

**CASE NOS. 22729 & 22730**

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

**MEWBOURNE OIL COMPANY'S EXHIBIT LIST**

1. Applications and Proposed Notices
2. Landman's Affidavit
3. Geologist's Affidavit
4. Affidavit of Mailing
5. Publication Affidavit
6. Pooling Checklists

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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

Case No. 22729

**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 N/2SW/4 of Section 2, the N/2S/2 of Section 3, and the N/2S/2 of Section 4, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the N/2SW/4 of Section 2, the N/2S/2 of Section 3, and the N/2S/2 of Section 4, and has the right to drill a well thereon.

2. Applicant proposes to drill the Loco Hills 2/4 B2KL Fed. Com. Well No. 1H to a depth sufficient to test the Bone Spring formation, and to dedicate the N/2SW/4 of Section 2, the N/2S/2 of Section 3, and the N/2S/2 of Section 4 thereto. The well is a horizontal well with a first take point in the NE/4SW/4 of Section 2 and a last take point in the NW/4SW/4 of Section 4.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2SW/4 of Section 2, the N/2S/2 of Section 3, and the N/2S/2 of Section 4 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 uncommitted mineral interest owners in the Bone

EXHIBIT 1

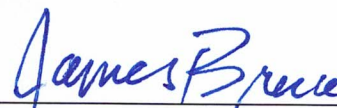
Spring formation underlying the N/2SW/4 of Section 2, the N/2S/2 of Section 3, and the N/2S/2 of Section 4, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying the N/2SW/4 of Section 2, the N/2S/2 of Section 3, and the N/2S/2 of Section 4 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 N/2SW/4 of Section 2, the N/2S/2 of Section 3, and the N/2S/2 of Section 4;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling, completing, and equipping the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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

Attorney for Mewbourne Oil Company

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

Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation in a horizontal spacing unit comprised of the N/2SW/4 of Section 2, the N/2S/2 of Section 3, and the N/2S/2 of Section 4, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the Loco Hills 2/4 B2KL Fed. Com. Well No. 1H, a horizontal well with a first take point in the NE/4SW/4 of Section 2 and a last take point in the NW/4SW/4 of Section 4. 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 4 miles southeast of Loco Hills, New Mexico.

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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

Case No. 22730

**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 S/2SW/4 of Section 2, the S/2S/2 of Section 3, and the S/2S/2 of Section 4, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the S/2SW/4 of Section 2, the S/2S/2 of Section 3, and the S/2S/2 of Section 4, and has the right to drill a well thereon.
2. Applicant proposes to drill the Loco Hills 2/4 B2NM Fed. Com. Well No. 1H to a depth sufficient to test the Bone Spring formation, and to dedicate the S/2SW/4 of Section 2, the S/2S/2 of Section 3, and the S/2S/2 of Section 4 thereto. The well is a horizontal well with a first take point in the SE/4SW/4 of Section 2 and a last take point in the SW/4SW/4 of Section 4.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2SW/4 of Section 2, the S/2S/2 of Section 3, and the S/2S/2 of Section 4 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 uncommitted mineral interest owners in the Bone

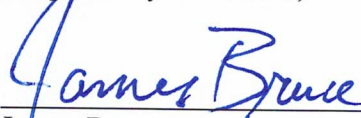
Spring formation underlying the S/2SW/4 of Section 2, the S/2S/2 of Section 3, and the S/2S/2 of Section 4, pursuant to NMSA 1978 §70-2-17.

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- C. Considering the cost of drilling, completing, and equipping the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce  
Post Office Box 1056  
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**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:**

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

**Case Nos. 22729 & 22730**

**SELF-AFFIRMED STATEMENT OF JOSH ANDERSON**

Josh Anderson deposes and states:

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

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

(a) The purpose of this application is to force pool working interest owners into the Bone Spring horizontal spacing units 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 wells, but have failed or refused to voluntarily commit their interests to the wells.

(c) Plats outlining the units being pooled are submitted as Attachment A. Mewbourne seeks an order pooling all mineral interests in the Bone Spring formation underlying horizontal spacing unit comprised of:

(i) the N/2SW/4 of Section 2, the N/2S/2 of Section 3, and the N/2S/2 of Section 4, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the Loco Hills 2/4 B2KL Fed. Com. Well No. 1H; and

(ii) the S/2SW/4 of Section 2, the S/2S/2 of Section 3, and the S/2S/2 of Section 4, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the Loco Hills 2/4 B2NM Fed. Com. Well No. 1H.

Forms C-102 for the wells are also part of Attachment A.

EXHIBIT 



**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  
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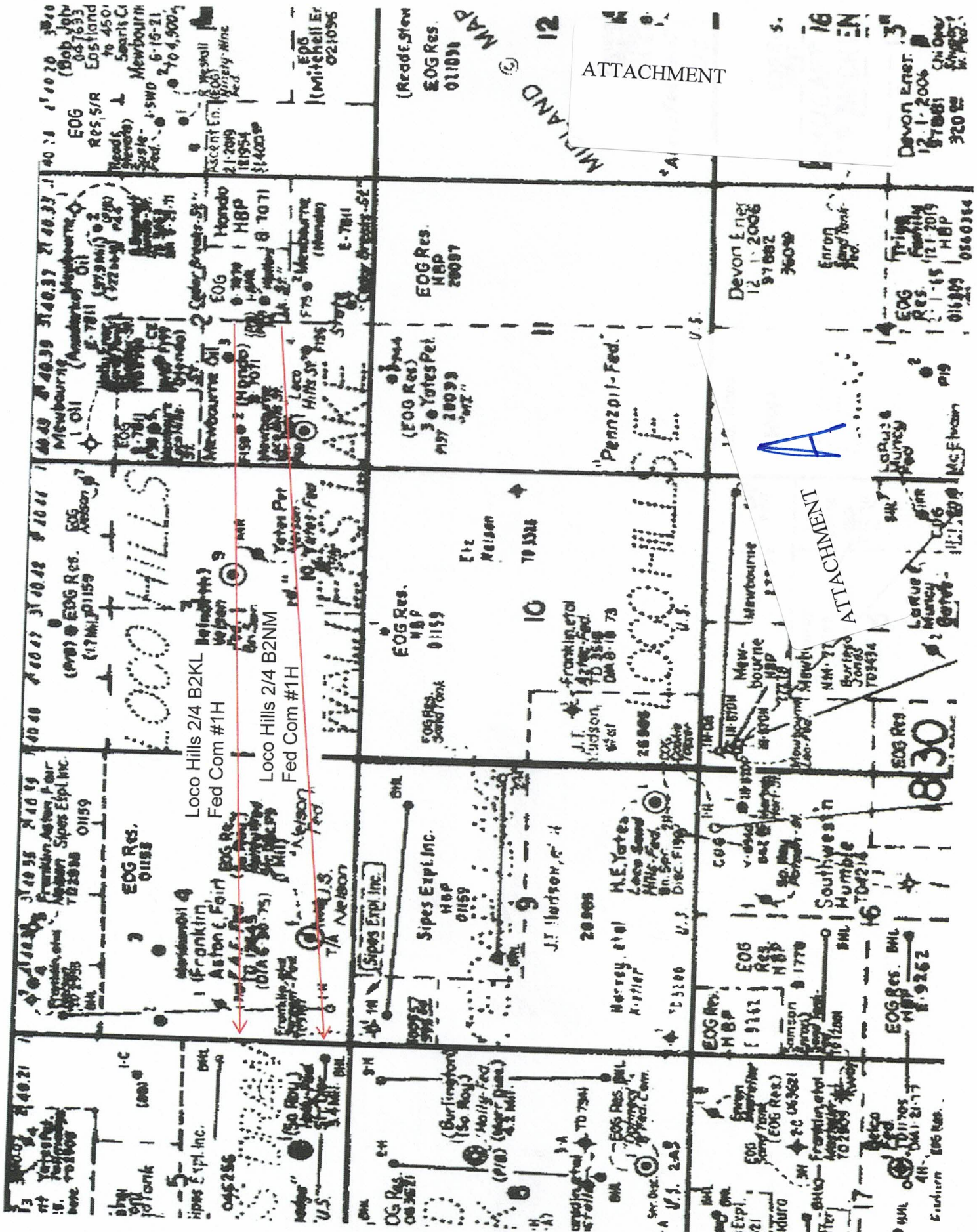
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(ii) the S/2SW/4 of Section 2, the S/2S/2 of Section 3, and the S/2S/2 of Section 4, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the Loco Hills 2/4 B2NM Fed. Com. Well No. 1H.

Forms C-102 for the wells are also part of Attachment A.



ATTACHMENT

MIRLAND 12

A

ATTACHMENT

830

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: (505) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S St Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name <b>LOCO HILLS 2/4 B2KL FED COM</b>			6 Well Number <b>1H</b>
7 GRID NO.		8 Operator Name <b>MEWBOURNE OIL COMPANY</b>			9 Elevation <b>3616'</b>

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
<b>J</b>	<b>2</b>	<b>18S</b>	<b>30E</b>		<b>2255</b>	<b>SOUTH</b>	<b>2530</b>	<b>EAST</b>	<b>EDDY</b>

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
<b>L</b>	<b>4</b>	<b>18S</b>	<b>30E</b>		<b>2000</b>	<b>SOUTH</b>	<b>100</b>	<b>WEST</b>	<b>EDDY</b>

12 Dedicated Acres	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.

**CORNER DATA**  
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1916"  
N: 643749.9 - E: 648235.3

B: FOUND BRASS CAP "1916"  
N: 646388.7 - E: 648227.5

C: FOUND BRASS CAP "1916"  
N: 649049.3 - E: 648220.2

D: FOUND BRASS CAP "1916"  
N: 649049.4 - E: 650857.0

E: FOUND BRASS CAP "1916"  
N: 649049.6 - E: 653498.5

F: FOUND BRASS CAP "1916"  
N: 649060.9 - E: 658777.2

G: FOUND BRASS CAP "1916"  
N: 649074.2 - E: 664053.7

H: FOUND BRASS CAP "1916"  
N: 646426.4 - E: 664062.2

I: FOUND BRASS CAP "1916"  
N: 643788.5 - E: 664071.1

J: FOUND BRASS CAP "1916"  
N: 643780.8 - E: 661430.5

K: FOUND BRASS CAP "1916"  
N: 643770.9 - E: 658794.1

L: FOUND BRASS CAP "1916"  
N: 643765.2 - E: 656154.0

M: FOUND BRASS CAP "1916"  
N: 643759.8 - E: 653515.9

N: FOUND BRASS CAP "1916"  
N: 643753.6 - E: 650875.9

O: FOUND BRASS CAP "1916"  
N: 646397.6 - E: 653507.4

P: FOUND BRASS CAP "1916"  
N: 646409.3 - E: 658785.5

**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 \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**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.*

