

CASE NO. 22635

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

MEWBOURNE OIL COMPANY'S EXHIBIT LIST

1. Application and Proposed Notice
2. Landman's Affidavit
3. Geologist's Affidavit
4. Affidavit of Mailing
5. Publication Affidavit
6. Pooling Checklist
7. Pre-Hearing Statement - *Already filed*

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

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

CASE NO. 22635

APPLICATION

Pursuant to NMSA § 70-2-17, Mewbourne Oil Company (“Applicant”) (OGRID No. 14744) applies for an order pooling all uncommitted interests in the Bone Spring formation from a depth of approximately 10,087’ to a depth of approximately 10,526’ underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the E/2E/2 of Section 27, Township 22 South, Range 34 East, Lea County, New Mexico (“Unit”). In support of its application, Applicant states:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Perro Loco 27 B2PA Fed Com #1H** well, which will be horizontally drilled from a surface hole location in the SE/4SE/4 (Unit P) of Section 27 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 27.
3. The completed interval of the Well will be orthodox.
4. A depth severance exists in the Bone Spring formation. Accordingly, Applicant seeks to pool all uncommitted interests in the Bone Spring formation at a stratigraphic equivalent of approximately 10,087’ MD to approximately 10,526’ MD as observed on the Sun Federal Com #1 (API 3002530603) well log.
5. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.

EXHIBIT ↓

6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the Unit should be pooled and Applicant should be designated the operator of the Well and Unit.

WHEREFORE, Applicant requests this application be set for hearing on April 7, 2022, and that after notice and hearing, the Division enter an order:

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

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Michael Rodriguez

Jaclyn M. McLean

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com

mrodriguez@hinklelawfirm.com

jmclean@hinklelawfirm.com

*Counsel for Mewbourne Oil Company*

**Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico.** Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation from a depth of approximately 10,087' to a depth of approximately 10,526' underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the E/2E/2 of Section 27, Township 22 South, Range 34 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Perro Loco 27 B2PA Fed Com #1H well, which will be horizontally drilled from a surface hole location in the SE/4SE/4 (Unit P) of Section 27 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 27. A depth severance exists in the Bone Spring formation. Accordingly, Applicant seeks to pool all uncommitted interests in the Bone Spring formation at a stratigraphic equivalent of approximately 10,087' MD to approximately 10,526' MD as observed on the Sun Federal Com #1 (API 3002530603) well log. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 45 miles east of Carlsbad, New Mexico.

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

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

**Case No. 22635**

**SELF-AFFIRMED STATEMENT OF BRAD DUNN**

Brad Dunn, being duly sworn upon his oath, deposes and states:

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

2. Pursuant to 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 unit described below, and in wells to be drilled in the unit.

(b) 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.

(c) A plat outlining the unit being pooled is submitted as Attachment A. Mewbourne seeks an order pooling all mineral interests in the E/2E/2 of Section 27, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Perro Loco 27 B2PA Fed. Com. Well No. 1H. A Form C-102 for the well is also part of Attachment A.

Only the 2<sup>nd</sup> Bone Spring is sought to be pooled in this proposed well unit. It is defined as depths from 10,087 feet subsurface to the base of the 2<sup>nd</sup> Bone Spring, at a depth of 10,526 feet subsurface, as found in the Compensated Neutron Litho Density log in the Sun Fed. Com. Well No. 1 (API No. 30-025-30603), located in Unit Letter O of Section 27, Township 22 South, Range 34 East, NMPM.

(d) The parties being pooled, and their interests, are set forth in Attachment B.

(e) In order to locate the interest owners, Mewbourne examined the county and federal records, performed internet searches, checked telephone records, made calls to family members, and searched Accurint and Whitepages.

EXHIBIT 2

(f) Attachment C is a summary of communications and sample copies of the proposal letters sent to the interest owners.

(g) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well, or to locate the interest owners.

(h) Mewbourne has the right to pool the overriding royalty owners in the well unit.

(i) Attachment D contains the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and comparable to the cost of other wells of similar depth and length drilled in this area of Lea County.

(j) A sample copy of the letters to working interest owners regarding the overlapping well units is submitted as Attachment E. No objection has been received by Mewbourne from any of the working interest owners.

(k) 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. They are also the rates set forth in the Joint Operating Agreement for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

(l) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.


(m) Mewbourne requests that it be designated operator of the well.

(n) The attachments to this affidavit were prepared by me, or compiled from company business records.

(o) The granting of this application is in the interests of conservation and the prevention of waste.

3. 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 2(o) above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

