

CASE NO. 22836

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

MEWBOURNE OIL COMPANY'S EXHIBIT LIST

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

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 22836

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 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, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E/2SE/4 of Section 17, the E/2E/2 of Section 20, and the E/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. 7H to a depth sufficient to test the Bone Spring formation, with a first take point in the NE/4SE/4 of Section 17 and a last take point in the SE/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 E/2SE/4 of Section 17, the E/2E/2 of Section 20, and the E/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 E/2SE/4 of Section 17, the E/2E/2 of Section 20, and the E/2NE/4 of Section 29, pursuant to NMSA 1978 §70-2-17.

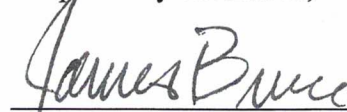
EXHIBIT 1

5. The pooling of all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2SE/4 of Section 17, the E/2E/2 of Section 20, and the E/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 E/2SE/4 of Section 17, the E/2E/2 of Section 20, and the E/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

**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. 22836

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 E2SE of Section 17, the E2E2 of Section 20 and the E2NE 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 #7H. 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 2

- (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.

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
 OIL CONSERVATION DIVISION
 1220 South St. Francis
 Santa Fe, NM 87505

ATTACHMENT

m C-102
 t 1, 2011
 ropriate
 t Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-50173		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 7H
⁷ GRID 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	1890	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
H	29	21S	35E		2535	NORTH	660	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.

16

<p>GEODETIC DATA NAD 83 GRID - NM EAST SURFACE LOCATION N: 539564.3 - E: 833079.7 LAT: 32.4797690° N LONG: 103.3872520° W</p>	<p>GEODETIC DATA NAD 83 GRID - NM EAST BOTTOM HOLE N: 528847.0 - E: 834404.6 LAT: 32.4502809° N LONG: 103.3832655° W</p>
<p>CORNER DATA NAD 83 GRID - NM EAST</p> <p>A: FOUND NAIL N: 526063.9 - E: 829805.6</p> <p>B: FOUND 3/4" REBAR N: 531345.9 - E: 829761.3</p> <p>C: FOUND 12"x4"x4" LIMESTONE ROCK N: 533983.1 - E: 829739.3</p> <p>D: FOUND 3/4" REBAR N: 536624.0 - E: 829716.2</p> <p>E: CALCULATED CORNER N: 541904.6 - E: 829671.3</p> <p>F: FOUND LIMESTONE ROCK N: 541926.5 - E: 832309.8</p> <p>G: FOUND LIMESTONE ROCK N: 541952.2 - E: 834936.7</p> <p>H: FOUND LIMESTONE ROCK N: 539312.3 - E: 834973.1</p>	<p>I: FOUND 3/4" REBAR N: 536671.5 - E: 834996.6</p> <p>J: FOUND 12"x4"x4" LIMESTONE ROCK N: 534030.7 - E: 835020.3</p> <p>K: FOUND 1/2" REBAR N: 531388.9 - E: 835040.6</p> <p>L: FOUND 1/2" REBAR N: 528748.9 - E: 835065.4</p> <p>M: FOUND 6"x4"x4" LIMESTONE ROCK N: 526106.9 - E: 835090.2</p> <p>N: FOUND 1/2" REBAR N: 526085.6 - E: 832448.7</p> <p>O: FOUND 1" PIPE N: 531359.3 - E: 832400.3</p> <p>P: FOUND 12"x4"x4" LIMESTONE ROCK N: 536645.7 - E: 832356.2</p>

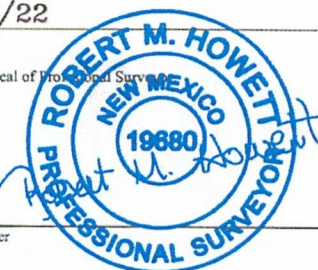
17 OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right 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.

5/6/22

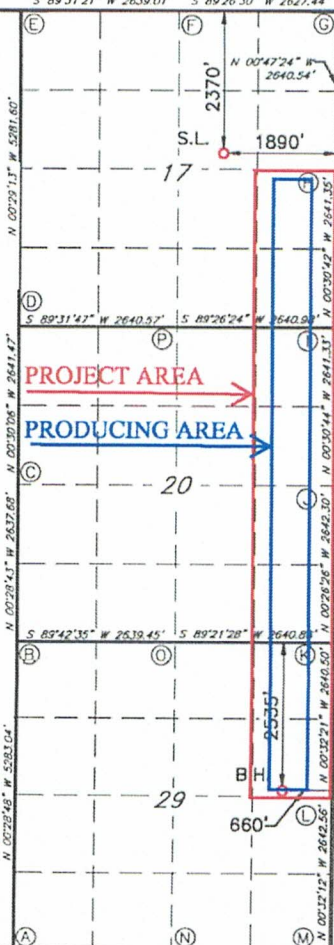
Signature: _____ Date: _____
BRADLEY BISHOP
 Printed Name
BBISHOP@MEWBOURNE.COM
 E-mail Address

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.