**11-16-2020**  
Date of Survey

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

**19680**  
Certificate Number

REV: BH MOVE/NAME CHANGE 12/01/2021

**Job No.: LS20110692R**

District I  
1625 N French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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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		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>LOCO HILLS 2/4 B2NM FED 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>3615'</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>J</b>	<b>2</b>	<b>18S</b>	<b>30E</b>		<b>2255</b>	<b>SOUTH</b>	<b>2560</b>	<b>EAST</b>	<b>EDDY</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>M</b>	<b>4</b>	<b>18S</b>	<b>30E</b>		<b>660</b>	<b>SOUTH</b>	<b>100</b>	<b>WEST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres	<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>16</sup>

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K: FOUND BRASS CAP "1916"  
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L: FOUND BRASS CAP "1916"  
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O: FOUND BRASS CAP "1916"  
N: 646397.6 - E: 653507.4

P: FOUND BRASS CAP "1916"  
N: 646409.3 - E: 658785.5

**GEODETIK DATA**  
NAD 83 GRID - NM EAST

**SURFACE LOCATION**  
N: 646035.5 - E: 661504.0

LAT: 32 7753751" N  
LONG: 103.9423597" W

**GEODETIK DATA**  
NAD 83 GRID - NM EAST

**BOTTOM HOLE**  
N: 644409.9 - E: 648333.3

LAT: 32 7710334" N  
LONG: 103.9852286" W

**<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.*

**11-16-2020**  
Date of Survey

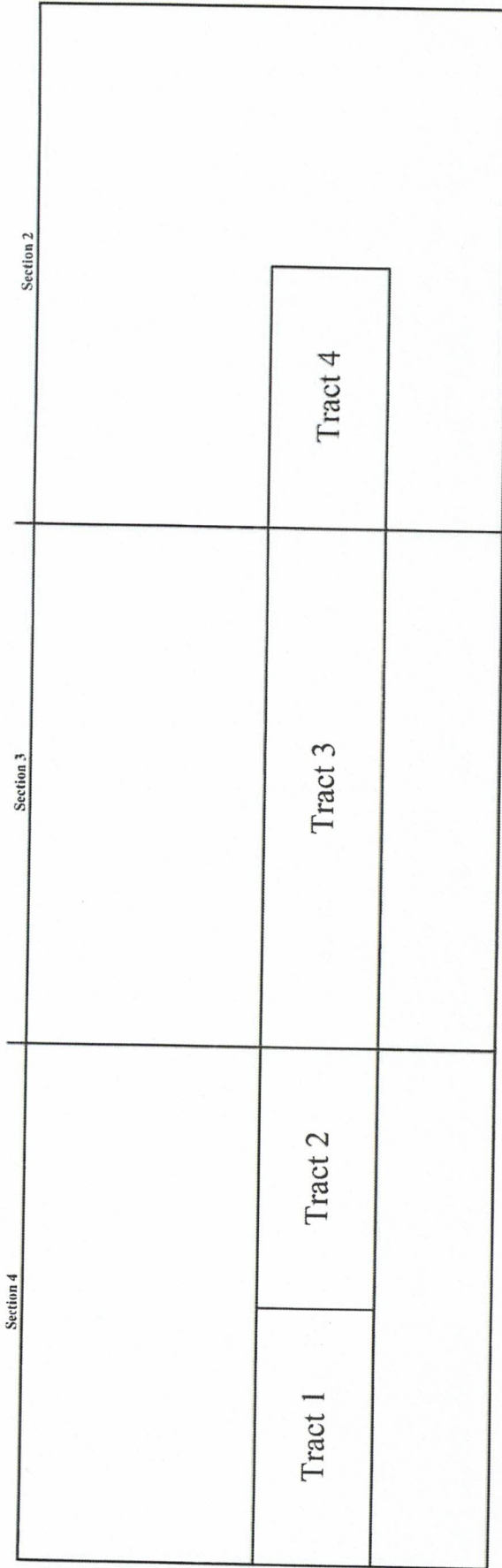
Signature and Seal of Professional Surveyor \_\_\_\_\_

**19680**  
Certificate Number

REV: BH MOVE/NAME CHANGE 12/01/2021

Jah No.: 1S20110693R

**Section Plat**  
 Loco Hills 2/4 B2KL Fed Com #1H  
 N/2SW/4 of Section 2, N/2S/2 of Section 3, & N/2S/2 of Section 4  
 T18S-R30E, Eddy County, NM



**Tract 1: N/2SE/4 of Section 4 - Federal Lease NMNM-01159**

Mewbourne Oil Company  
 EOG Resources, Inc.  
 Slayton Investments, LLC  
 COG Operating, LLC  
 Concho Oil & Gas, LLC  
 Rio Pecos Corporation  
 Cannon Exploration Company  
 TARA-JON Corp.  
 Rialto Production Company  
 Sydran, L.P.  
 Scott E. Wilson Bypass Trust  
 Read & Stevens, Inc.

**Tract 2: N/2SE/4 of Section 4 - Federal Lease NMNM-01159**

Mewbourne Oil Company  
 EOG Resources, Inc.  
 Slayton Investments, LLC  
 COG Operating, LLC  
 Concho Oil & Gas, LLC  
 Rio Pecos Corporation  
 Cannon Exploration Company  
 TARA-JON Corp.  
 Rialto Production Company  
 Sydran, L.P.  
 Scott E. Wilson Bypass Trust  
 Read & Stevens, Inc.

**Tract 3: N/2S/2 of Section 3 - Federal Lease NMNM-01159**

Mewbourne Oil Company  
 EOG Resources, Inc.  
 Slayton Investments, LLC  
 COG Operating, LLC  
 Concho Oil & Gas, LLC  
 Rio Pecos Corporation  
 Cannon Exploration Company  
 TARA-JON Corp.  
 James D. Brown, Jr.  
 Read & Stevens, Inc.  
 SEP Permian, LLC  
 A&S Operating, Inc.  
 Warwick-Artemis, LLC  
 Dugan Production Corp.  
 Mark D. Wilson Family Partnership, L.P.  
 Todd M. Wilson  
 Heather G. Wilson  
 Exemplar Nonop, LLC  
 Coleman Oil and Gas, LLC  
 Aventure Investments, LLC  
 JMJ Land and Minerals Company  
 BPP Solutions, LLC

**Tract 4: N/2SW/4 of Section 2 - State Lease B-7071**

Mewbourne Oil Company  
 EOG Resources, Inc.  
 Slayton Investments, LLC  
 COG Operating, LLC  
 Concho Oil & Gas, LLC  
 Rio Pecos Corporation  
 Cannon Exploration Company  
 TARA-JON Corp.  
 James D. Brown, Jr.  
 Read & Stevens, Inc.  
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 A&S Operating, Inc.  
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 Dugan Production Corp.  
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 Heather G. Wilson

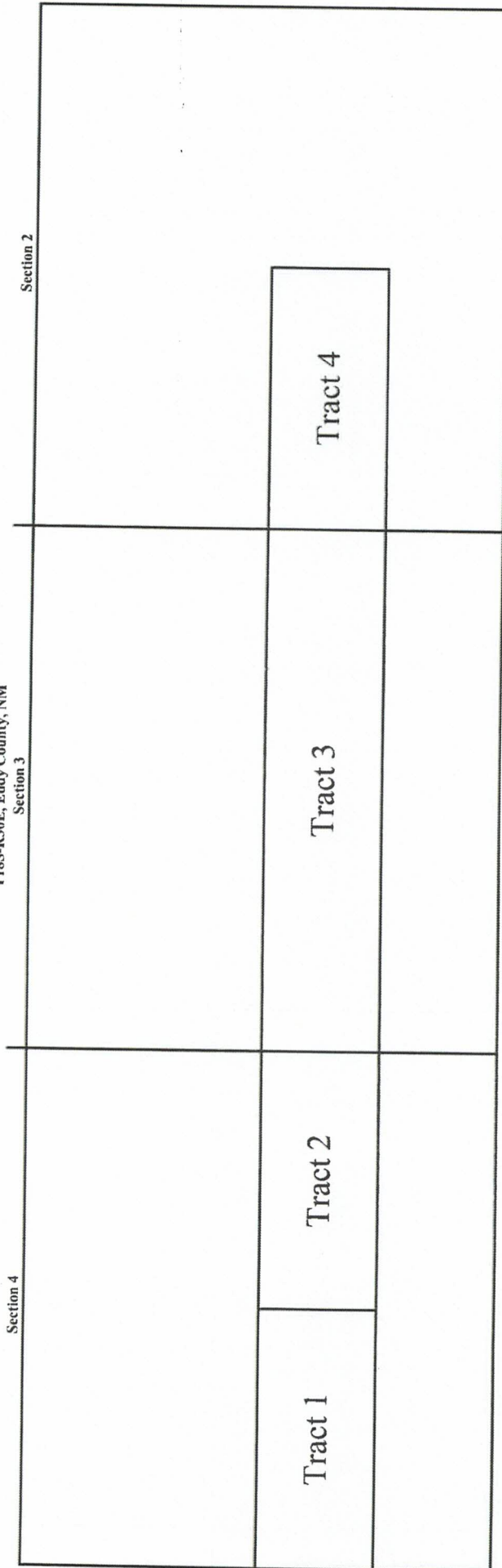
ATTACHMENT

ATTACHMENT **B**

RECAPITULATION FOR LOCO HILLS 2/4 B2KL FED COM #1H

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
1	80	20.00000000%
2	80	20.00000000%
3	160	40.00000000%
4	80	20.00000000%
<b>TOTAL</b>	<b>400</b>	<b>100.00000000%</b>

T18S-R30E, Eddy County, NM



**TRACT OWNERSHIP**

Loco Hills 2/4 B2KL Fed Com #1H

N/2S/2 of Section 4, N/2S/2 of Section 3, & N/2SW/4 of Section 2**Bone Spring Formation:**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	91.557150%
*Rialto Production Company P.O. Box 981028 Houston, TX 77098	4.221425%
*Sydtran, L.P. P.O. Box 940549 Houston, TX 77094	4.221425%
<b>TOTAL</b>	<b>100.000000%</b>
<b>Total Interest Being Pooled:</b>	<b>8.442850%</b>

**OWNERSHIP BY TRACT****N/2SW/4 of Section 4**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	83.795570%
Rialto Produccion Company	8.102215%
Sydtran, L.P.	8.102215%
<b>TOTAL</b>	<b>100.000000%</b>

**N/2SE/4 of Section 4**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	73.990182%
Rialto Produccion Company	13.004909%
Sydtran, L.P.	13.004909%
<b>TOTAL</b>	<b>100.000000%</b>