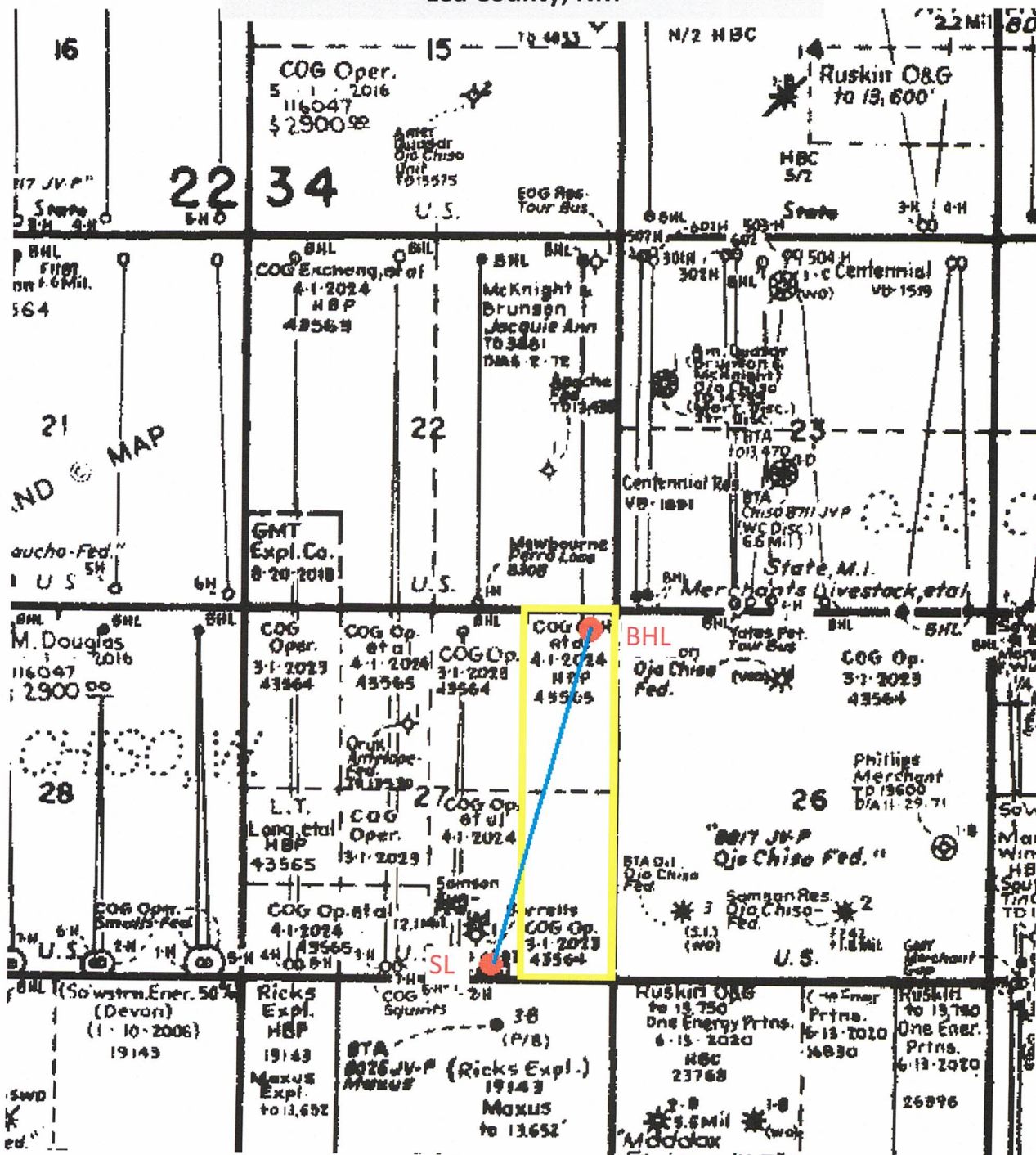
Date: 7/28/2022

  
\_\_\_\_\_  
Brad Dunn

PERRO LOCO 27 B2PA FED COM #1H

Section 27 (E2E2), T22S, R34E

Lea County, NM



ATTACHMENT A



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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>3</sup> Pool Code 96553	<sup>3</sup> Pool Name Ojo Chiso; Bone Spring
<sup>4</sup> Property Code	<sup>5</sup> Property Name PERRO LOCO 27 B2PA FED COM	<sup>6</sup> Well Number 1H
<sup>7</sup> OGRID NO.	<sup>8</sup> Operator Name MEWBOURNE OIL COMPANY	<sup>9</sup> Elevation 3407'

<sup>10</sup> Surface Location

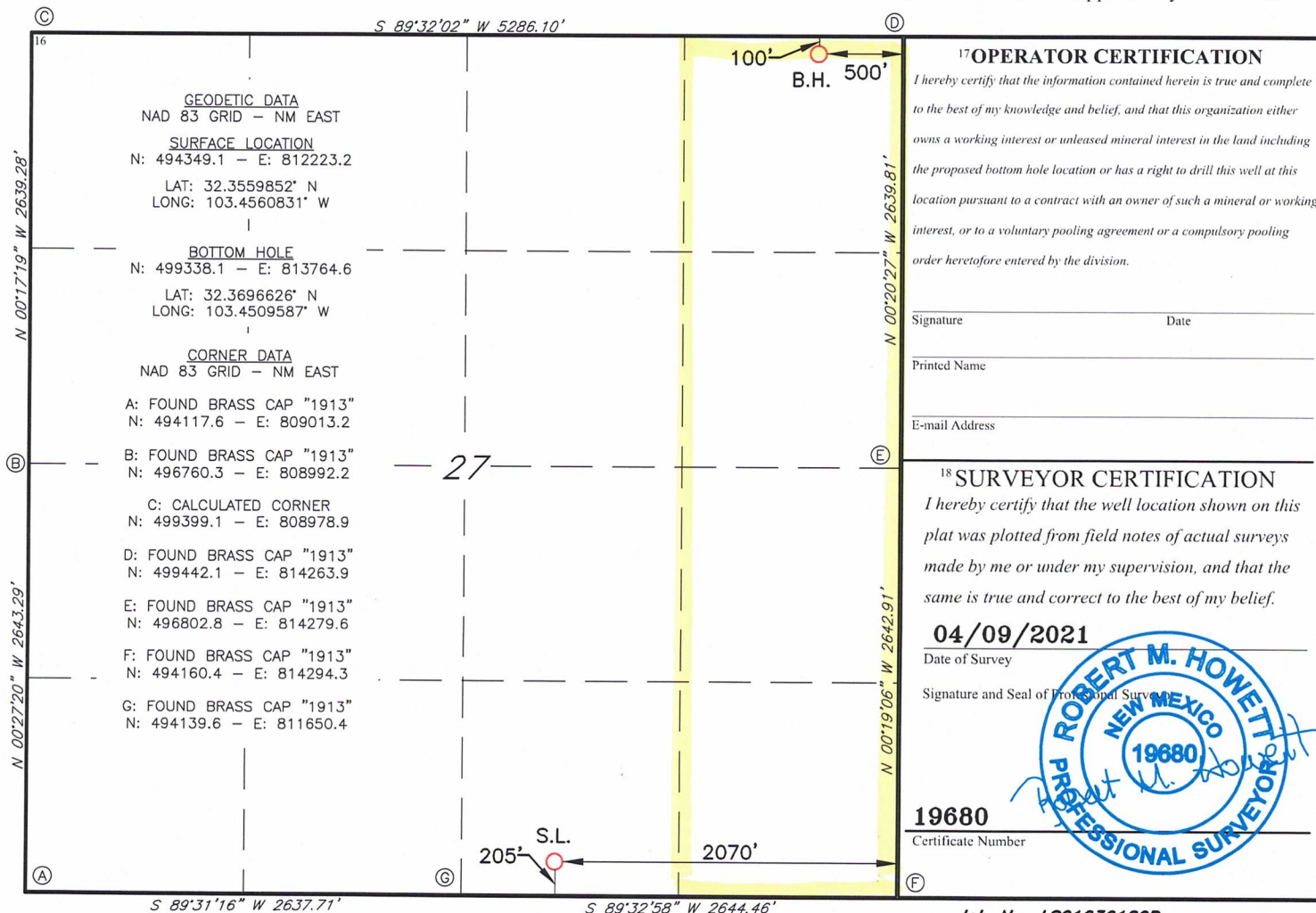
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
0	27	22S	34E		205	SOUTH	2070	EAST	LEA