02/14/22
 Date of Survey

Signature and Seal of Professional Surveyor: _____


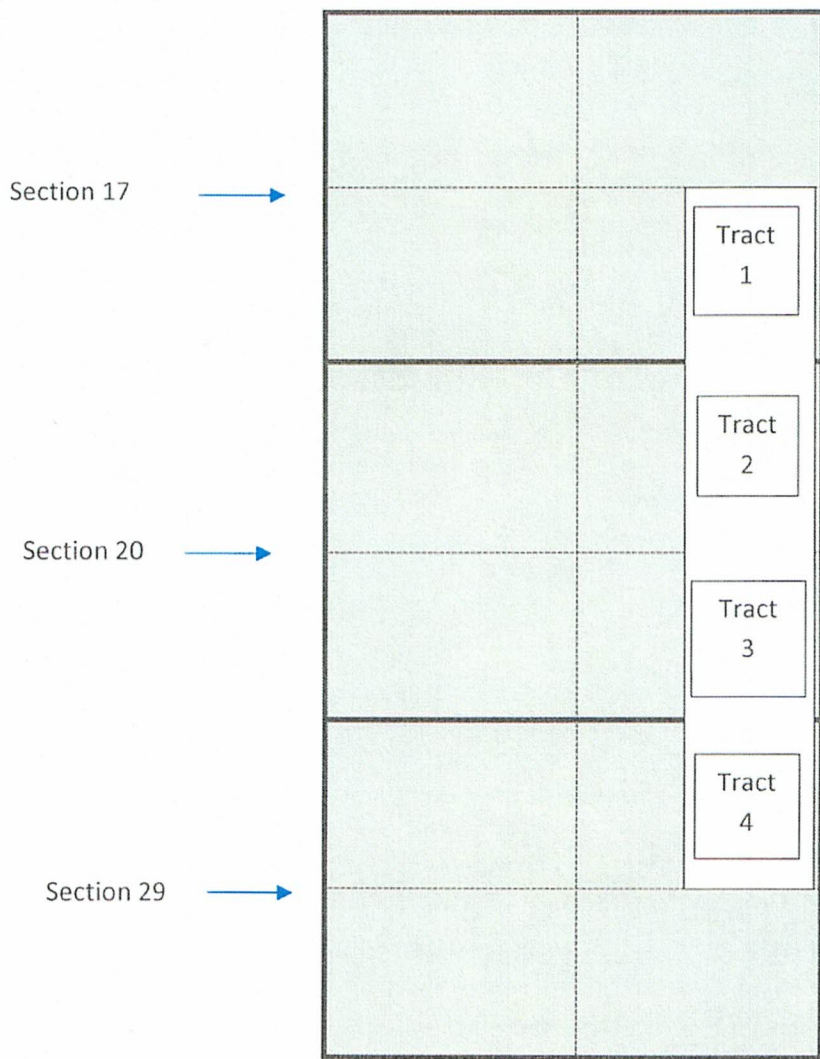
19680
 Certificate Number



Job No.: LS220201389

EXHIBIT 1

Section Plat
North Wilson Deep Unit #7H
E2SE of Section 17, E2E2 of Section 20 & E2NE of Section 29
T21S-R35E, Lea County, NM



Tract 1: E2SE of Section 17 – State Lse. E-1921
COG Operating LLC
*Devon Energy Operating, L.P.

Tract 2: E2NE of Section 20 – State Lse. B-1431
*LeaCo New Mexico Exploration and Production LLC

Tract 3: E2SE of Section 20 – State Lse. E-2446
Mewbourne Oil Company
Javelina Partners
Zorro Partners

Tract 4: E2NE of Section 29 – State Lse. B-158
Chevron U.S.A. Inc.

*Indicates parties being pooled.

ATTACHMENT 2

Exhibit 2

TRACT OWNERSHIP
North Wilson Deep Unit #7H
E2SE of Section 17, E2E2 of Section 20 & E2NE 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	25.974847%
*LeaCo New Mexico Exploration and Production, LLC 2000 Post Oak Blvd., Suite 100 Houston, TX 77056	25.000000%
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) 2.559628%
 5400 LBJ Freeway, Suite 1500
 Dallas, Texas 75240

Alpha Energy Partners, LLC 1.687311%
 508 W. Wall St., Suite 1020
 Midland, Texas 79701

Cimarex Energy Company 1.403425%
 600 N. Marienfeld St., Ste. 600
 Midland, Texas 79701

Northern Oil & Gas (fka Veritas MOC Resources LLC) 0.391414%
 4350 Baker Road, Suite 400
 Minnetonka, MN 55343

Earthstone Operating (fka Chisholm Energy Operating, LLC) 0.472086%
 600 N. Marienfeld, Ste. 1000
 Midland, Texas 79701

Magnum Hunter Production Company 0.465412%
 600 N. Marienfeld St., Ste. 600
 Midland, Texas 79701

Penroc Oil Corporation 0.148241%
 1515 W. Calle Sur, Suite 174
 Hobbs, New Mexico 77046

Javelina Partners 0.131770%
 616 Texas Street
 Fort Worth, Texas 76102-4612

Zorro Partners 0.131770%
 616 Texas St.
 Fort Worth, TX 76102

Total 100.00000%

***Total interest being pooled: 31.250000%**

ATTACHMENT 3

Summary of Communications
North Wilson Deep Unit #7H

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.