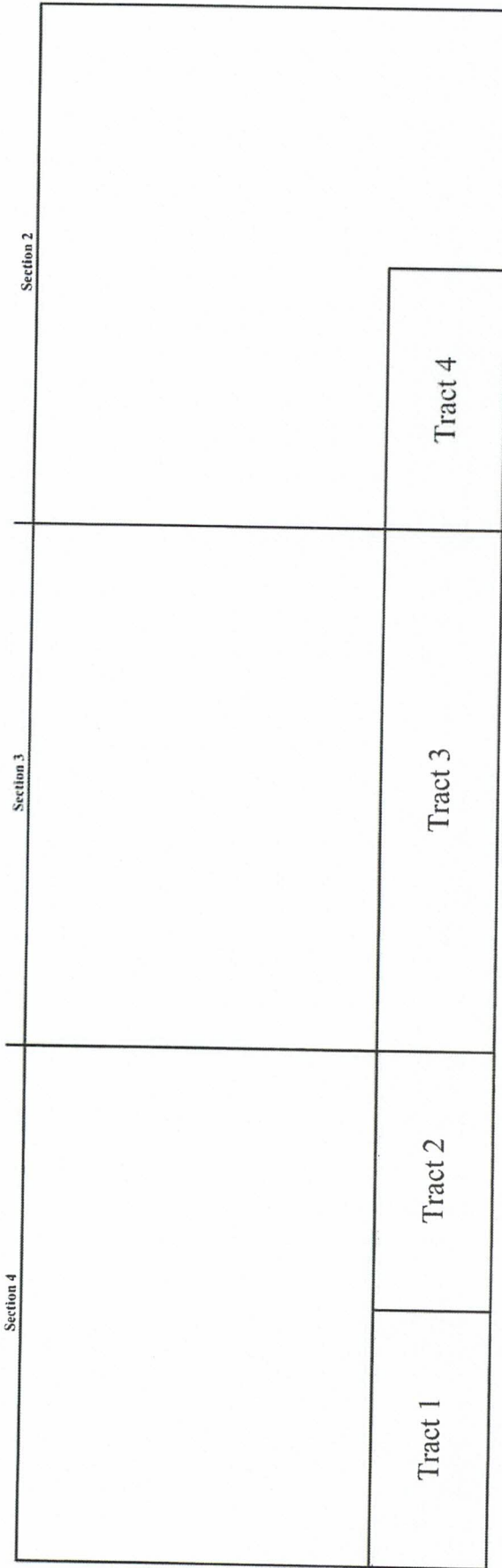
**N/2S/2 of Section 3**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	100.000000%
<b>TOTAL</b>	<b>100.000000%</b>

**N/2SW/4 of Section 2**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	100.000000%
<b>TOTAL</b>	<b>100.000000%</b>

**Section Plat**  
 Loco Hills 2/4 B2NM Fed Com #1H  
 S/2SW/4 of Section 2, S/2S/2 of Section 3, & S/2S/2 of Section 4  
 T18S-R30E, Eddy County, NM



**Tract 1: S/2SE/4 of Section 4 - Federal Lease NMNM-01159**

Mewbourne Oil Company  
 EOG Resources, Inc  
 Slayton Investments, LLC  
 COG Operating, LLC  
 Concho Oil & Gas, LLC  
 Rio Pecos Corporation  
 Cannon Exploration Company  
 TARA-JON Corp.  
 Rioito Production Company  
 Sydran, L.P.  
 Scott E. Wilson Bypass Trust  
 Read & Stevens, Inc.

**Tract 2: S/2SE/4 of Section 4 - Federal Lease NMNM-01159**

Mewbourne Oil Company  
 EOG Resources, Inc  
 Slayton Investments, LLC  
 COG Operating, LLC  
 Concho Oil & Gas, LLC  
 Rio Pecos Corporation  
 Cannon Exploration Company  
 TARA-JON Corp.  
 Rioito Production Company  
 Sydran, L.P.  
 Scott E. Wilson Bypass Trust  
 Read & Stevens, Inc.

**Tract 3: S/2S/2 of Section 3 - Federal Lease NMNM-01159**

Mewbourne Oil Company  
 EOG Resources, Inc  
 Slayton Investments, LLC  
 COG Operating, LLC  
 Concho Oil & Gas, LLC  
 Rio Pecos Corporation  
 Cannon Exploration Company  
 TARA-JON Corp.  
 James D. Brown, Jr.  
 Read & Stevens, Inc.  
 SEP Permian, LLC  
 A&S Operating, Inc.  
 Warwick-Artemis, LLC  
 Dugan Production Corp  
 Mark D. Wilson Family Partnership, L.P.  
 Todd M. Wilson  
 Heather G. Wilson  
 Exemplar Nonop, LLC  
 Croleman Oil and Gas, LLC  
 Aventine Investments, LLC  
 JMJ Land and Minerals Company  
 BPP Solutions, LLC

**Tract 4: S/2SW/4 of Section 2 - State Lease B-7071**

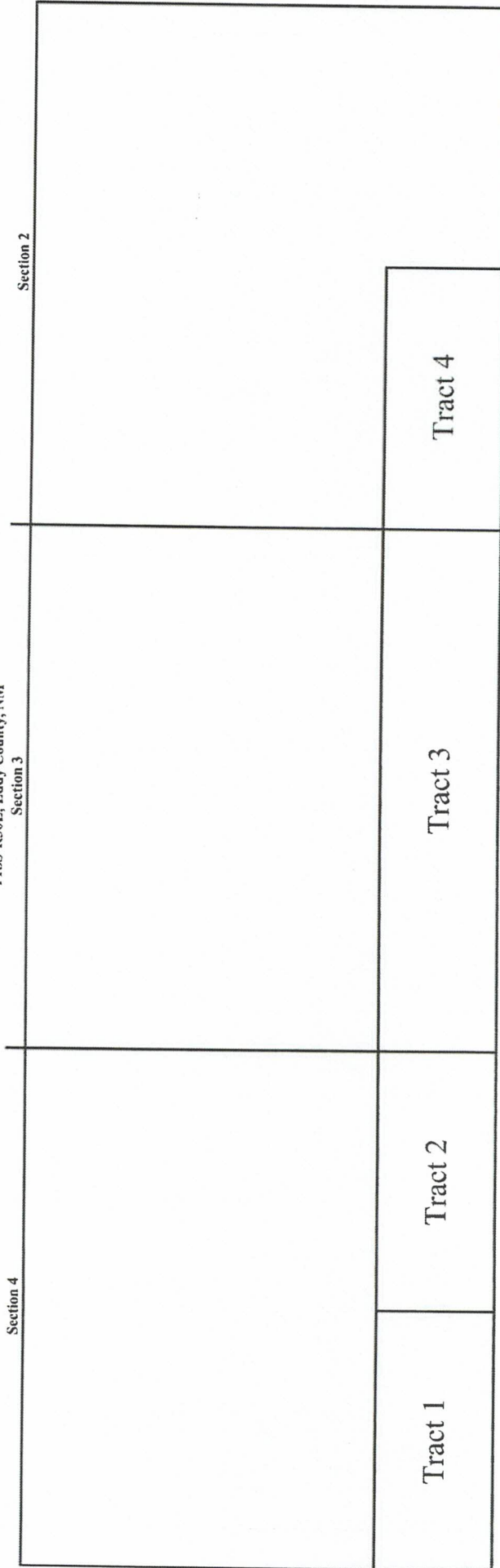
Mewbourne Oil Company  
 EOG Resources, Inc  
 Slayton Investments, LLC  
 COG Operating, LLC  
 Concho Oil & Gas, LLC  
 Rio Pecos Corporation  
 Cannon Exploration Company  
 TARA-JON Corp.  
 James D. Brown, Jr.  
 Read & Stevens, Inc.  
 SEP Permian, LLC  
 A&S Operating, Inc.  
 Warwick-Artemis, LLC  
 Dugan Production Corp  
 Mark D. Wilson Family Partnership, L.P.  
 Todd M. Wilson  
 Heather G. Wilson



**RECAPITULATION FOR LOCO HILLS 2/4 B2NM FED COM #11**

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
1	80	20.00000000%
2	80	20.00000000%
3	160	40.00000000%
4	80	20.00000000%
<b>TOTAL</b>	<b>400</b>	<b>100.00000000%</b>

**T188-R30E, Eddy County, NM**



**TRACT OWNERSHIP**  
 Loco Hills 2/4 B2NM Fed Com #1H  
S/2S/2 of Section 4, S/2S/2 of Section 3, & S/2SW/4 of Section 2

**Bone Spring Formation:**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	91.557150%
*Rialto Production Company P.O. Box 981028 Houston, TX 77098	4.221425%
*Sydtran, L.P. P.O. Box 940549 Houston, TX 77094	4.221425%
<b>TOTAL</b>	<b>100.000000%</b>
<b>Total Interest Being Pooled:</b>	<b>8.442850%</b>

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**OWNERSHIP BY TRACT****S/2SW/4 of Section 4**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	83.795570%
Rialto Produccion Company	8.102215%
Sydtran, L.P.	8.102215%
<b>TOTAL</b>	<b>100.000000%</b>

**S/2SE/4 of Section 4**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	73.990182%
Rialto Produccion Company	13.004909%
Sydtran, L.P.	13.004909%
<b>TOTAL</b>	<b>100.000000%</b>

**S/2S/2 of Section 3**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	100.000000%
<b>TOTAL</b>	<b>100.000000%</b>

**S/2SW/4 of Section 2**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	100.000000%
<b>TOTAL</b>	<b>100.000000%</b>

**Summary of Communications**

**Loco Hills 2/4 B2KL Fed Com #1H**

**N/2S/2 of Section 4-T18S-R30E, Eddy County, NM&**

**N/2S/2 of Section 3-T18S-R30E, Eddy County, NM &**

**N/2SW/4 of Section 2-T18S-R30E, Eddy County, NM:**

**Loco Hills 2/4 B2NM Fed Com #1H**

**S/2S/2 of Section 4-T18S-R30E, Eddy County, NM&**

**S/2S/2 of Section 3-T18S-R30E, Eddy County, NM &**

**S/2SW/4 of Section 2-T18S-R30E, Eddy County, NM**

ATTACHMENT

**Rialto Production Company:**

**1/12/2022:** Mailed a Working Interest Unit, Loco Hills 2/4 B2KL Fed Com #1H & Loco Hills 2/4 B2NM Fed Com #1H Well Proposals and proposed Joint Operating Agreement to the above listed party.

**1/19/2022:** The above listed party received and signed for the certified mailing of the above captioned Well Proposals and corresponding Joint Operating Agreement.

**1/31/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**2/1/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**2/2/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**2/4/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**2/11/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**2/22/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**2/24/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**2/25/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**3/8/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**3/9/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**3/17/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**3/21/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**4/9/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**4/21/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**4/22/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**4/26/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**Ongoing:** Mewbourne is currently negotiating with Rialto Production Company to acquire all or a portion of their interest.

**Sydtran, L.P.:**

**1/12/2022:** Mailed a Working Interest Unit, Loco Hills 2/4 B2KL Fed Com #1H & Loco Hills 2/4 B2NM Fed Com #1H Well Proposals and proposed Joint Operating Agreement to the above listed party.

**1/18/2022:** The above listed party received and signed for the certified mailing of the above captioned Well Proposals and corresponding Joint Operating Agreement.

**1/31/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**2/1/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**2/2/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**2/4/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**2/11/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

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**2/25/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**3/8/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**3/9/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**3/17/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.  
**3/21/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.  
**4/9/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.  
**4/21/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.  
**4/22/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.  
**4/26/2022:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**Ongoing:** Mewbourne is currently negotiating with Sydtran, L.P. to acquire all or a portion of their interest.

