	\$391,000		
Equipment Rental	0180-0180	\$170,900	0180-0280	\$12,500
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	\$104,400	0180-0295	\$39,600
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)	0180-0199	\$126,700	0180-0299	\$223,000
TOTAL		\$2,660,000		\$4,682,000

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
Casing (19.1" - 30")	0181-0793			
Casing (10.1" - 19.0") 1820' - 13 3/8" 54.5# J-55 ST&C @ \$58.73/ft	0181-0794	\$114,200		
Casing (8.1" - 10.0") 5920' - 9 5/8" 40# HCL80 LT&C @ \$49.46/ft	0181-0795	\$312,700		
Casing (6.1" - 8.0") 9320' - 7" 29# HPP110 BT&C @ \$36.92/ft	0181-0796	\$367,500		
Casing (4.1" - 6.0") 11040' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$20.31/ft			0181-0797	\$239,500
Tubing 9300' - 3 1/2" 9.2# L-80 IPC Tbg @ \$14.2/ft			0181-0798	\$141,000
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 (1/2) TP/CP/Circ pump			0181-0886	\$8,000
Storage Tanks			0181-0890	
Emissions Control Equipment (1/2) VRT's/VRU/Flare/KO's			0181-0892	\$15,600
Separation / Treating Equipment H sep/V sep/ (1/2) HT			0181-0895	\$70,500
Automation Metering Equipment Automation/fiber/meters			0181-0898	\$56,500
Line Pipe & Valves - Gathering Facility gas work			0181-0900	\$20,000
Fittings / Valves & Accessories Flowline/parts			0181-0906	\$207,200
Cathodic Protection			0181-0908	
Electrical Installation			0181-0909	\$79,300
Equipment Installation			0181-0910	\$100,000
Pipeline Construction Facility gas work			0181-0920	\$16,500
TOTAL		\$829,400		\$1,079,100
SUBTOTAL		\$3,489,400		\$5,761,100

TOTAL WELL COST	\$9,250,500
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Extra Expense Insurance

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

I elect to purchase my own well control insurance policy.

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

Prepared by: <u>Landon Stallings</u>	Date: <u>3/1/2022</u>
Company Approval: <u><i>M. Whittall</i></u>	Date: <u>3/4/2022</u>
Joint Owner Interest: _____ Amount: _____	Signature: _____

**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. 22835

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

Case No. 22836

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 A is a structure map on the base of the 2nd Bone Spring Sand. It shows that structure dips to the southwest. It also shows Bone Spring wells in the area, and a line of cross-section.
 - (b) Attachment B is a 2nd Bone Spring Sand Gross Thickness Map.
 - (c) Attachment C is a cross section of the 2nd Bone Spring Sand showing the target zones in the North Wilson Deep Unit Well Nos. 6H and 7H. The 6H well will target the lower 2nd Bone Spring Sand, and the 7H well will target the upper 2nd Second Bone Spring Sand.

The well logs on the cross-section give a representative sample of the 2nd Bone Spring Sand in this area. The sand is continuous and uniformly thick across the well units.

4. I conclude from the maps that:
 - (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.

EXHIBIT

3

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

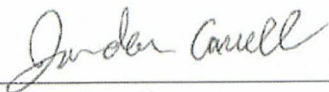
(d) There is no faulting or other geologic impediment in the area which will affect drilling of the subject wells.

5. Attachment D contains production information from other Second Bone Spring Sand wells drilled in this area. The Second Bone Spring wells in this area are all standup wells.