<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
A	27	22S	34E		100	NORTH	500	EAST	LEA

<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.

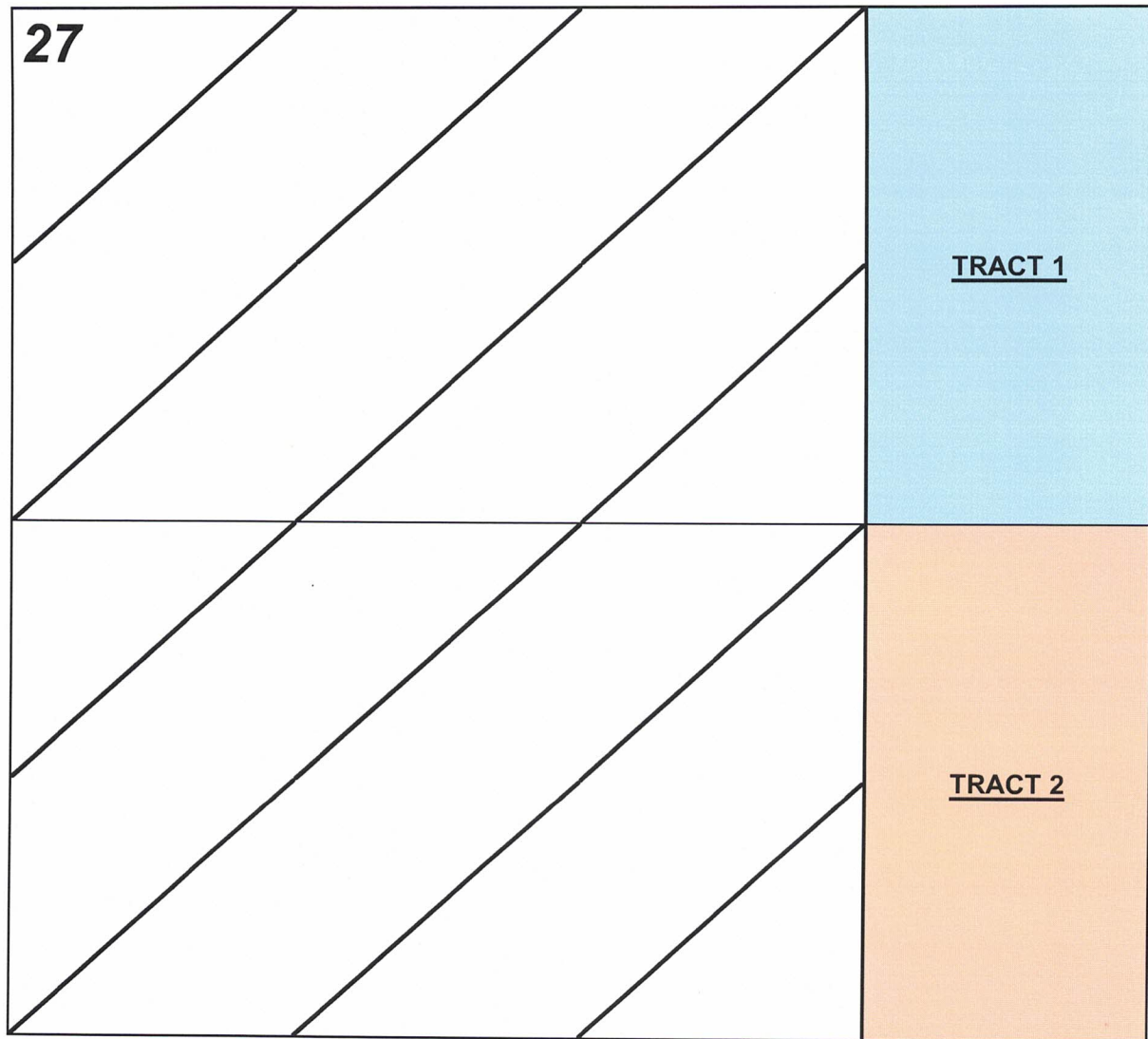


Job No: LS21030182R

**SECTION PLAT**

East Half of the East Half (E/2E/2) of Section 27, Township 22 South, Range 34 East