**MEWBOURNE OIL COMPANY**  
500 WEST TEXAS AVENUE, SUITE 1020  
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

January 12, 2022

Via Certified Mail

Rialto Production Company  
P.O. Box 981028  
Houston, Texas 77098  
Attn: Baron Craft

Re: Loco Hills "2/4" B2KL Fed Com No. 1H  
2255' FSL & 2530' FEL (SL) (Sec. 2)  
2000' FSL & 100' FWL (BHL) (Sec. 4)  
SW/4 of Section 2,  
S/2 of Section 3,  
S/2 of Section 4, T18S, R30E  
Eddy County, New Mexico

To Whom It May Concern:

Mewbourne Oil Company ("Mewbourne") as Operator, proposes to form an 800.00 acres Working Interest Unit ("WIU") covering the Southwest Quarter (SW/4) of the captioned Section 2, the South Half (S/2) of the captioned Section 3, and the South Half (S/2) of the captioned Section 4 for oil and gas production. Mewbourne hereby proposes to drill the captioned well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 7,560 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 20,800 feet. The N/2SW/4 of the captioned Section 2, the N/2S/2 of the captioned Section 3, and the N/2S/2 of the captioned Section 4 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated November 23, 2021 for the captioned proposed well. Also, enclosed is a copy of our proposed Operating Agreement dated December 15, 2021 and an extra set of signature pages. In the event your firm elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

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

Sincerely,  
**MEWBOURNE OIL COMPANY**



Josh Anderson, RPL  
Landman

**MEWBOURNE OIL COMPANY**  
500 WEST TEXAS AVENUE, SUITE 1020  
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

January 12, 2022

Via Certified Mail

Rialto Production Company  
P.O. Box 981028  
Houston, Texas 77098  
Attn: Baron Craft

Re: Loco Hills "2/4" B2NM Fed Com No. 1H  
2255' FSL & 2560' FEL (SL) (Sec. 2)  
660' FSL & 100' FWL (BHL) (Sec. 4)  
SW/4 of Section 2,  
S/2 of Section 3,  
S/2 of Section 4, T18S, R30E  
Eddy County, New Mexico

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Sincerely,  
**MEWBOURNE OIL COMPANY**



Josh Anderson, RPL  
Landman

**MEWBOURNE OIL COMPANY**  
500 WEST TEXAS AVENUE, SUITE 1020  
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

January 12, 2022

Via Certified Mail

Sydtran, L.P.  
P.O. Box 940549  
Houston, Texas 77094  
Attn: Baron Craft

Re: Loco Hills "2/4" B2KL Fed Com No. 1H  
2255' FSL & 2530' FEL (SL) (Sec. 2)  
2000' FSL & 100' FWL (BHL) (Sec. 4)  
SW/4 of Section 2,  
S/2 of Section 3,  
S/2 of Section 4, T18S, R30E  
Eddy County, New Mexico

To Whom It May Concern:

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Sincerely,  
**MEWBOURNE OIL COMPANY**



Josh Anderson, RPL  
Landman

**MEWBOURNE OIL COMPANY**  
500 WEST TEXAS AVENUE, SUITE 1020  
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

January 12, 2022

Via Certified Mail

Sydtran, L.P.  
P.O. Box 940549  
Houston, Texas 77094  
Attn: Baron Craft

Re: Loco Hills "2/4" B2NM Fed Com No. 1H  
2255' FSL & 2560' FEL (SL) (Sec. 2)  
660' FSL & 100' FWL (BHL) (Sec. 4)  
SW/4 of Section 2,  
S/2 of Section 3,  
S/2 of Section 4, T18S, R30E  
Eddy County, New Mexico

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

Sincerely,  
**MEWBOURNE OIL COMPANY**



Josh Anderson, RPL  
Landman



**Josh Anderson**

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**From:** webmaster@simplecertifiedmail.com  
**Sent:** Tuesday, January 18, 2022 1:14 PM  
**To:** Josh Anderson  
**Subject:** [EXT] Document Delivered

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## Document Delivered

A document with a tracking code of 9402836897846850686403 and reference number of Loco Hills 2/4 was successfully delivered to Baron Craft at Sydran, LP

**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](mailto:assistance@simplecertifiedmail.com)

**Josh Anderson**

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**From:** webmaster@simplecertifiedmail.com  
**Sent:** Wednesday, January 19, 2022 2:01 PM  
**To:** Josh Anderson  
**Subject:** [EXT] Document Delivered

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## Document Delivered

A document with a tracking code of 9402836897846850876736 and reference number of Loco Hills 2/4 was successfully delivered to Baron Craft at Rialto 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](mailto:assistance@simplecertifiedmail.com)

**MEWBOURNE OIL COMPANY**  
AUTHORIZATION FOR EXPENDITURE

Well Name:	LOCO HILLS 2/4 B2KL FED COM #1H	Prospect:	LOCO HILLS
Location:	SL: 2255 FSL & 2530 FEL (2); BHL: 2000 FSL & 100 FWL (4)	County:	Eddy
ST:	NM		
Sec.:	2	TWP:	18S
RNG:	30E	Prop. TVD:	7560
TMD:	20800		

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$42,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$62,500
Daywork / Turnkey / Footage Drilling	26 days drlg / 3 days comp @ \$20500/d	0180-0110	\$569,200	0180-0210	\$65,700
Fuel	1700 gal/day @ \$3.15/gal	0180-0114	\$148,700	0180-0214	\$538,100
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120	\$60,000	0180-0220	
Mud - Specialized		0180-0121	\$150,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$250,000
Stimulation Toe Preparation				0180-0223	\$35,000
Cementing		0180-0125	\$110,000	0180-0225	\$50,000
Logging & Wireline Services		0180-0130	\$33,500	0180-0230	\$458,800
Casing / Tubing / Snubbing Services		0180-0134	\$25,000	0180-0234	\$24,000
Mud Logging		0180-0137	\$15,000		
Stimulation	64 Stg 25.5 MM gal / 31.9 MM lb			0180-0241	\$2,698,600
Stimulation Rentals & Other				0180-0242	\$261,000
Water & Other		0180-0145	\$40,000	0180-0245	\$419,200
Bits		0180-0148	\$105,700	0180-0248	
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0184	\$154,000		
Transportation		0180-0165	\$30,000	0180-0265	\$30,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$155,800	0180-0270	\$51,100
Directional Services	Includes Vertical Control	0180-0175	\$391,000		
Equipment Rental		0180-0180	\$181,600	0180-0280	\$12,500
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,400	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$5,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$111,600	0180-0295	\$32,400
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	10% (TCP) 10% (CC)	0180-0199	\$264,200	0180-0299	\$512,400
<b>TOTAL</b>			<b>\$2,905,700</b>		<b>\$5,636,800</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	540' - 13 3/8" 54.5# J-55 ST&C @ \$58.73/ft	0181-0794	\$33,900		
Casing (8.1" - 10.0")	1820' - 9 5/8" 36# J-55 LT&C @ \$39.28/ft	0181-0795	\$76,400		
Casing (6.1" - 8.0")	7900' - 7" 29# HPP110 BT&C @ \$36.92/ft	0181-0796	\$311,500		
Casing (4.1" - 6.0")	13800' - 4 1/2" 13.5# P-110 CDC-HTQ @ \$20.31/ft			0181-0797	\$299,300
Tubing	7000' - 2 7/8" 6.5# L-80 IPC Tbg @ \$10.3/ft			0181-0798	\$77,000
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	(1/2) 6 QT/5 WT/GB			0181-0890	\$182,500
Emissions Control Equipment	(1/2) VRT's/VRU/Flare/KO's			0181-0892	\$134,500
Separation / Treating Equipment	(1/2) H sep/V sep/HT			0181-0895	\$81,800
Automation Metering Equipment				0181-0898	\$75,000
Line Pipe & Valves - Gathering	(1/2) 1 mile gas & water			0181-0900	\$67,200
Fittings / Valves & Accessories				0181-0906	\$235,500
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$162,500
Equipment Installation				0181-0910	\$177,500
Pipeline Construction	(1/2) 1 mile gas & water			0181-0920	\$52,800
<b>TOTAL</b>			<b>\$456,800</b>		<b>\$1,678,600</b>
<b>SUBTOTAL</b>			<b>\$3,362,500</b>		<b>\$7,315,400</b>