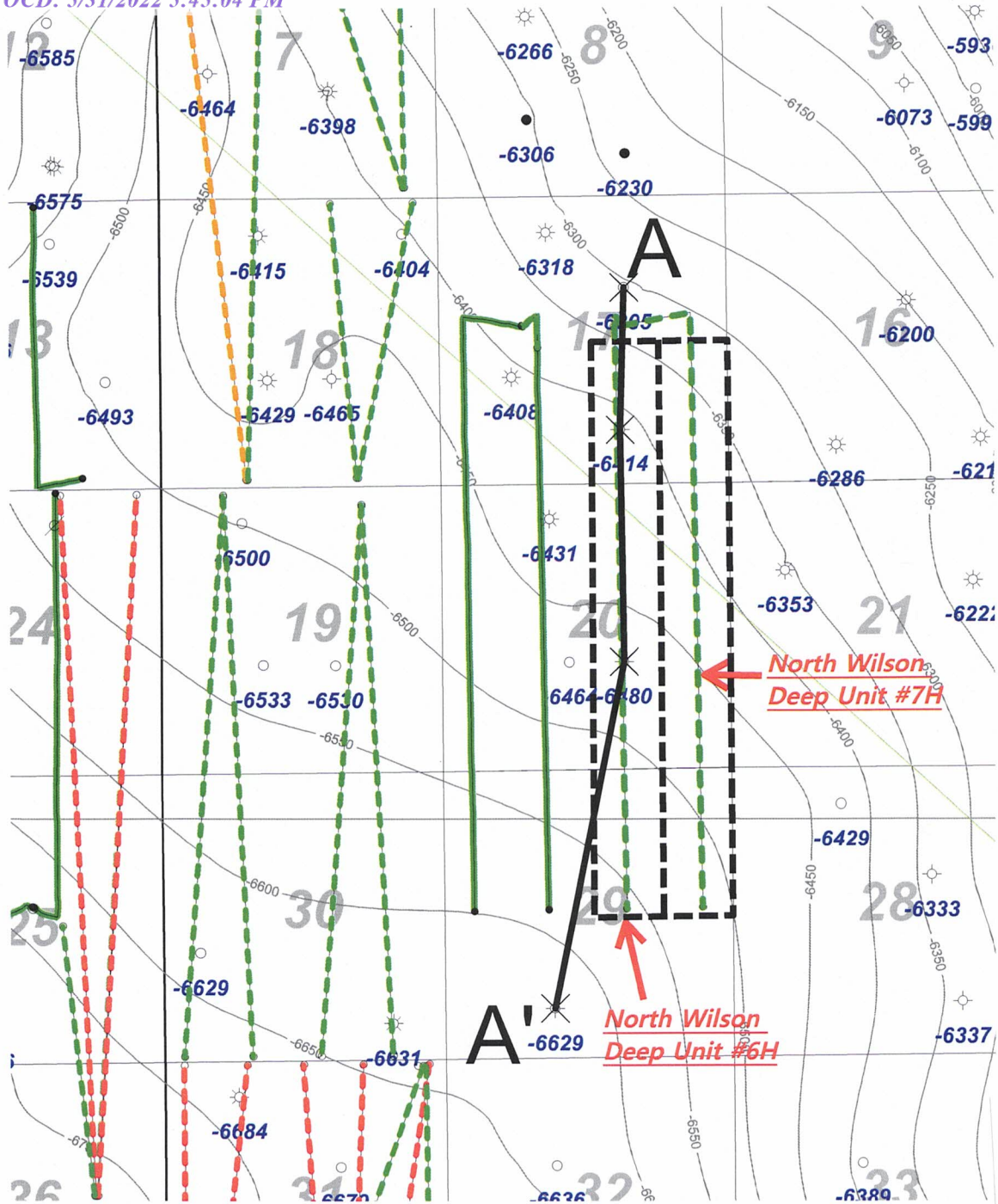
6. Attachment E contains the horizontal drilling plans for the proposed wells. The producing intervals of the wells will be orthodox.

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: 5-26-22



Jordan Carrell







Wells deeper than 7000'



TD

2nd BSPG Base
(sub sea ft)

BSPG Horizontal Color Code

-  1st BSPG Sand Permit
-  2nd BSPG Sand Permit
-  2nd BSPG Sand Well
-  3rd BSPG Sand Permit