Company Name: LeaCo New Mexico Exploration and Production, LLC		
Date:	Communicated with:	Comments/Actions:
3/11/2022		Mailed well proposal (only #7H) via certified mail.
3/15/2022		Certified Mail receipt showed successful delivery at 2:32 PM
5/16/2022	Leslie Mullin	Leslie emailed me after she received pooling application notice and asked what their NRI was.
5/16/2022	Leslie Mullin	I emailed Leslie to answer her question.
5/18/2022	Leslie Mullin	Leslie emailed me asking if we would be willing to sign a letter agreement pre-pooling and sent a copy for our review.
5/18/2022	Leslie Mullin	I emailed Leslie to let her know we would be willing to sign the letter agreement but wanted some clarification on parts of it first.
5/18/2022	Leslie Mullin	Leslie emailed me to let me know she'd get back to me.
5/18/2022	Leslie Mullin	Leslie emailed me with more changes on their letter agreement form for us to review again.
5/20/2022	Leslie Mullin	Leslie emailed me to let me know she was going to be out of the office next week and gave me another contact for this project.
5/24/2022	Rob Maier	I emailed Rob to ask if they would reconsider signing our Unit JOA.
5/24/2022	Rob Maier	I emailed Rob to get some clarification on the letter agreement and the changes made.
5/24/2022	Rob Maier	Rob emailed me to tell me they did not want to sign our Unit JOA for a number of reasons, which he did let us know. He stated they were okay with us continuing to pool them.

5/24/2022	Rob Maier	I called Rob to attempt negotiations but he stated they would not sign our Unit JOA, but would like for us to help them out by signing their letter agreement.
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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

SimpleCertifiedMail.com
111 Commonwealth Court, Suite 101
Gary, NC 27511-4447
[888-462-1750 ext. 2](tel:888-462-1750) assistance@simplecertifiedmail.com

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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

LeaCo New Mexico Exploration and Production, LLC
2000 Post Oak Blvd., Suite 100
Houston, TX 77056
Attn: Land Manager

Re: Proposed Horizontal Bone Spring Well
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 well for oil and gas production:

1. 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 the above well. 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 9414836897846069766137 and reference number of Bone Spring was successfully delivered to Land Manager at LeaCo New Mexico Exploration and Production LLC

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

SimpleCertifiedMail.com
111 Commonwealth Court, Suite 103
Cary, NC 27511-4447
888-462-1750 ext. 2 assistance@simplecertifiedmail.com

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EXHIBIT 4

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: NORTH WILSON DEEP UNIT #7H (17/29 B2IH)		Prospect: OSUDO	
Location: SL: 2370 FNL & 1890 FEL (17); BHL: 2535 FNL & 660 FEL (29)		County: Lea ST: NM	
Sec. 17	Blk: 	Survey: 	TWP: 21S RNG: 35E Prop. TVD: 9851 TMD: 20200

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	\$5,200	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		\$2,659,900		\$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") 9080' - 7" 29# HPP110 BT&C @ \$36.92/ft	0181-0796	\$358,000		
Casing (4.1" - 6.0") 11120' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$20.31/ft			0181-0797	\$241,200
Tubing 9050' - 3 1/2" 9.2# L-80 IPC Tbg @ \$14.2/ft			0181-0798	\$137,200
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) TPI/CP/Circ pump			0181-0886	\$6,000
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		\$819,900		\$1,077,000
SUBTOTAL		\$3,479,800		\$5,759,000

TOTAL WELL COST	\$9,238,800
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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: _____
Joint Owner Name: _____	

ATTACHMENT 4

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 Nos. 22836

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 owner, at its last known address, 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: 1/5/22

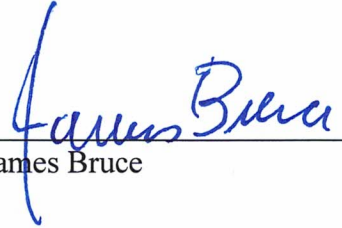

James Bruce

EXHIBIT 3

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

June 16, 2022

LeaCo New Mexico Exploration & Production LLC
Suite 100
2000 Post Oak Boulevard
Houston, Texas 77056

Ladies and gentlemen:

Enclosed is a copy of an application 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 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, NMMPM, Lea County, New Mexico. The unit will be dedicated to the North Wilson Deep Unit Well No. 7H.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, July 7, 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

ATTACHMENT

A

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

Case:	22836
Date:	July 7, 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	E/2SE/4 §17, E/2E/2 §20, and E/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. 7H API No. 30-025-50173 SHL: 2370 FNL & 1890 FEL §17 BHL: 2535 FNL & 660 FEL §29 FTP: 2540 FSL & 660 FEL §17 LTP: 2535 FNL & 660 FEL §29 Second Bone Spring Sand/TVD 9851 feet/MD 20200 feet
Horizontal Well First and Last Take	See above

EXHIBIT

4

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):	<i>James Bruce</i>
Date:	July 5, 2022