County of Lea, State of New Mexico



ATTACHMENT B

**Tract 1:** E2NE4 SEC. 27-USA LEASE NO. NMNM 43565

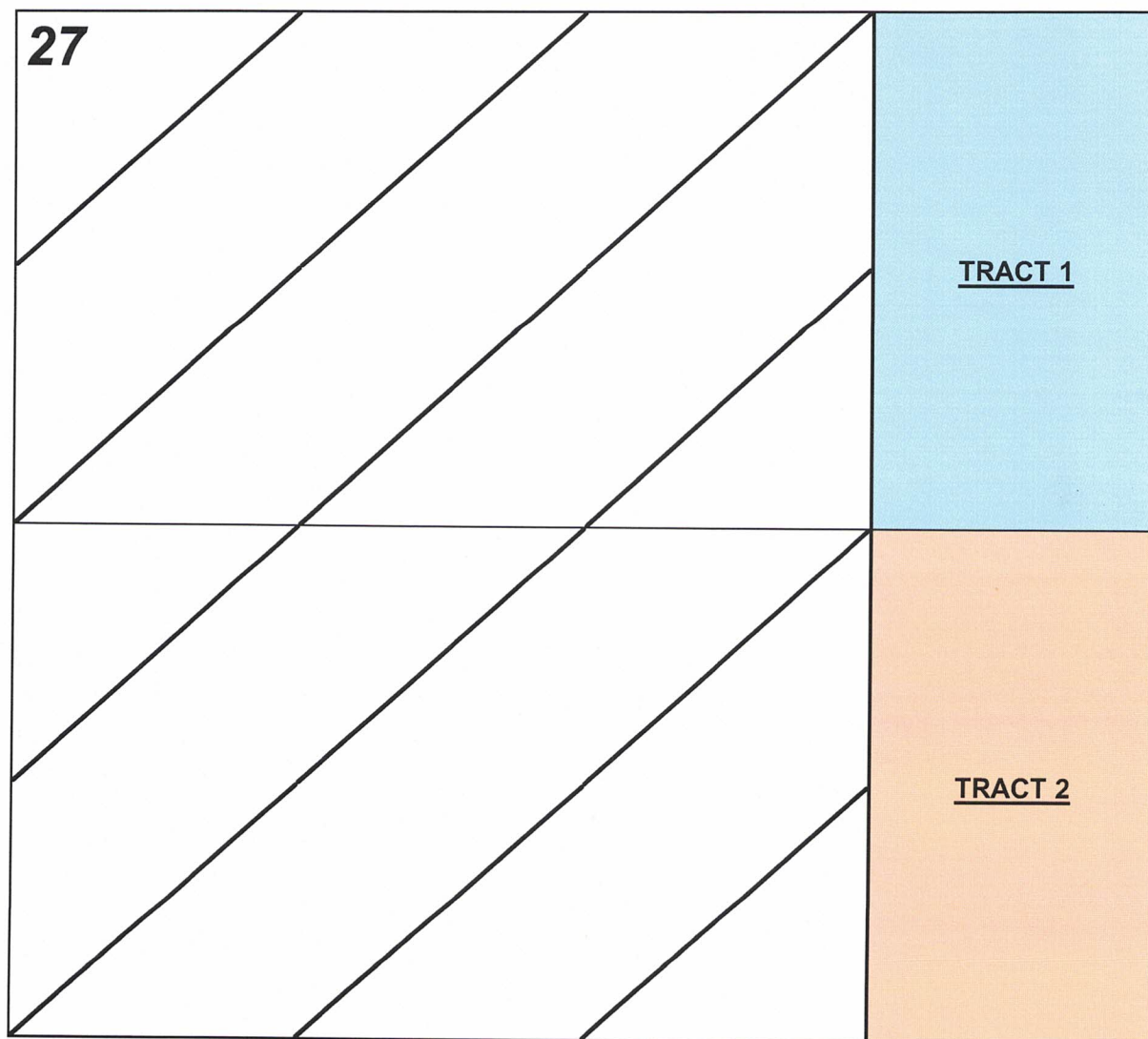
MEWBOURNE OIL COMPANY  
COG OPERATING LLC  
ALPHA ENERGY PARTNERS LLC  
AXIS ENERGY CORPORATION  
BTA OIL PRODUCERS LLC  
ALEYNA N. PACE  
CLINTON PACE  
LARRY T. LONG  
RYAN PACE  
TARA N. PACE

**Tract 2:** E2SE4 SEC. 27-USA LEASE NO. NMNM 43564

MEWBOURNE OIL COMPANY  
COG OPERATING LLC  
ALPHA ENERGY PARTNERS LLC  
AXIS ENERGY CORPORATION  
BTA OIL PRODUCERS LLC  
ALEYNA N. PACE  
CLINTON PACE  
LARRY T. LONG  
RYAN PACE  
TARA N. PACE

**RECAPITULATION FOR PERRO LOCO 27 B2PA FED COM #1H**

<b>Tract Number</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest In Communitized Area</b>
1	80.00	50.000000%
2	80.00	50.000000%
<b>TOTAL</b>	<b>160.00</b>	<b>100.000000%</b>



**TRACT OWNERSHIP  
PERRO LOCO 27 B2PA FED COM #1H  
Section 27 (E/2E/2), T22S, R34E  
Lea County, New Mexico**

**Section 27 (E/2E/2)**

**2<sup>nd</sup> Bone Spring formation:**

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	50.000000%
*COG Operating LLC 600 W. Illinois Avenue Midland, Texas 79701	50.000000%
	100.000000%

**\* Total interest being pooled: 50.000000%**

**OWNERSHIP BY TRACT**

**E/2E/2 (160 Acres):**

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	50.000000%
*COG Operating LLC 600 W. Illinois Avenue Midland, Texas 79701	50.000000%
	100.000000%

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

January 3, 2022

Via Certified Mail

COG Operating LLC  
600 W. Illinois Avenue  
Midland, Texas 79701  
Attn: Baylor Mitchell

Re:

1. PERRO LOCO 27 B2PA FED COM #1H AFE, E2 Section 27, T22S, R34E, Lea County, New Mexico
2. PERRO LOCO 27/22 B3PA FED COM #2H AFE, E2 Sections 27 & 22, T22S, R34E, Lea County, New Mexico
3. PERRO LOCO 27 B3OB FED COM #1H AFE, E2 Section 27, T22S, R34E, Lea County, New Mexico
4. PERRO LOCO 27/22 B2OB FED COM #2H AFE, E2 Sections 27 & 22, T22S, R34E, Lea County, New Mexico
5. PERRO LOCO 27/22 Joint Operating Agreement dated January 15, 2022  
E/2 of Sec. 27, T22S, R34E  
E/2 of Sec. 22, T22S, R34E  
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640.00 acre Working Interest Unit ("WIU") covering the E/2 of the above captioned sections 27 and 22 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring Formation. Mewbourne as Operator hereby proposes to drill the following horizontal Bone Spring wells:

1. PERRO LOCO 27 B2PA FED COM #1H will have a surface location 205' FSL & 2070' FEL in the above captioned Section 27 and a bottom hole location approximately 100' FNL & 500' FEL of the above captioned Section 27. We anticipate drilling to an approximate total vertical depth of 10,388' and an approximate total measured depth of 15,143'. The E2E2 of Section 27 will be dedicated to the well as the proration unit.
2. PERRO LOCO 27/22 B3PA FED COM #2H will have a surface location 205' FSL & 2090' FEL in the above captioned Section 27 and a bottom hole location approximately 100' FNL & 680' FEL of the above captioned Section 22. We anticipate drilling to an approximate total vertical depth of 11,222' and an approximate total measured depth of 21,289'. The E2E2 of Section 27 and the E2E2 of Section 22 will be dedicated to the well as the proration unit.

ATTACHMENT

C

3. PERRO LOCO 27 B3OB FED COM #1H will have a surface location 205' FSL & 2130' FEL in the above captioned Section 27 and a bottom hole location approximately 100' FNL & 2100' FEL of the above captioned Section 27. We anticipate drilling to an approximate total vertical depth of 11,261' and an approximate total measured depth of 16,195'. The W2E2 of Section 27 will be dedicated to the well as the proration unit.
4. PERRO LOCO 27/22 B2OB FED COM #2H will have a surface location 205' FSL & 2110' FEL in the above captioned Section 27 and a bottom hole location approximately 100' FNL & 2100' FEL of the above captioned Section 22. We anticipate drilling to an approximate total vertical depth of 10,341' and an approximate total measured depth of 20,480'. The W2E2 of Section 27 and the W2E2 of Section 22 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling are our AFEs dated December 30, 2021 for the captioned proposed wells. In the event your firm elects to participate in the proposed wells, please execute the enclosed AFEs and return them to me within thirty (30) days.

Additionally, enclosed for your further handling is the Operating Agreement dated January 15, 2022, by and between Mewbourne Oil Company as Operator and BTA Oil Producers, LLC, et al, as Non-Operators and one (1) set of signature pages (6 total signature pages) for your execution. Our proposed Operating Agreement will have COPAS rates of \$8,000/month while drilling, \$800/month for a producing well and a non-consent penalty of 100%/300%. Upon your review and approval, please return only the executed set of signature pages to my attention at the above letterhead address.

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

Sincerely,

**MEWBOURNE OIL COMPANY**



Brad Dunn  
Petroleum Landman



January 5, 2022

Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number: **9402 8368 9784 6813 1612 82.**

Item Details

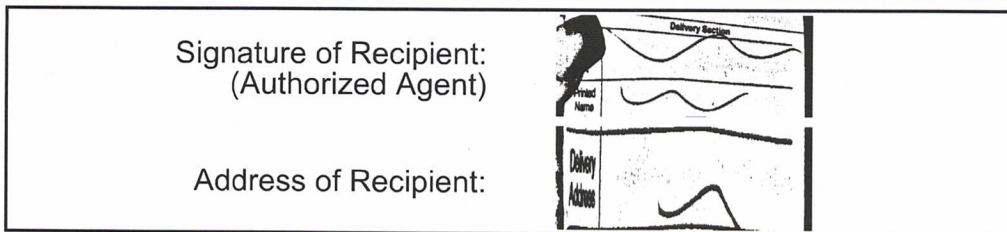
**Status:** Delivered to Agent for Final Delivery  
**Status Date / Time:** January 5, 2022, 5:20 pm  
**Location:** MIDLAND, TX 79701  
**Postal Product:** Priority Mail®  
**Extra Services:** Certified Mail™  
 Return Receipt Electronic  
 Up to \$100 insurance included

**Recipient Name:** Baylor Mitchell

Shipment Details

**Weight:** 1.0oz

Recipient Signature



Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,  
United States Postal Service®  
475 L'Enfant Plaza SW  
Washington, D.C. 20260-0004

Baylor Mitchell  
 ConocoPhillips Co.  
 600 W. Illinois Ave.  
 Midland, TX 79701  
 Reference #: Perro Loco 22-27