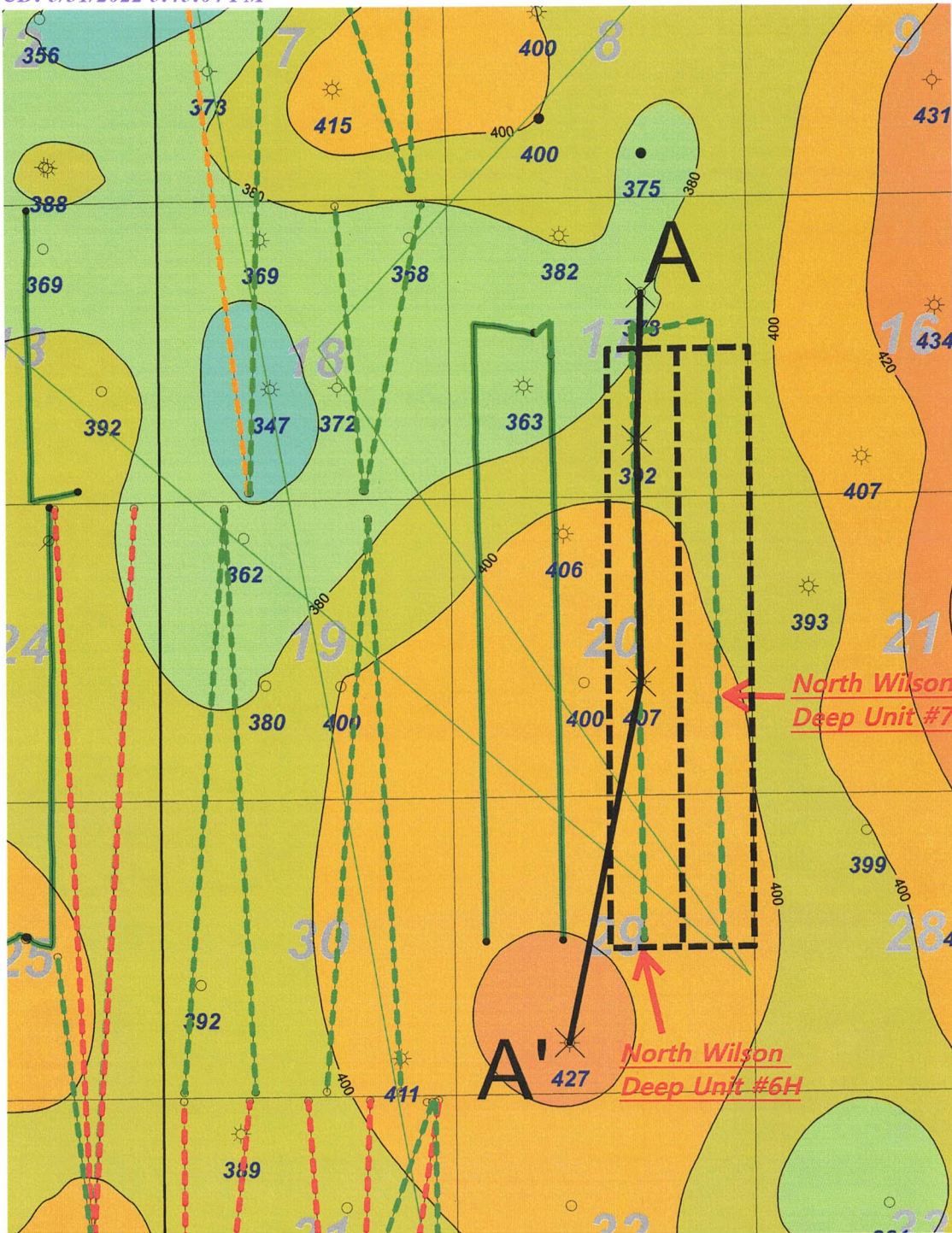
1 inch = 2300 feet



A

ATTACHMENT

 Mewbourne Oil Company		
North Wilson Deep Unit #6H & #7H Base of 2 nd BSPG Structure Map C.I. = 50'		
5/25/22	Lea County	New Mexico
Scale: 1" = 2300'		



Wells deeper than 7000'



2nd BSPG Sd gross thickness (ft)

BSPG Horizontal Color Code

- - - - - 1st BSPG Sand Permit
- - - - - 2nd BSPG Sand Permit
- 2nd BSPG Sand Well
- - - - - 3rd BSPG Sand Permit