**TOTAL WELL COST \$10,677,900**

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: 11/23/2021

Company Approval: M. Whittier Date: 11/23/2021

Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_

Joint Owner Name: \_\_\_\_\_ Signature: \_\_\_\_\_

ATTACHMENT D

**MEWBOURNE OIL COMPANY**  
AUTHORIZATION FOR EXPENDITURE

<b>Well Name:</b> LOCO HILLS 2/4 B2NM FED COM #1H		<b>Prospect:</b> LOCO HILLS	
<b>Location:</b> SL: 2255' FSL & 2560' FEL(2); BHL: 660' FSL & 100' FWL(4)		<b>County:</b> Eddy	
<b>Sec.:</b> 2	<b>Blk.:</b>	<b>Survey:</b>	<b>TWP:</b> 18S
			<b>RNG:</b> 30E
			<b>Prop. TVD:</b> 8050
			<b>TMD:</b> 22000
<b>INTANGIBLE COSTS 0180</b>			
	<b>CODE</b>	<b>TCP</b>	<b>CODE CC</b>
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200
Location / Road / Site / Preparation	0180-0105	\$42,000	0180-0205 \$35,000
Location / Restoration	0180-0106	\$200,000	0180-0206 \$62,500
Daywork / Turnkey / Footage Drilling 27 days drtg / 3 days comp @ \$20500/d	0180-0110	\$591,100	0180-0210 \$65,700
Fuel 1700 gal/day @ \$3.15/gal	0180-0114	\$154,400	0180-0214 \$538,100
Alternate Fuels	0180-0115		0180-0215
Mud, Chemical & Additives	0180-0120	\$60,000	0180-0220
Mud - Specialized	0180-0121	\$150,000	0180-0221
Horizontal Drilling Services			0180-0222 \$250,000
Stimulation Toe Preparation			0180-0223 \$35,000
Cementing	0180-0125	\$110,000	0180-0225 \$50,000
Logging & Wireline Services	0180-0130	\$33,500	0180-0230 \$458,800
Casing / Tubing / Snubbing Services	0180-0134	\$25,000	0180-0234 \$24,000
Mud Logging	0180-0137	\$15,000	
Stimulation 64 Stg 25.5 MM gal / 31.9 MM lb			0180-0241 \$2,698,600
Stimulation Rentals & Other			0180-0242 \$261,000
Water & Other	0180-0145	\$40,000	0180-0245 \$419,200
Bits	0180-0148	\$105,700	0180-0248
Inspection & Repair Services	0180-0150	\$50,000	0180-0250 \$5,000
Misc. Air & Pumping Services	0180-0154		0180-0254 \$10,000
Testing & Flowback Services	0180-0158	\$12,000	0180-0258 \$24,000
Completion / Workover Rig			0180-0260 \$10,500
Rig Mobilization	0180-0164	\$154,000	
Transportation	0180-0165	\$30,000	0180-0265 \$30,000
Welding, Construction & Maint. Services	0180-0168	\$4,000	0180-0268 \$15,000
Contract Services & Supervision	0180-0170	\$160,800	0180-0270 \$51,100
Directional Services Includes Vertical Control	0180-0175	\$408,000	
Equipment Rental	0180-0180	\$186,900	0180-0280 \$12,500
Well / Lease Legal	0180-0184	\$5,000	0180-0284
Well / Lease Insurance	0180-0185	\$5,700	0180-0285
Intangible Supplies	0180-0188	\$7,000	0180-0288 \$1,000
Damages	0180-0190	\$5,000	0180-0290 \$10,000
Pipeline Interconnect, ROW Easements	0180-0192		0180-0292 \$5,000
Company Supervision	0180-0195	\$115,200	0180-0295 \$32,400
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296 \$20,000
Contingencies 10% (TCP) 10% (CC)	0180-0199	\$270,000	0180-0299 \$512,400
<b>TOTAL</b>		<b>\$2,970,300</b>	<b>\$5,636,800</b>
<b>TANGIBLE COSTS 0181</b>			
Casing (19.1" - 30")	0181-0793		
Casing (10.1" - 19.0") 540' - 13 3/8" 54.5# J-55 ST&C @ \$58.73/ft	0181-0794	\$33,900	
Casing (8.1" - 10.0") 1820' - 9 5/8" 36# J-55 LT&C @ \$39.28/ft	0181-0795	\$76,400	
Casing (6.1" - 8.0") 9100' - 7" 29# HPP110 BT&C @ \$36.92/ft	0181-0796	\$358,800	
Casing (4.1" - 6.0") 14450' - 4 1/2" 13.5# P-110 CDC-HTQ @ \$20.31/ft			0181-0797 \$313,400
Tubing 7560' - 2 7/8" 6.5# L-80 IPC Tbg @ \$10.3/ft			0181-0798 \$83,200
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 (1/2) 6 OT/5 WT/GB	0181-0890		\$182,500
Emissions Control Equipment (1/2) VRT's/VRU/Fiare/KO's	0181-0892		\$134,500
Separation / Treating Equipment (1/2) H sep/V sep/HT	0181-0895		\$81,800
Automation Metering Equipment	0181-0898		\$75,000
Line Pipe & Valves - Gathering (1/2) 1 mile gas & water	0181-0900		\$67,200
Fittings / Valves & Accessories	0181-0906		\$235,500
Cathodic Protection	0181-0908		
Electrical Installation	0181-0909		\$162,500
Equipment Installation	0181-0910		\$177,500
Pipeline Construction (1/2) 1 mile gas & water	0181-0920		\$52,800
<b>TOTAL</b>		<b>\$504,100</b>	<b>\$1,698,900</b>
<b>SUBTOTAL</b>		<b>\$3,474,400</b>	<b>\$7,335,700</b>
<b>TOTAL WELL COST</b>		<b>\$10,810,100</b>	
<b>Extra Expense Insurance</b>			
<input type="checkbox"/>	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 0180-0165.		
<input type="checkbox"/>	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:	11/23/2021
Company Approval:	<i>M. Whittier</i>	Date:	11/23/2021
Joint Owner Interest:	Amount:	Signature:	
Joint Owner Name:			

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

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

**Case Nos. 22729 & 22730**

**SELF-AFFIRMED STATEMENT OF CHARLES CROSBY**

COUNTY OF MIDLAND                    )  
  ) ss.  
STATE OF TEXAS                        )

Charles Crosby deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in these cases. I have been qualified by the Division as an expert petroleum geologist.
3. The following geological plats are attached hereto:
  - (a) Attachment A is a structure map on the base of the Second Bone Spring Sand. It shows that structure dips gently to the south-southeast. It also shows Bone Spring wells in the area, and a line of cross-section.
  - (b) Attachment B is a Second Bone Spring Sand Gross Thickness map.
  - (c) Attachment C is a cross section showing the Second Bone Spring Sand, the target zone for the proposed wells. The well logs on the cross-section give a representative sample of the Second 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 unit is justified from a geologic standpoint.
  - (b) The target zone is 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.

EXHIBIT 3

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

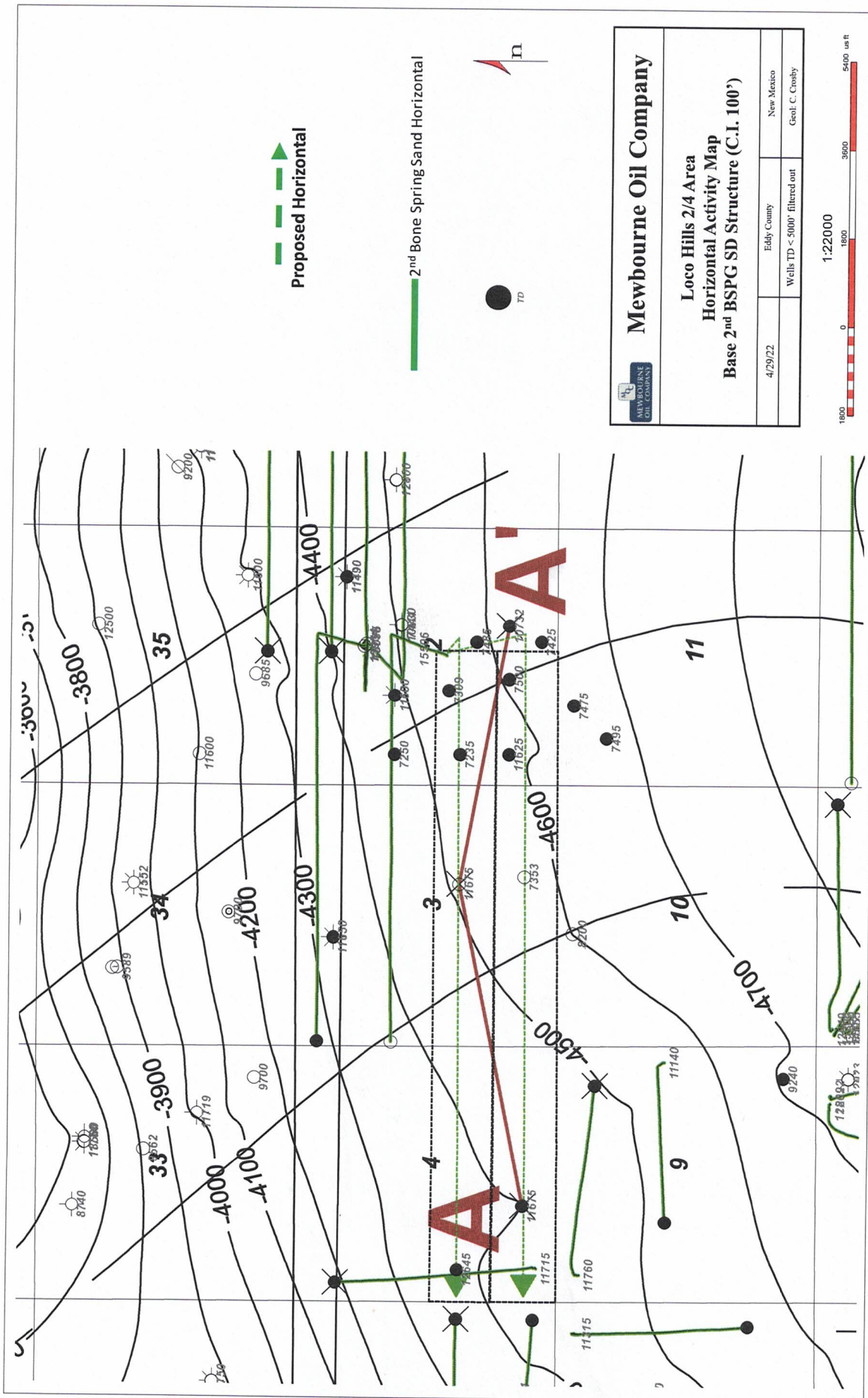
5. Attachment D contains information from other Second Bone Spring Sand wells drilled in this area. There are both standup and laydown Bone Spring wells in this area, but with a preference for lay down wells.

6. Attachment E is a Planning Reports for the proposed wells. The producing interval of the wells will be orthodox.

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.