**Summary of Communications**  
**PERRO LOCO 27 B2PA FED COM #1H**  
**E2E2 Section 27, T22S, R34E, Lea County**

COG Operating LLC

- 1) 1/3/2022: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 1/5/2022: Certified mail delivery confirmation to recipient.
- 3) 1/12/2022: Emailed Baylor Mitchell at COG Operating informing him of the well proposals he should have received from me the previous week and sending him an updated Exhibit "A" to the Joint Operating Agreement.
- 4) 2/16/2022: Emailed Baylor Mitchell to follow-up on their elections decisions within this Perro Loco 27/22 unit.
- 5) 3/17/2022: Baylor Mitchell calls me to discuss how COG Operating doesn't like our development plan for the Perro Loco 27/22 unit and he has a trade idea. This is the first time COG Operating discussed this with me after having the well proposals now for two and a half months. The trade idea was never discussed in detail and no details of the trade were ever sent to me in any kind of a document.
- 6) 3/21/2022: Email and phone correspondence with Baylor Mitchell discussing COG's interest in the Perro Loco 27/22 unit. I asked again about setting up a meeting with COG to discuss their issues with our development plan within this unit to which no meeting has still been planned or taken place.
- 7) 4/4/2022: Email from Mackayla Stone at COG with a self-development letter attached giving a brief explanation that COG plans to send us 1-mile counterproposals soon in the E2 of Sec. 27-22S-34E.
- 8) 4/5/2022: Left a voicemail with Mackayla Stone at COG and sent her an email giving her notice that their letter is inaccurate, and that Mewbourne does in fact own in the E2 of Sec. 27-22S-34E. I also once again requested to have a meeting with COG to discuss their issues with our development plan within this unit to which no meeting has still been planned or taken place. COG at this point in time is still unwilling to meet with us.
- 9) 4/11/2022: Sent Mackayla Stone & Baylor Mitchell at COG an email with a specific trade proposal in seeking to work something out with them. COG indicated they were looking into it and would get back with me.
- 10) 4/25/2022: Emailed Baylor Mitchell at COG regarding the trade concept proposed two weeks prior. He again said they were looking into it and would have feedback to me soon. No tangible feedback of any kind from COG so far.
- 11) 5/2/2022: Emailed Baylor Mitchell at COG regarding the trade concept proposed three weeks prior. He again said they were looking into it and would have feedback to me soon. No tangible feedback of any kind from COG so far.

- 12) 5/10/2022: Baylor Mitchell emailed me saying COG was still looking into our trade concept that was proposed to them on 4/11/2022 and that he would have feedback to me soon. No tangible feedback of any kind from COG so far.
- 13) 5/17/2022: Emailed Baylor Mitchell at COG regarding the trade concept proposed five weeks prior. He again said they were looking into it and would have feedback to me by the end of the week. No tangible feedback of any kind from COG so far.
- 14) 5/20/2022: This work week came to end and there was still no feedback of any kind from COG regarding a counter or any input to our trade proposed on 4/11/2022. I have also requested numerous times via email and over the phone to have a meeting with them either in person or on the phone to which they never permitted to happen and made no attempt to happen.

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: **PERRO LOCO 27 B2PA FED COM #1H** Prospect: **PERRO LOCO**  
 Location: **SL: 205 FSL & 2070 FEL; BHL: 100 FNL & 500 FEL** County: **Lea** ST: **NM**  
 Sec. **27** Blk:  Survey:  TWP: **22S** RNG: **34E** Prop. TVD: **10388** TMD: **15143**

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$35,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$75,000
Daywork / Turnkey / Footage Drilling 17 days drlg / 3 days comp @ \$20500/d		0180-0110	\$372,200	0180-0210	\$65,700
Fuel 1700 gal/day @ \$.15/gal		0180-0114	\$97,200	0180-0214	\$203,600
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120	\$60,000	0180-0220	
Mud - Specialized		0180-0121	\$120,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$100,000
Stimulation Toe Preparation				0180-0223	\$23,000
Cementing		0180-0125	\$100,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$30,900	0180-0230	\$189,200
Casing / Tubing / Snubbing Services		0180-0134	\$25,000	0180-0234	\$18,000
Mud Logging		0180-0137	\$15,000		
Stimulation 24 Stg 9.6 MM gal / 12.1 MM lb				0180-0241	\$1,100,600
Stimulation Rentals & Other				0180-0242	\$158,000
Water & Other		0180-0145	\$35,000	0180-0245	\$171,100
Bits		0180-0148	\$94,000	0180-0248	\$5,000
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$12,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$110,600	0180-0270	\$39,100
Directional Services Includes Vertical Control		0180-0175	\$238,000		
Equipment Rental		0180-0180	\$133,500	0180-0280	\$5,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,100	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	\$79,200	0180-0295	\$25,200
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 10% (TCP) 10% (CC)		0180-0199	\$204,300	0180-0299	\$235,600
<b>TOTAL</b>			<b>\$2,247,000</b>		<b>\$2,591,600</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 1750' - 13 3/8" 54.5# J-55 ST&C @ \$58.73/ft		0181-0794	\$109,800		
Casing (8.1" - 10.0") 5700' - 9 5/8" 40# J-55 LT&C @ \$41.98/ft		0181-0795	\$255,600		
Casing (6.1" - 8.0") 10660' - 7" 29# HPP110 BT&C @ \$36.92/ft		0181-0796	\$420,300		
Casing (4.1" - 6.0") 5100' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$20.31/ft				0181-0797	\$110,600
Tubing 8820' - 2 7/8" 6.5# L-80 IPC Tbg @ \$12.5/ft				0181-0798	\$117,800
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger				0181-0871	\$70,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Pumping Unit Systems				0181-0885	
Service Pumps (1/4) TP/CP/Circ pump				0181-0886	\$8,000
Storage Tanks (1/4) 8 OT/6 WT/GB				0181-0890	\$108,000
Emissions Control Equipment (1/4) VRT's/VRU/Flare/KO's				0181-0892	\$113,000
Separation / Treating Equipment (1/4) H sep/V sep/HT				0181-0895	\$105,000
Automation Metering Equipment				0181-0898	\$45,000
Line Pipe & Valves - Gathering 1 mile gas & water				0181-0900	\$45,000
Fittings / Valves & Accessories				0181-0906	\$213,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$85,000
Equipment Installation				0181-0910	\$90,000
Pipeline Construction 1 mile gas & water				0181-0920	\$40,000
<b>TOTAL</b>			<b>\$820,700</b>		<b>\$1,205,400</b>
<b>SUBTOTAL</b>			<b>\$3,067,700</b>		<b>\$3,797,000</b>

**TOTAL WELL COST \$6,864,700**

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

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

Prepared by: T. Cude Date: 12/30/2021  
 Company Approval: \_\_\_\_\_ Date: \_\_\_\_\_  
 Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_  
 Joint Owner Name: \_\_\_\_\_ Signature: \_\_\_\_\_