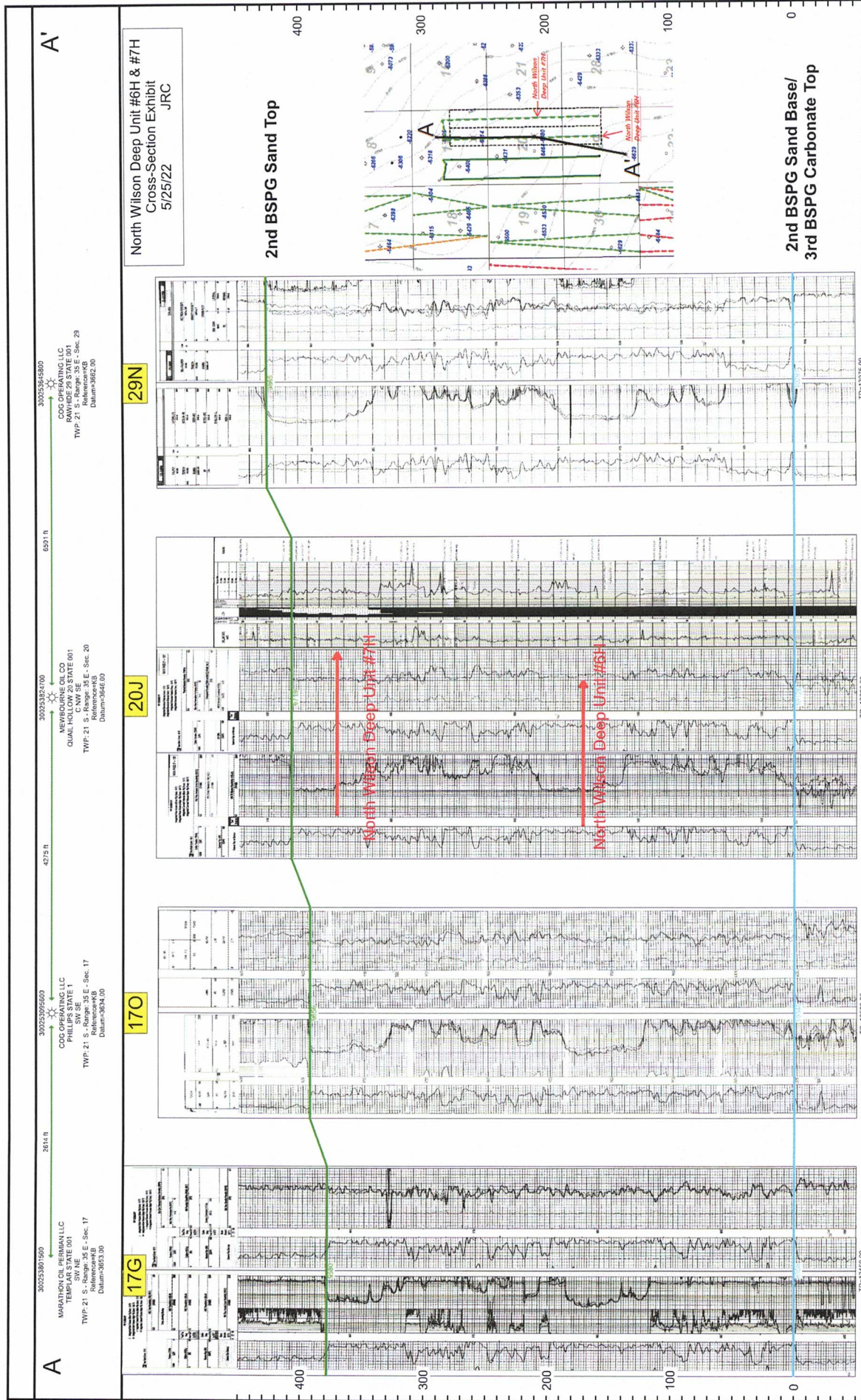


1 inch = 2200 feet



ATTACHMENT B

MOC Mewbourne Oil Company		
North Wilson Deep Unit #6H & #7H 2nd BSPG Sand Gross Thickness Isopach Map C.I. = 20'		
5/25/22	Lea County	New Mexico
Scale: 1" = 2200'		