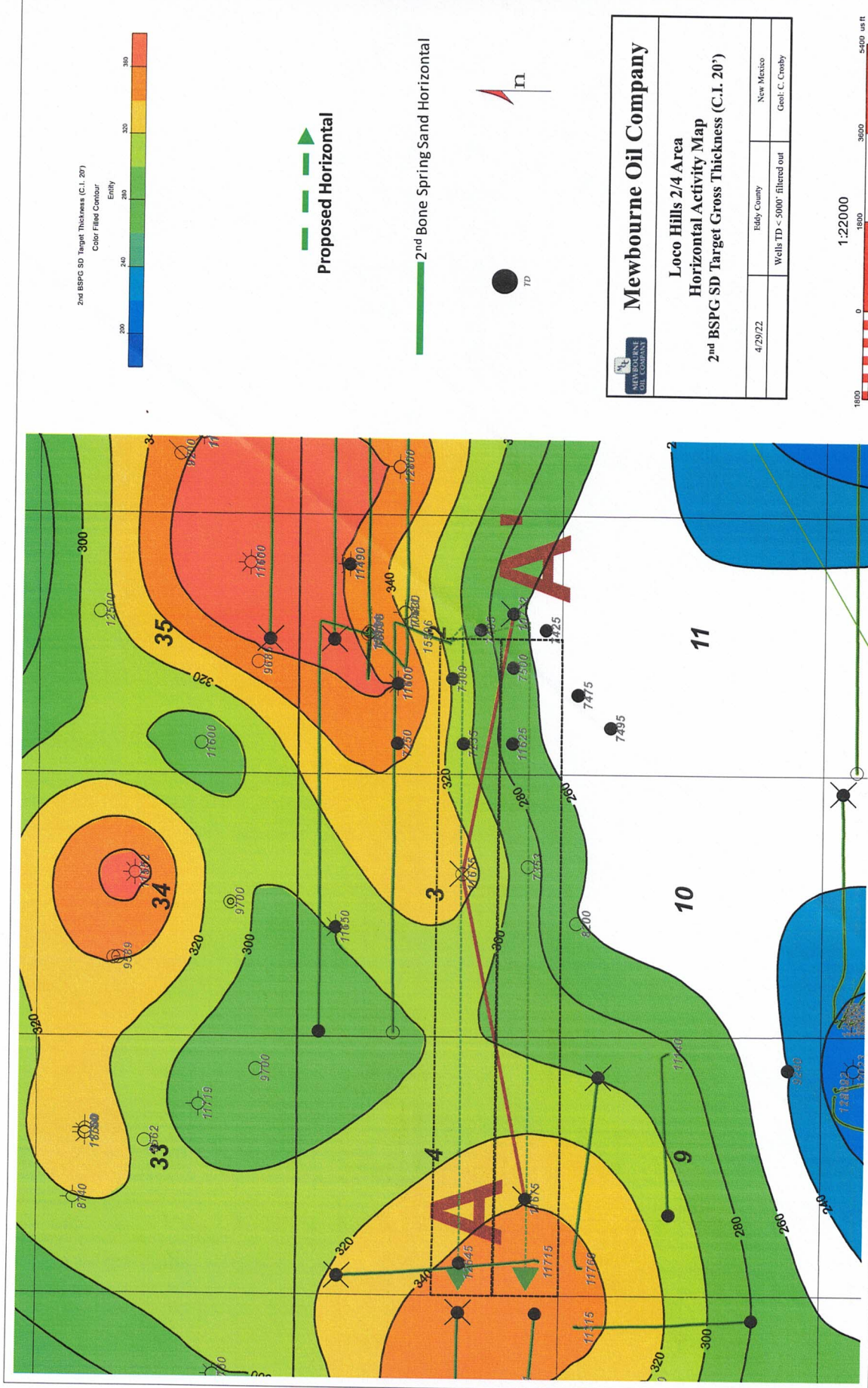
Date: 5/31/22

  
\_\_\_\_\_  
Charles Crosby



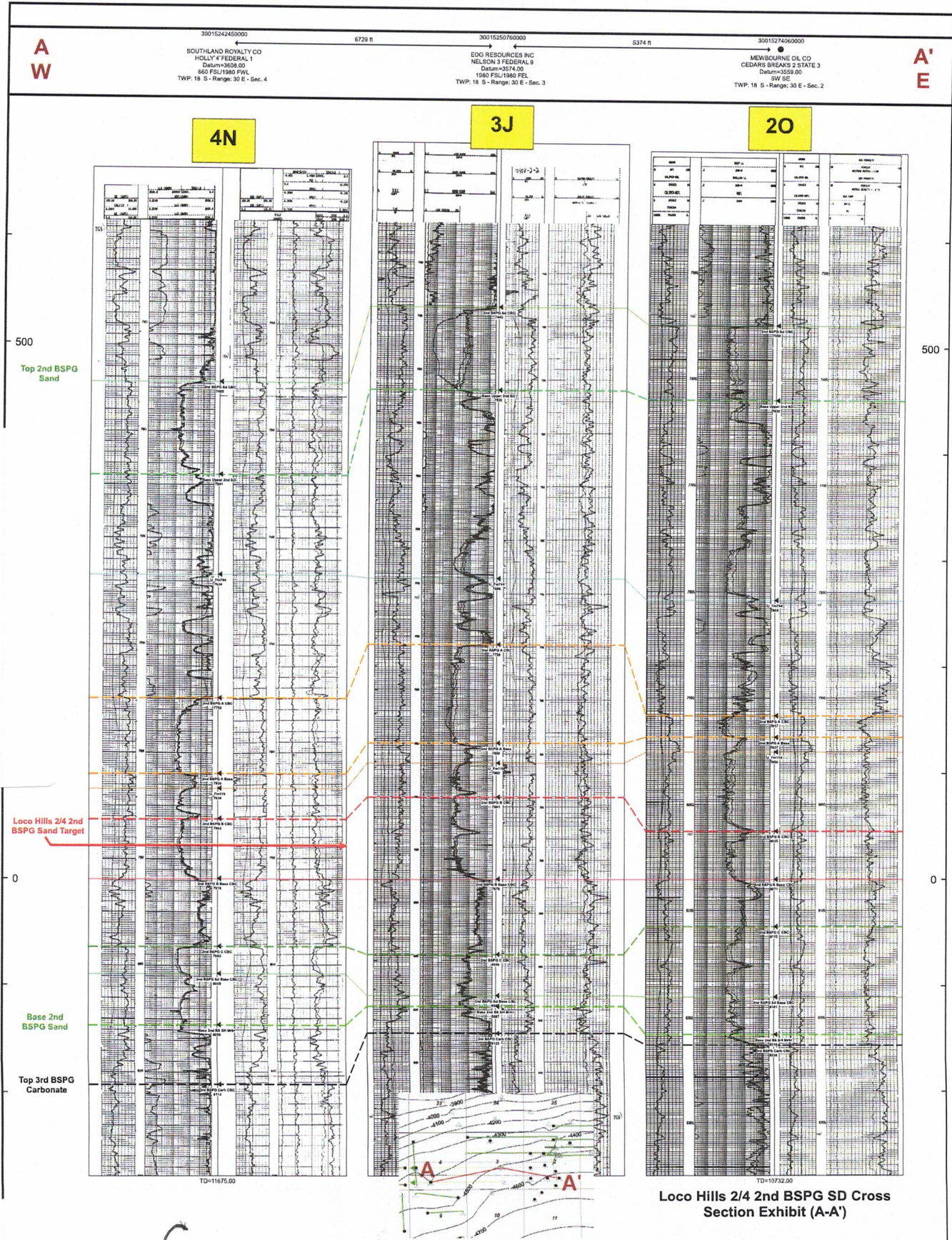
ATTACHMENT A





ATTACHMENT B

ATTACHMENT



Loco Hills 2/4 2nd BSPG SD Cross Section Exhibit (A-A')

ATTACHMENT

C

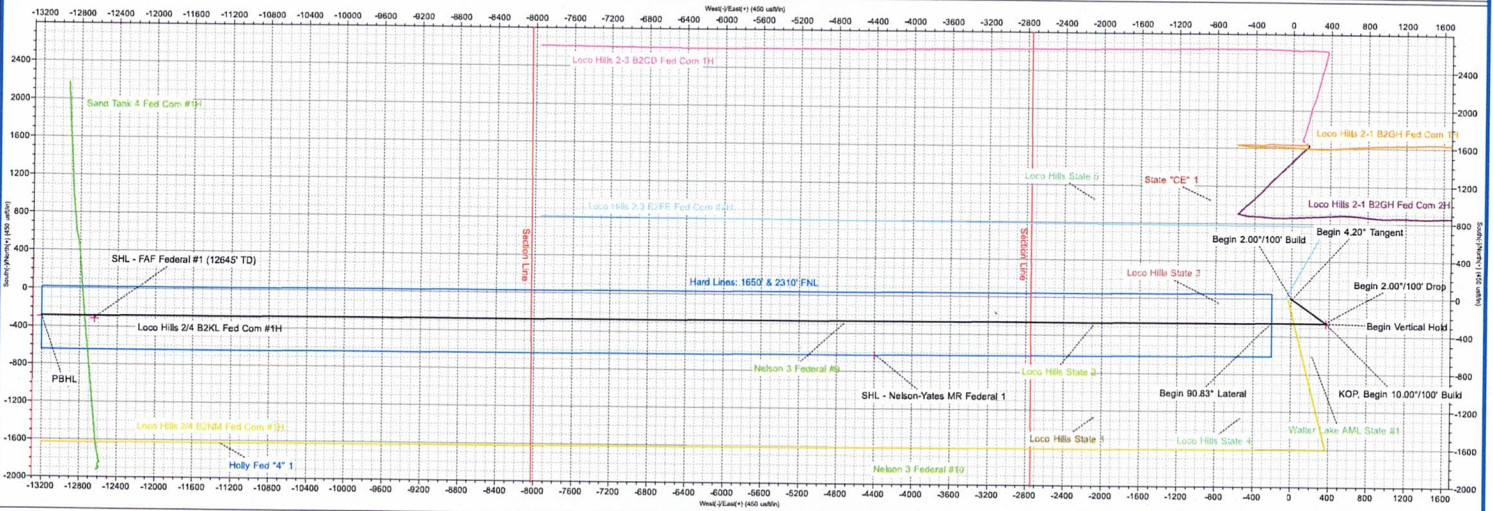
Loco Hills Area 2nd Bone Spring Sand Production Table

Well Name	Operator	API	Location	Completion Date	Cum Oil (Mbo)	Cum Gas (Bcf)	Cum Wtr (Mbw)	NS/EW	Zone
Sand Tank 9 Federal Com 1H	EOG	30015362700000	9D/18S/30E	10/18/2008	74.7	0.10	14.9	EW	2nd Bone Spring Sand
Sand Tank 9 Federal 2H	EOG	30015365810000	9H/18S/30E	2/4/2009	31.5	0.04	19.7	EW	2nd Bone Spring Sand
Sand Tank 4 Federal 1H	EOG	30015373160000	4H/18S/30E	11/27/2009	72.2	0.25	15.8	NS	2nd Bone Spring Sand
Oatmeal 8 Federal 3H	EOG	30015360280000	8A/18S/30E	3/9/2008	106.9	0.44	15.3	NS	2nd Bone Spring Sand
Holly 5 Federal 2H	EOG	30015364110000	5N/18S/30E	11/3/2008	234.8	1.19	5.4	EW	2nd Bone Spring Sand
Holly 5 Federal 3H	EOG	30015369160000	5L/18S/30E	5/6/2009	220.7	0.82	14.7	EW	2nd Bone Spring Sand
Leo 15 DA Federal Com 1H	Mewbourne	30015421850000	15D/18S/30E	9/1/2014	321.5	0.78	85.2	EW	2nd Bone Spring Sand
Loco Hills 1/2 B2AB Federal Com 1H	Mewbourne	30015455820000	36P/17S/30E	6/4/2019	414.1	0.52	388.1	EW	2nd Bone Spring Sand
Gemini 36/35 B2PO Fed Com 1H	Mewbourne	30015456390000	36P/17S/30E	6/4/2019	291.5	0.23	329.7	EW	2nd Bone Spring Sand
Loco Hills 2/1 B2GH Fed Com 1H	Mewbourne	30015460190000	2G/18S/30E	6/1/2021	110.1	0.16	139.7	EW	2nd Bone Spring Sand
Loco Hills 2/3 B2CD Fed Com 1H	Mewbourne	30015460200000	2G/18S/30E	7/19/2021	150.5	0.12	195.3	EW	2nd Bone Spring Sand
Loco Hills 2/1 B2GH Fed Com 1H	Mewbourne	30015461160000	2G/18S/30E	6/28/2021	142.8	0.14	108.8	EW	2nd Bone Spring Sand
Knox 13/14 B2AD Fed Com 1H	Mewbourne	30015474880000	18E/18S/31E						
Pending									

ATTACHMENT D



Company: Mewbourne Oil Company  
 Site: Loco Hills  
 Well: Loco Hills 2/4 B2KL Fed Com #1H  
 Project: Eddy County, N.M. (NAD83) Grid  
 Rig: Patterson 270