ATTACHMENT D

**MEWBOURNE OIL COMPANY**

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

TELEPHONE (432) 682-3715

June 6, 2022

**Certified Mail – Return Receipt Requested**

COG Operating LLC  
600 W. Illinois Avenue  
Midland, Texas 79701  
Attn: Baylor Mitchell

To: Working Interest Owners in the Bone Spring formation  
W/2E/2 §22 and the W/2E/2 §27-22S-27E, NMPM  
Lea County New Mexico

Re: Overlapping spacing units

Ladies and Gentlemen:

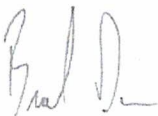
As you are aware, Mewbourne Oil Company (“Mewbourne”) has proposed the drilling of the Perro Loco 27/22 B2OB Fed Com No. 2H (“27/22 B2OB”) on the above-described lands to a depth sufficient to test the Second Bone Spring Sand. The W/2E/2 §22-22S-27E, NMPM is in the well unit for the Perro Loco 22 B3OB Federal Com No. 1H (“22 B3OB”) (operated by Mewbourne), which has been drilled and completed in the Third Bone Spring Sand. All interest owners in the 22 B3OB well are in the well unit for the 27/22 B2OB well. However, the interest owners in the W/2E/2 §27 own no interest in the 22 B3OB well.

Mewbourne provides this notice pursuant to NMAC 19.15.16.15.B(9)(b). Because of the different sands being tested by the two wells, and the geological barrier between the two zones, Mewbourne expects no effects on the 22 B3OB well from the drilling and completion of the 27/22 B2OB well. In addition, distribution of production proceeds to the interest owners in the 22 B3OB well will not change upon the drilling of the 27/22 B2OB well. The Oil Conservation Division’s Rule cited above requires Mewbourne to notify you of the overlapping well units. If you have any objection to Mewbourne filing an Application for Permit to Drill the 27/22 B3OB well, you must deliver a written statement of such objection to Mewbourne within 20 days of the date of this letter.

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

Sincerely,

**MEWBOURNE OIL COMPANY**



Brad Dunn  
Petroleum Landman

ATTACHMENT



MEWBOURNE OIL COMPANY

FASKEN CENTER  
500 WEST TEXAS, SUITE 1020  
MIDLAND, TX 79701  
TELEPHONE (432) 682-3715

June 6, 2022

**Certified Mail – Return Receipt Requested**

COG Operating LLC  
600 W. Illinois Avenue  
Midland, Texas 79701  
Attn: Baylor Mitchell

To: Working Interest Owners in the Bone Spring formation  
E/2E/2 §22 and the E/2E/2 §27-22S-27E, NMPM  
Lea County New Mexico

Re: Overlapping spacing units

Ladies and Gentlemen:

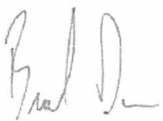
As you are aware, Mewbourne Oil Company (“Mewbourne”) has proposed the drilling of the Perro Loco 27/22 B3PA Fed Com No. 2H (“27/22 B3PA”) on the above-described lands to a depth sufficient to test the Third Bone Spring Sand. The E/2E/2 §22-22S-27E, NMPM is in the well unit for the Perro Loco 22 B2PA Federal Com No. 1H (“22 B2PA”) (operated by Mewbourne), which has been drilled and completed in the Second Bone Spring Sand. All interest owners in the 22 B2PA well are in the well unit for the 27/22 B3PA well. However, the interest owners in the E/2E/2 §27 own no interest in the 22 B2PA well.

Mewbourne provides this notice pursuant to NMAC 19.15.16.15.B(9)(b). Because of the different sands being tested by the two wells, and the geological barrier between the two zones, Mewbourne expects no effects on the 22 B2PA well from the drilling and completion of the 27/22 B3PA well. In addition, distribution of production proceeds to the interest owners in the 22 B2PA well will not change upon the drilling of the 27/22 B3PA well. The Oil Conservation Division’s Rule cited above requires Mewbourne to notify you of the overlapping well units. If you have any objection to Mewbourne filing an Application for Permit to Drill the 27/22 B2PA well, you must deliver a written statement of such objection to Mewbourne within 20 days of the date of this letter.

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

Sincerely,

**MEWBOURNE OIL COMPANY**



Brad Dunn  
Petroleum Landman

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

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

Case No. 22633

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

Case No. 22634

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

Case No. 22635

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

Case No. 22636

SELF-AFFIRMED STATEMENT OF JORDAN CARRELL

Jordan Carrell deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in these cases. I have been qualified by the Division as an expert petroleum geologist.
3. The following geological plats are attached hereto:
  - (a) Attachment A is a structure map on the 3<sup>rd</sup> Bone Spring Sand top. It shows that structure dips to the southwest. It also shows all of the Bone Spring horizontal wells in the area, and a line of cross-section.
  - (b) Attachment B is a 2<sup>nd</sup> Bone Spring Sand Gross Thickness Map. This map shows the locations of the two proposed 2<sup>nd</sup> Bones Spring Sand wells, the Perro Loco 27 B2PA Fed. Com. Well No. 1H and the Perro Loco 27/22 B2OB Fed. Com. Well No. 2H.

Only the 2<sup>nd</sup> Bone Spring is sought to be pooled in these two proposed well units. It is defined as depths from 10,087 feet subsurface to the base of the 2<sup>nd</sup> Bone Spring, at a depth of 10,526 feet subsurface, as found in the Compensated Neutron Litho Density log

EXHIBIT 3

in the Sun Fed. Com. Well No. 1 (API No. 30-025-30603), located in Unit Letter O of Section 27, Township 22 South, Range 34 East, NMPM.

(c) Attachment C is a 3<sup>rd</sup> Bone Spring Sand Gross Thickness Map. This map shows the locations of the two proposed 3<sup>rd</sup> Bone Spring Sand wells, the Perro Loco 27 B3OB Fed. Com. Well No. 1H and the Perro Loco 27/22 B3PA Fed. Com. Well No. 2H.