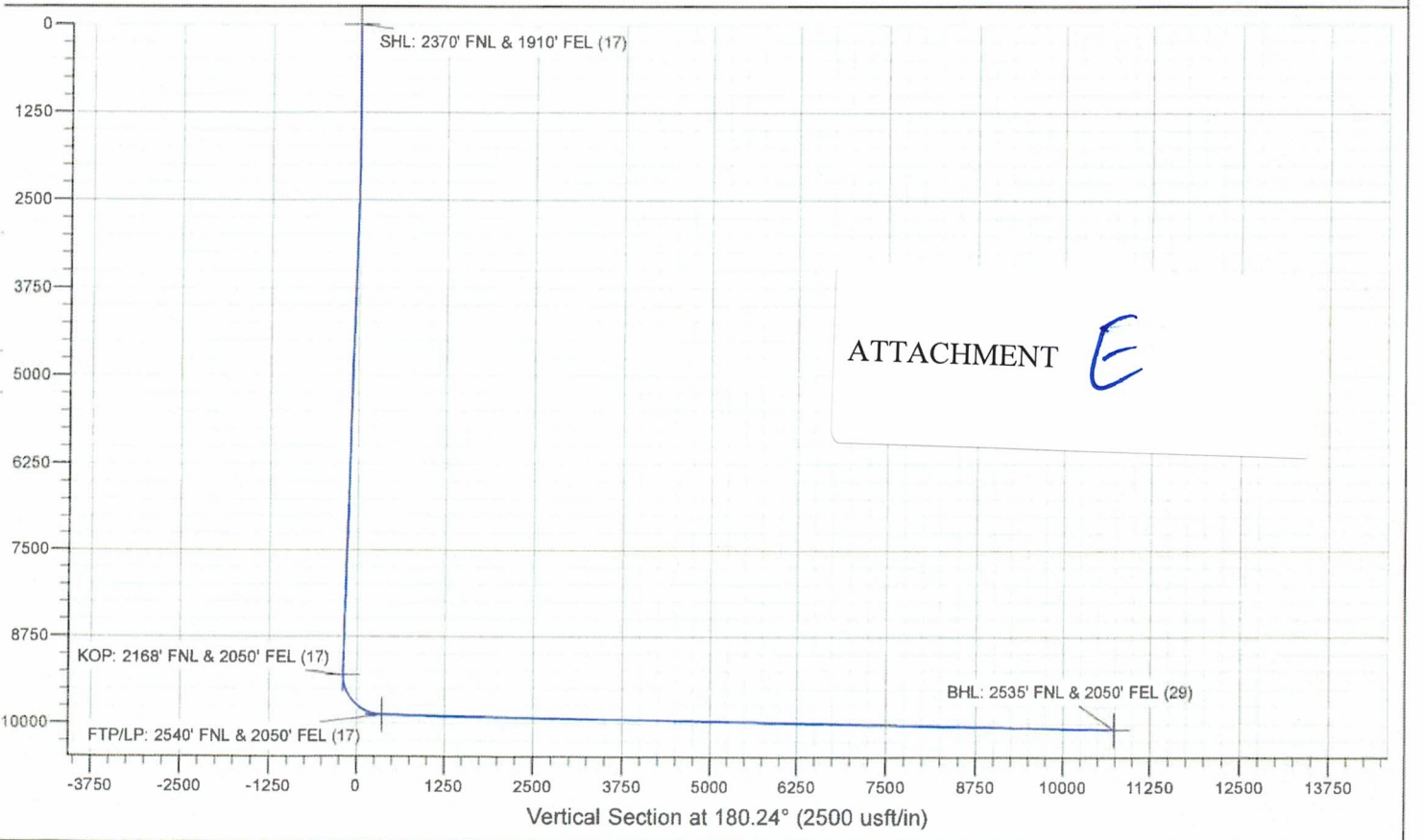
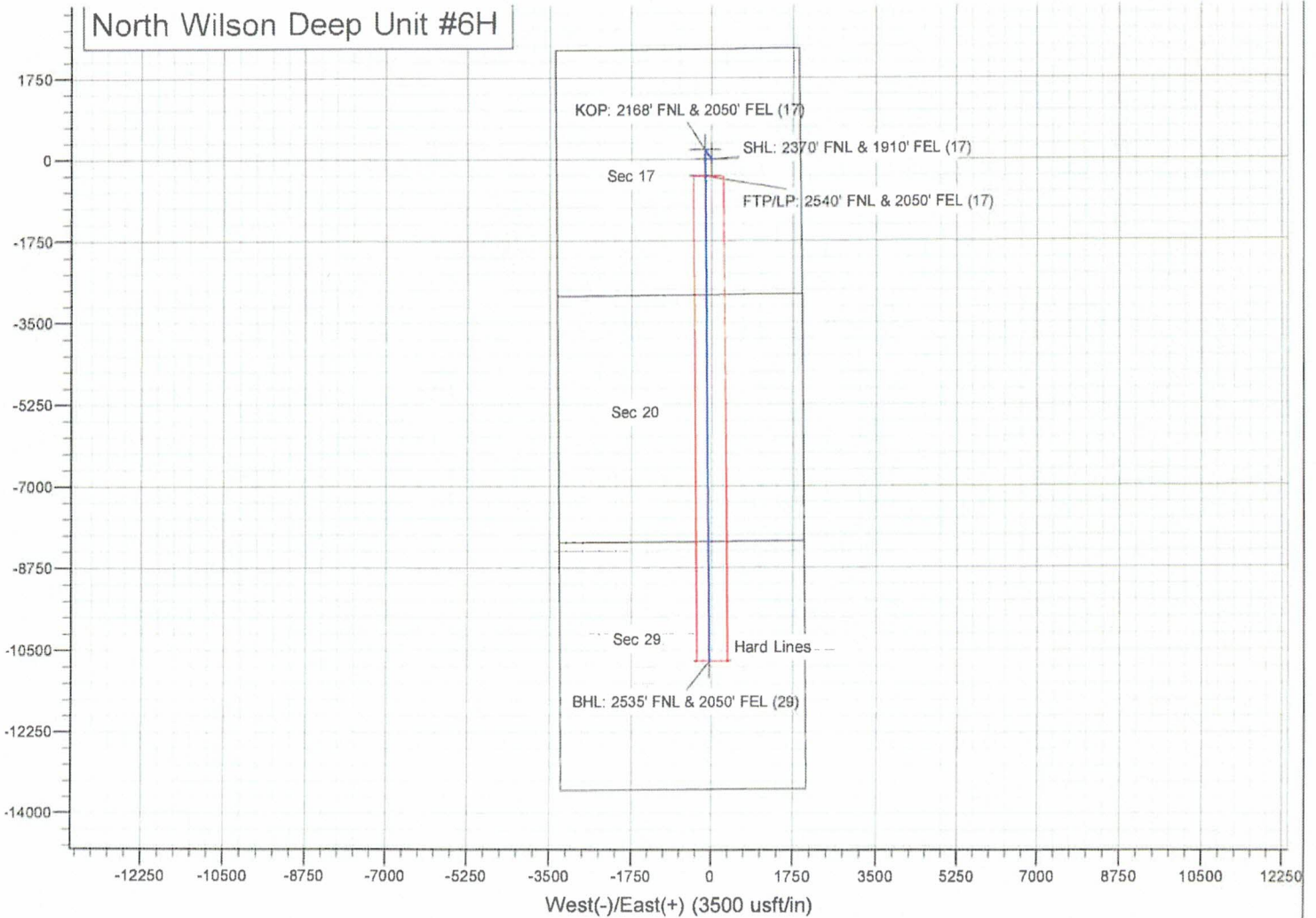