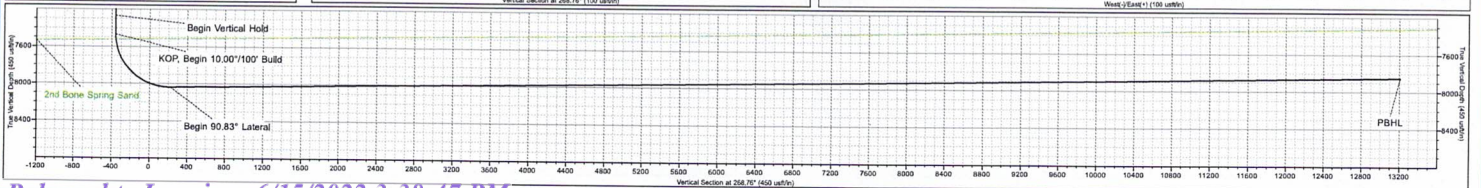
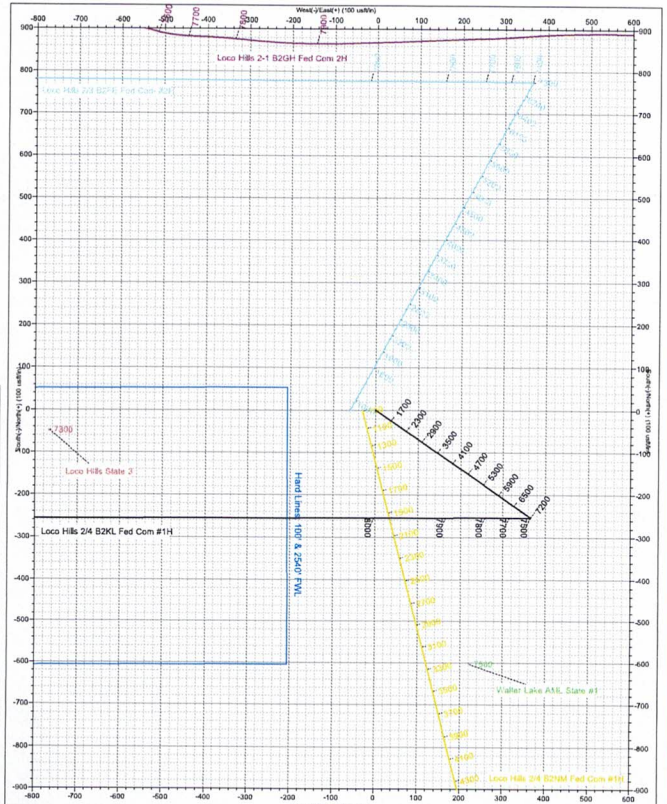
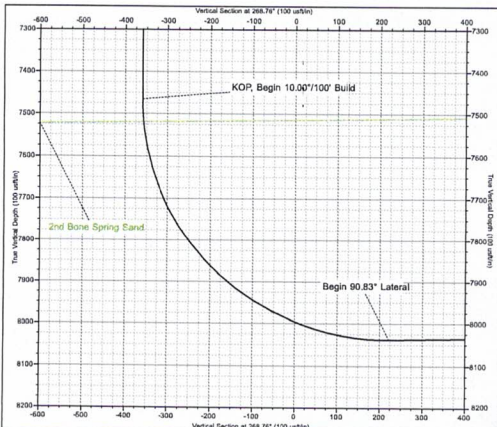
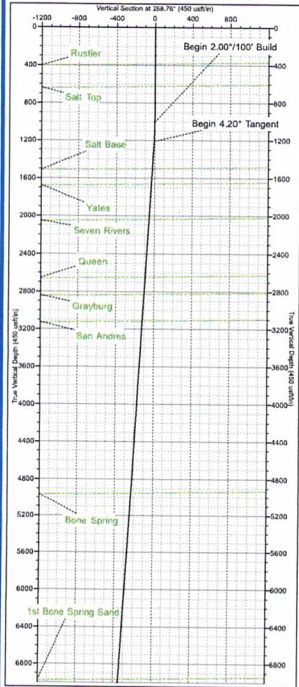


ANNOTATIONS										
MD	Inc	Azi	TVD	+N-S	+E-W	Vsect	Departure	Annotation		
1000.00	0.00	0.00	1000.00	0.00	0.00	0.00	0.00	Begin 2.00'/100' Build		
1209.96	4.20	124.75	1209.77	-4.38	6.32	-6.22	7.69	Begin 4.20' Tangent		
7071.25	4.20	124.75	7055.33	-249.04	358.94	-353.47	436.88	Begin 2.00'/100' Drop		
7281.21	0.00	0.00	7265.10	-253.42	365.26	-359.69	444.57	Begin Vertical Hold		
7481.21	0.00	0.00	7465.10	-253.42	365.26	-359.69	444.57	KOP, Begin 10.00'/100' Build		
8389.51	90.83	269.86	8038.00	-254.82	-215.99	221.45	1025.82	Begin 90.83' Lateral		
21378.62	90.83	269.86	7650.00	-286.00	-13204.70	13207.80	14014.57	PBHL		

Grid North is 0.21° East of True North (Grid Convergence)  
 To convert a Magnetic Direction to a Grid Direction, Add 6.49°  
 To convert a Magnetic Direction to a True Direction, Add 6.70° East

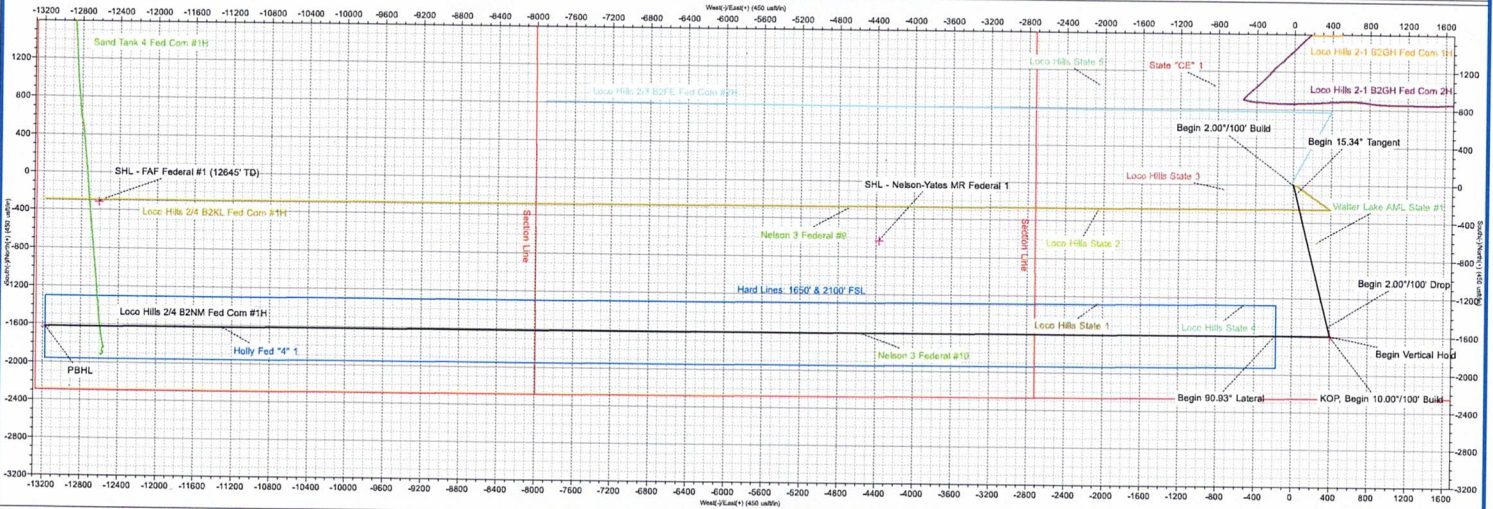
Azimuths to Grid North  
 True North: -0.21°  
 Magnetic North: 6.49°  
 Magnetic Field  
 Strength: 47723.8nT  
 Dip Angle: 60.33°  
 Date: 12/28/2021  
 Model: IGRF2020  
 US State Plane 1983  
 New Mexico Eastern Zone  
 Created By: MRB  
 Date: 15:00, January 03 2022  
 Plan: Design #1

ATTACHMENT E





Company: Mewbourne Oil Company  
 Site: Loco Hills  
 Well: Loco Hills 2/4 B2NM Fed Com #1H  
 Project: Eddy County, N.M. (NAD83) Grid  
 Rig: Patterson 270



ANNOTATIONS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Vsect	Departure	Annotation
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	Begin 2.00'/100' Build
1366.84	15.34	165.91	1357.72	-98.95	24.83	-12.53	102.02	Begin 15.34° Tangent
6805.24	15.34	165.91	6803.40	-1494.36	375.05	-189.17	1540.71	Begin 2.00'/100' Drop
7573.08	0.00	0.00	7361.12	-1593.32	399.88	-201.70	1642.73	Begin Vertical Hold
7773.08	0.00	0.00	7561.12	-1593.32	399.88	-201.70	1642.73	KOP, Begin 10.00'/100' Build
8662.34	90.93	268.86	8134.00	-1594.70	-182.34	375.31	2224.95	Begin 90.93° Lateral
21672.44	90.93	268.86	7924.00	-1625.60	-13170.70	13270.64	15213.35	PBHL