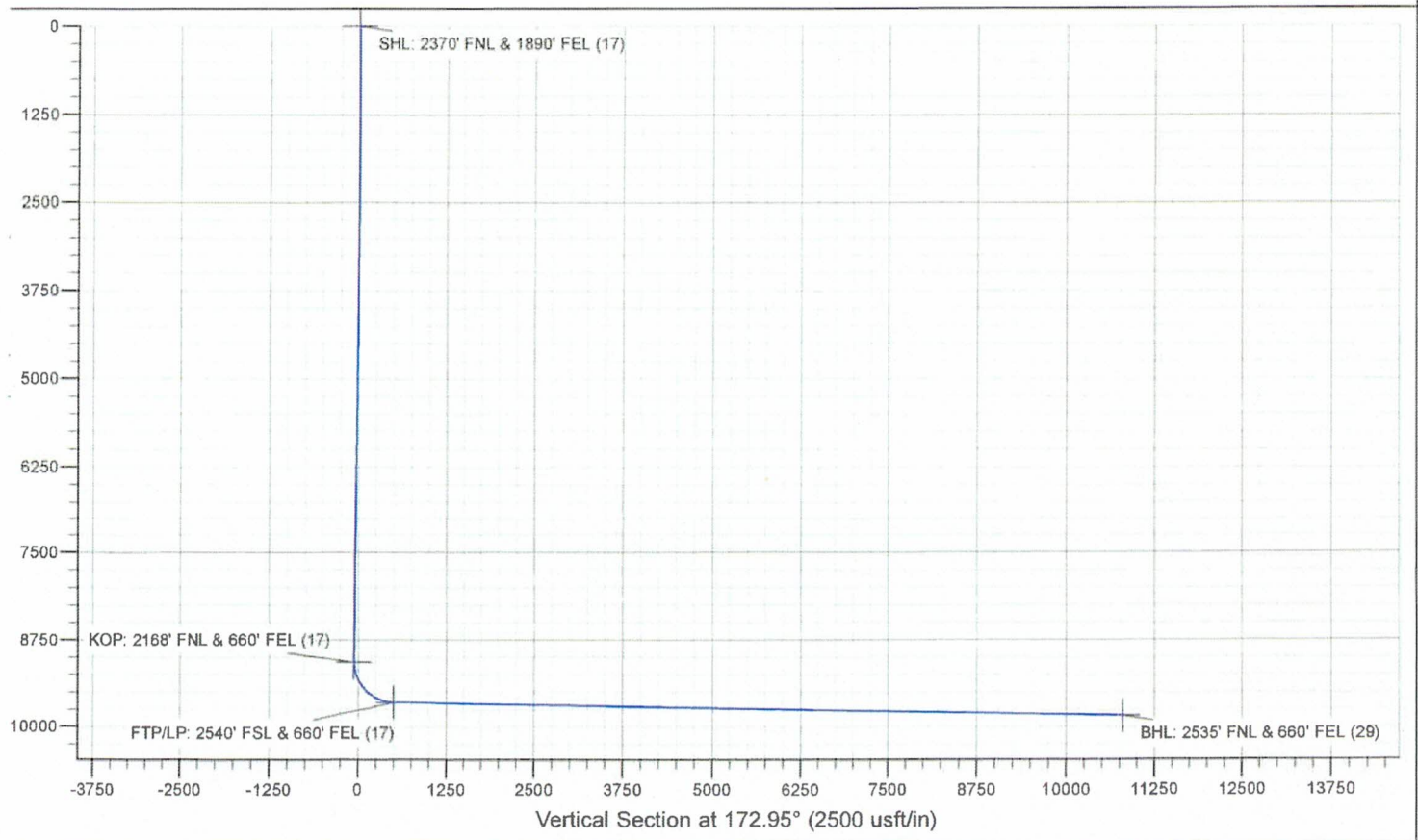
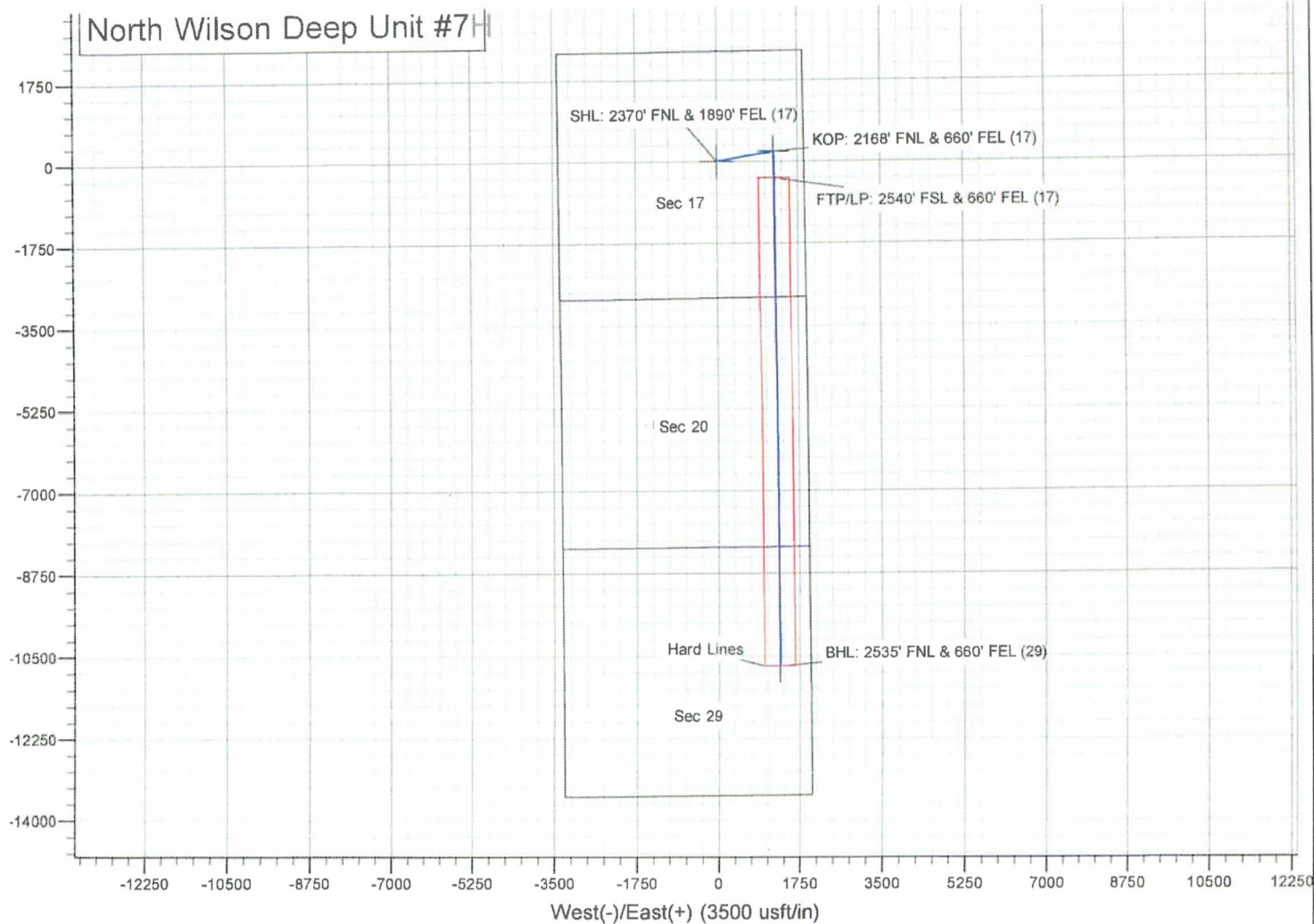
ATTACHMENT C