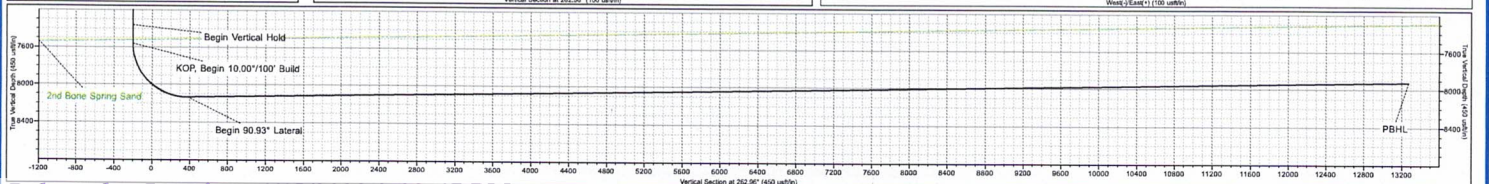
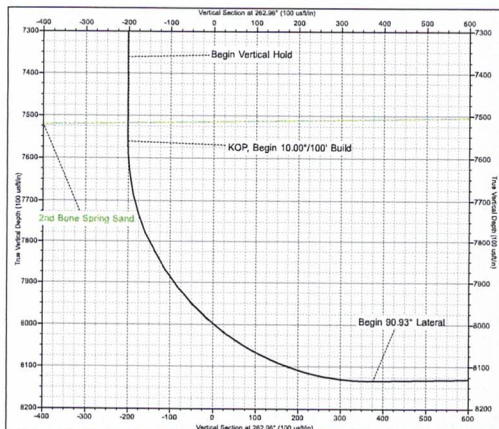
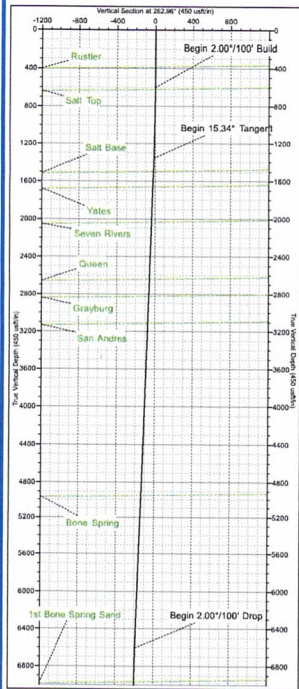
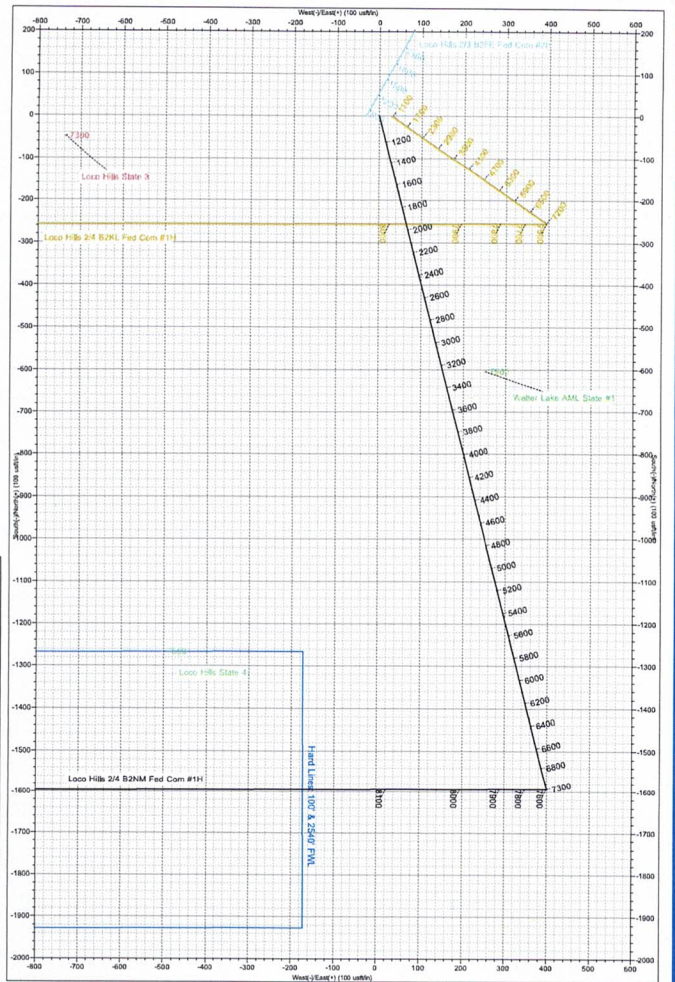


Azimuths to Grid North  
 True North: -0.21°  
 Magnetic North: 6.49°  
 Magnetic Field  
 Strength: 47723.8nT  
 Dip Angle: 60.33°  
 Date: 12/28/2021  
 Model: IGRF2020

Grid North is 0.21° East of True North (Grid Convergence)  
 To convert a Magnetic Direction to a Grid Direction, Add 6.49°  
 To convert a Magnetic Direction to a True Direction, Add 6.70° East

US State Plane 1983  
 New Mexico Eastern Zone

Created By: MRB  
 Date: 15:03, January 03 2022  
 Plan: Design #1



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

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

Case Nos. 22729 & 22730

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 applications filed herein.
4. Notice of the applications was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Rules.
6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 6/14/22

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](mailto:jamesbruc@aol.com)

ATTACHMENT

A

May 26, 2022

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of applications, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, seeking orders pooling all uncommitted mineral interest owners in the Bone Spring formation in the horizontal spacing units described below:

(i) Case No. 22729: the N/2SW/4 of Section 2, the N/2S/2 of Section 3, and the N/2S/2 of Section 4, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the Loco Hills 2/4 B2KL Fed. Com. Well No. 1H; and

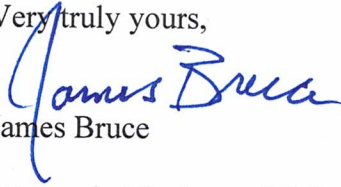
(ii) Case No. 22730: the S/2SW/4 of Section 2, the S/2S/2 of Section 3, and the S/2S/2 of Section 4, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the Loco Hills 2/4 B2NM Fed. Com. Well No. 1H.

These matters are scheduled for hearing at 8:15 a.m. on June 16, 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](http://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 Thursday, June 9, 2022. This statement may be filed online with the Division at [ocd.hearings@state.nm.us](mailto: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



EXHIBIT A

Rialto Production Company  
P.O. Box 981028  
Houston, TX 77098

Sydtran, L.P.  
P.O. Box 940549  
Houston, TX 77094

7021 0950 0002 0372 2066

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Certified Mail Fee \$	Postmark Here
Extra Services & Fees (check box, add fee as appropriate)	
<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 Sydtran, L.P. P.O. Box 940549 Houston, TX 77094	
Street and Apt. No., or PO Box	
City, State, ZIP+4®	

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

7021 0950 0002 0372 2059

**U.S. Postal Service™**  
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Certified Mail Fee \$	Postmark Here
Extra Services & Fees (check box, add fee as appropriate)	
<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 Rialto Production Company P.O. Box 981028 Houston, TX 77098	
Street and Apt. No., or PO Box	
City, State, ZIP+4®	

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

# Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0005243802

This is not an invoice

**JAMES BRUCE ATTORNEY AT LAW**  
POBOX 1056

**SANTA FE, NM 87504**

### NOTICE

To Rialto Production Company and Sydtran, L.P., or your successors or assigns: Mewbourne Oil Company has filed two applications with the New Mexico Oil Conservation Division, seeking orders pooling all uncommitted mineral interest owners in the Bone Spring formation underlying horizontal spacing units comprised of:

- (i) Case 22729: the N/2SW/4 of Section 2, the N/2S/2 of Section 3, and the N/2S/2 of Section 4, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the Loco Hills 2/4 B2KL Fed. Com. Well No. 1H; and
- (ii) Case 22730: the S/2SW/4 of Section 2, the S/2S/2 of Section 3, and the S/2S/2 of Section 4, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the Loco Hills 2/4 B2NM Fed. Com. Well No. 1H.

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

05/05/2022

Legal Clerk

Subscribed and sworn before me this May 5, 2022:

State of WI, County of Brown  
NOTARY PUBLIC

1-7-25

My commission expires

Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. This matter is scheduled for hearing at 8:15 a.m. on Thursday, May 19, 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](http://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 that may be affected by this application, you may appear and present testimony. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, May 12, 2022. This statement may be filed online with the Division at [ocd.hearings@state.nm.us](mailto:ocd.hearings@state.nm.us). Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, [jamesbruc@aol.com](mailto:jamesbruc@aol.com). The units are located approximately 4 miles southeast of Loco Hills, New Mexico.

#5243802, Current Arqus, May 5, 2022

KATHLEEN ALLEN  
Notary Public  
State of Wisconsin

EXHIBIT 5

Ad # 0005243802  
PO #: Case 22729 & 22730  
# of Affidavits 1

This is not an invoice

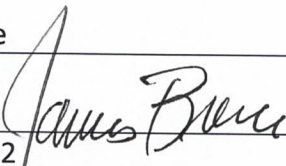
**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case:</b>	<b>22729</b>
<b>Date</b>	<b>June 16, 2022</b>
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No. 14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Loco Hills Bone Spring wells
<b>Formation/Pool</b>	
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:	Loco Hills; Bone Spring, East/ Pool Code 39513
Well Location Setback Rules:	Current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480 acres
Building Blocks:	40 acres
Orientation:	West-East
Description: TRS/County	N/2NW/4 §2, N/2S/2 §3, and N/2S/2 §4-18S-30E, NMPM, Eddy County
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	
Applicant's Ownership in Each Tract	
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non- standard)	Loco hills 2/4 B2KL Fed. Com. Well No. 1H API No. 30-015-Pending SHL: 2255 FSL & 2530 FEL §2 BHL: 2000 FSL & 100 FWL §4 FTP: 2000 FSL & 2540 FWL §2 LTP: 2000 FSL & 100 FWL §4 Third Bone Spring/TVD 7560 feet/MD 20800 feet

EXHIBIT

6

Points	See above
Completion Target (Formation, TVD and MD)	See above
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2
Requested Risk Charge	Exhibit 2
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 5
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-B
Tract List (including lease numbers and owners)	Exhibit 2-B
Pooled Parties (including ownership type)	Exhibit 2-B
Unlocatable Parties to be Pooled	
Ownership Depth Severance (including percentage above & below)	None
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit 2--C
List of Interest Owners ( <i>i.e.</i> Exhibit A of JOA)	Exhibit 2-B
Chronology of Contacts with Non-Joined Working Interests	Exhibit 2-C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D
Cost Estimate for Production Facilities	Exhibit 2-D
<b>Geology</b>	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 3-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-C
Well Orientation (with rationale)	Exhibit 3
Target Formation	Bone Spring
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit 2-A
Tracts	Exhibit 2-B
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B

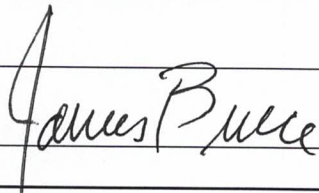
Well Bore Location Map (including basin)	Exhibit 2-A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3-A
Cross Section (including Landing Zone)	Exhibit 3-C
<b>Additional Information</b>	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	James Bruce
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	June 14, 2022

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

<b>Case:</b>	<b>22730</b>
<b>Date</b>	<b>June 16, 2022</b>
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No. 14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Loco Hills Bone Spring wells
<b>Formation/Pool</b>	
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:	Loco Hills; Bone Spring, East/ Pool Code 39513
Well Location Setback Rules:	Current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480 acres
Building Blocks:	40 acres
Orientation:	West-East
Description: TRS/County	S/2NW/4 §2, S/2S/2 §3, and S/2S/2 §4-18S-30E, NMPM, Eddy County
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	
Applicant's Ownership in Each Tract	
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non- standard)	Loco Hills 2/4 B2NM Fed. Com. Well No. 1H API No. 30-015-Pending SHL: 2255 FSL & 2560 FEL §2 BHL: 660 FSL & 100 FWL §4 FTP: 660 FSL & 2540 FWL §2 LTP: 660 FSL & 100 FWL §4 Third Bone Spring/TVD 8050 feet/MD 22000 feet

Points	See above
Completion Target (Formation, TVD and MD)	See above
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2
Requested Risk Charge	Exhibit 2
<b>Notice of Hearing</b>	
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Tract List (including lease numbers and owners)	Exhibit 2-B
Pooled Parties (including ownership type)	Exhibit 2-B
Unlocatable Parties to be Pooled	
Ownership Depth Severance (including percentage above & below)	None
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit 2--C
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Cost Estimate to Equip Well	Exhibit 2-D
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Spacing Unit Schematic	Exhibit 3-A
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Well Orientation (with rationale)	Exhibit 3
Target Formation	Bone Spring
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit 2-A
Tracts	Exhibit 2-B
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B



General Location Map (including basin)	Exhibit 2-A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3-A
Cross Section (including Landing Zone)	Exhibit 3-C
<b>Additional Information</b>	
<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):	James Bruce
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	June 14, 2022