2nd Bone Spring Sand Horizontal Production Data Table

Well Name	Operator	API	Location	Comp Date	Cum Oil (MBO)	Cum Gas (BCF)	Cum Water (MBW)	NS/EW	HZ Target
DOLLY VARDEN 25/24 B2GB ST COM 1H	MEWBOURNE OIL CO	300254540200	25G24B-21S/34E	12/1/2020	287	0.6	278	NS	Lower 2nd BSPG Sd
DOLLY VARDEN 25/24 B2FC ST COM 1H	MEWBOURNE OIL CO	300254540100	25F24C-21S/34E	12/1/2020	260	0.7	260	NS	Lower 2nd BSPG Sd
DOLLY VARDEN 25/24 B2ED ST COM 1H	MEWBOURNE OIL CO	300254540000	25E24D-21S/34E	11/23/2019	360	0.7	428	NS	Lower 2nd BSPG Sd
BRUCE KEPLINGER 13 STATE COM 123H	MATADOR PRODUCTION CO	300254543400	13OB-21S/34E	4/12/2019	87	0.1	123	NS	Upper 2nd BSPG Sd
CAST AWAY 6 B2BW ST COM UNIT 1H	MEWBOURNE OIL CO	300254505900	6BW-21S/35E	3/13/2019	118	0.1	179	NS	Lower 2nd BSPG Sd
CARNE ASADA STATE COM 501H	CENTENNIAL RESOURCES	300254602100	7G6B-22S/35E	10/31/2019	324	0.6	339	NS	Lower 2nd BSPG Sd
CARNE ASADA STATE COM 502H	CENTENNIAL RESOURCES	300254633100	7G6B-22S/35E	10/31/2019	294	0.7	335	NS	Upper 2nd BSPG Sd
SOURSOP 5 STATE COM 2H	CENTENNIAL RESOURCES	300254258300	5NC-22S/35E	11/1/2015	193	0.3	223	NS	Lower 2nd BSPG Sd
NORTH WILSON DEEP UNIT 3H	MEWBOURNE OIL CO	300254942200	17L29E-21S/35E	3/1/2022	17	0.0	74	NS	Lower 2nd BSPG Sd
NORTH WILSON DEEP UNIT 4H	MEWBOURNE OIL CO	300254942300	17K29F-21S/35E	3/1/2022	10	0.0	64	NS	Upper 2nd BSPG Sd

ATTACHMENT **D**





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.
- 22240

Case No. 22835

SELF-AFFIRMED STATEMENT OF NOTICE

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

James Bruce deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Mewbourne Oil Company.
3. Mewbourne Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owner, at its last known address, by certified mail. Copies of the notice letter and certified return receipt are attached hereto as Attachment A.

The only party being pooled is Devon Energy Production Company, L.P. The land exhibits for the subject North Wilson Deep Unit (Case No. 21418) reflect this information. Notice was mailed on May 12, 2022, and an undated, signed green card was returned. The USPS online site reflects that the letter was delivered on May 17, 2022.

5. Applicant has complied with the notice provisions of Division Rules.
6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 5/31/22

James Bruce
James Bruce

EXHIBIT 4

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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

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

jamesbruc@aol.com

May 12, 2022

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

Attention: Andy Bennett

Ladies and gentlemen:

ATTACHMENT

A

Enclosed are copies of two applications for compulsory pooling, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, seeking to pool all uncommitted mineral interest owners in the Bone Spring formation underlying the following horizontal well units:

- a. Case 22835: the W/2SE/4 of Section 17, the W/2E/2 of Section 20, and the W/2NE/4 of Section 29, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the North Wilson Deep Unit Well No. 6H; and
- b. Case 22836: the E/2SE/4 of Section 17, the E/2E/2 of Section 20, and the E/2NE/4 of Section 29, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the North Wilson Deep Unit Well No. 7H.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, June 2, 2022. 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 applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters 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 five business days before the hearing date. 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

M - NWDU


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<input type="checkbox"/> Return Receipt (hardcopy) \$ _____ <input type="checkbox"/> Return Receipt (electronic) \$ _____ <input type="checkbox"/> Certified Mail Restricted Delivery \$ _____ <input type="checkbox"/> Adult Signature Required \$ _____ <input type="checkbox"/> Adult Signature Restricted Delivery \$ _____	
Postage \$ _____	
Total Postage and Fees \$ _____	
Sent To <u>Devon Energy Production Company, L.P.</u> <u>333 West Sheridan Avenue</u> Street and Apt. No., <u>Oklahoma City, Oklahoma 73102</u> City, State, ZIP+4®	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

7021 0950 0002 0368 0861

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY												
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <u>David Carr</u> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>												
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 80%;"> Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102 </div> <div style="text-align: center; margin: 10px auto;">  9590 9402 6746 1074 2491 85 </div>	<p>3. Service Type</p> <table style="width: 100%; border: none;"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Signature Restricted Delivery</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Signature Restricted Delivery	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®												
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™												
<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery												
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™												
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery												
<input type="checkbox"/> Signature Restricted Delivery													
<p>2. Article Number (Transfer from _____)</p> <p style="text-align: center; font-size: 1.2em;">7021 0950 0002 0368 0861</p>	<p><input type="checkbox"/> Registered Mail Restricted Delivery (over \$500)</p>												
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053 <i>M - NWDU</i> Domestic Return Receipt</p>													

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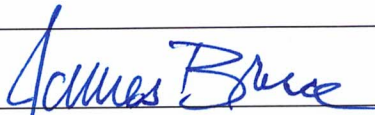
COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case:	22835
Date:	June 2, 2022
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, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	North Wilson Deep Unit 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:	Wilson; Bone Spring, North (Pool Code 97704)
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:	Quarter-quarter sections
Orientation:	North-South
Description: TRS/County	W/2SE/4 §17, W/2E/2 §20, and W/2NE/4 §29-21S-35E, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibits 2-1 and 2-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	North Wilson Deep Unit Well No. 6H API No. 30-025-50172 SHL: 2370 FNL & 1910 FEL §17 BHL: 2535 FNL & 2050 FEL §29 FTP: 2540 FSL & 2050 FEL §17 LTP: 2535 FNL & 2050 FEL §29 Second Bone Spring Sand/TVD 10091 feet/MD 20360 feet
Horizontal Well First and Last Take	See above

EXHIBIT

5

Points	
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2
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 1-1
Tract List (including lease numbers and owners)	Exhibit 1-1
Pooled Parties (including ownership type)	Exhibit 1-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 1-3
List of Interest Owners (<i>i.e.</i> Exhibit A of JOA)	Exhibit 1-2
Chronology of Contact with Non-Joined Working Interests	Exhibit 1-3
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 1-4
Cost Estimate to Equip Well	Exhibit 1-4
Cost Estimate for Production Facilities	Exhibit 1-4
Geology	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 3-A
Gunbarrel/Lateral Trajectory Schematic	Exhibits 3-A and 3-C
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 1-1
Tracts	Exhibit 1-1
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 1-2
General Location Map (including basin)	Exhibit 1-1

Well Bore Location Map	Exhibits 1-1 and 3-A
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3-A
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:	May 31, 2022