Only the 3<sup>rd</sup> Bone Spring is sought to be pooled in these two proposed well units. It is defined as depths from 10,526 feet subsurface to the base of the Bone Spring formation, at a depth of 11,325 feet subsurface, as found in the Compensated Neutron Litho Density log in the Sun Fed. Com. Well No. 1 (API No. 30-025-30603), located in Unit Letter O of Section 27, Township 22 South, Range 34 East, NMPM.

(d) The reason the depths being pooled are limited is because of existing 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring wells in this acreage.

(e) Attachment D is a cross section of the 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring Sands, and shows the planned target zones for each well.

The well logs on the cross-section give a representative sample of the 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring Sands in this area. The sands are continuous and uniformly thick across the well units.

4. I conclude from the maps that:

(a) The horizontal spacing units are justified from a geologic standpoint.

(b) The target zones are continuous and of relatively uniform thickness across the well units.

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

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


(e) Due to the 3<sup>rd</sup> Bone Spring Carbonate barrier, production from the 2<sup>nd</sup> Bone Spring wells will not affect the 3<sup>rd</sup> Bone Spring wells, and *vice versa*.

5. Attachment E contains production information from other 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring Sand wells drilled in this area. The 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring wells in this area are all standup wells.

6. Attachment F contains the Horizontal Drilling Plans or Survey Calculation Reports for the proposed wells. The producing intervals of the wells will be orthodox.

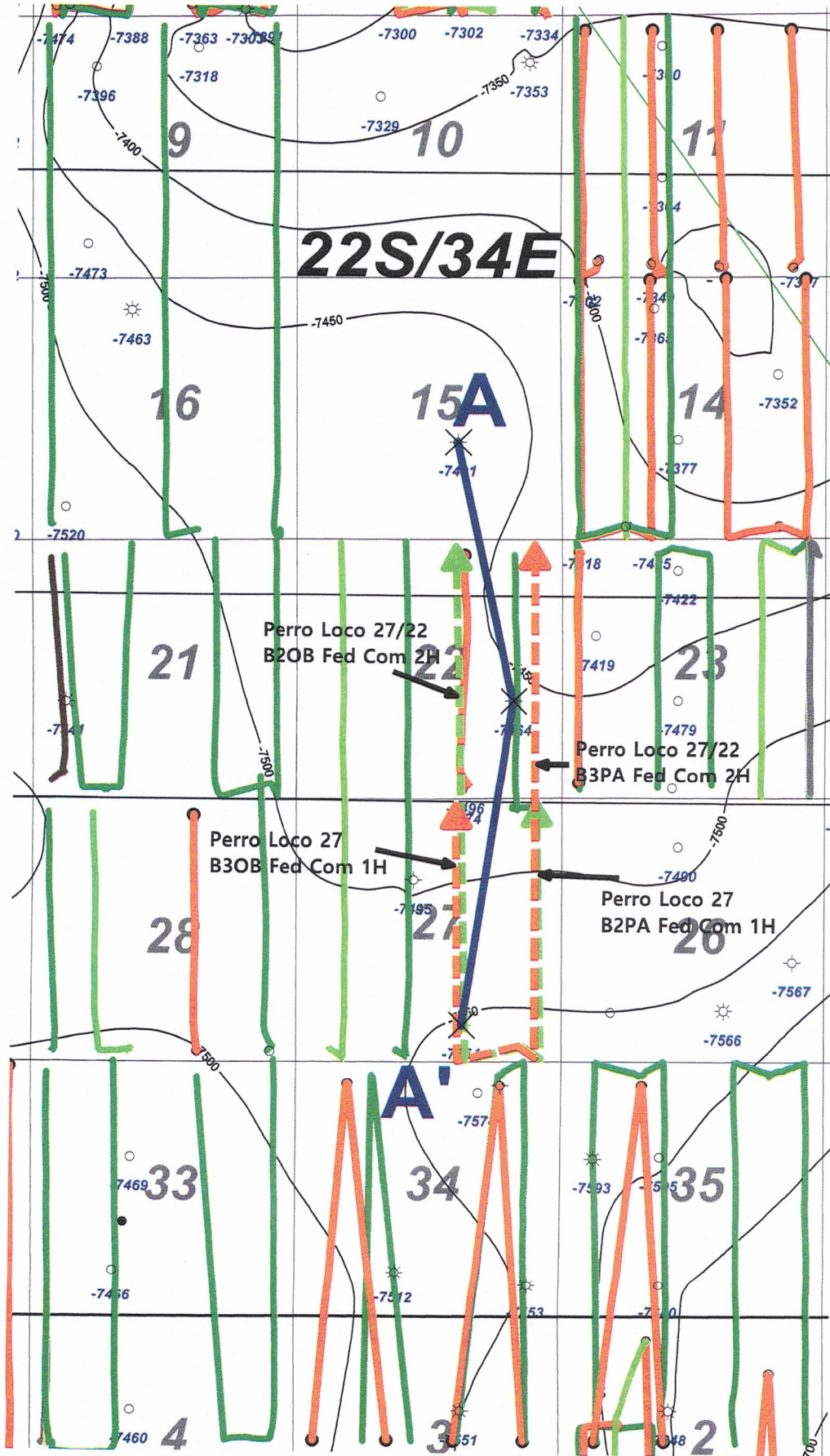
7. I understand that this Self-Affirmed Statement will be used as written testimony in these cases. I affirm that my testimony in paragraphs 1 through 6 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 7-26-2022



Jordan Carrell  
Jordan Carrell

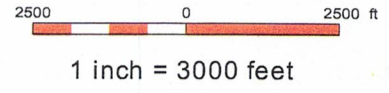




**MOC Newbourn Oil Company**

Perro Loco 27/22  
3<sup>rd</sup> BSPG Sand Structure Contour Map  
C.I. = 50'

5/24/22	Lea County	New Mexico
---------	------------	------------



Wells deeper than 7000'

●  
TD

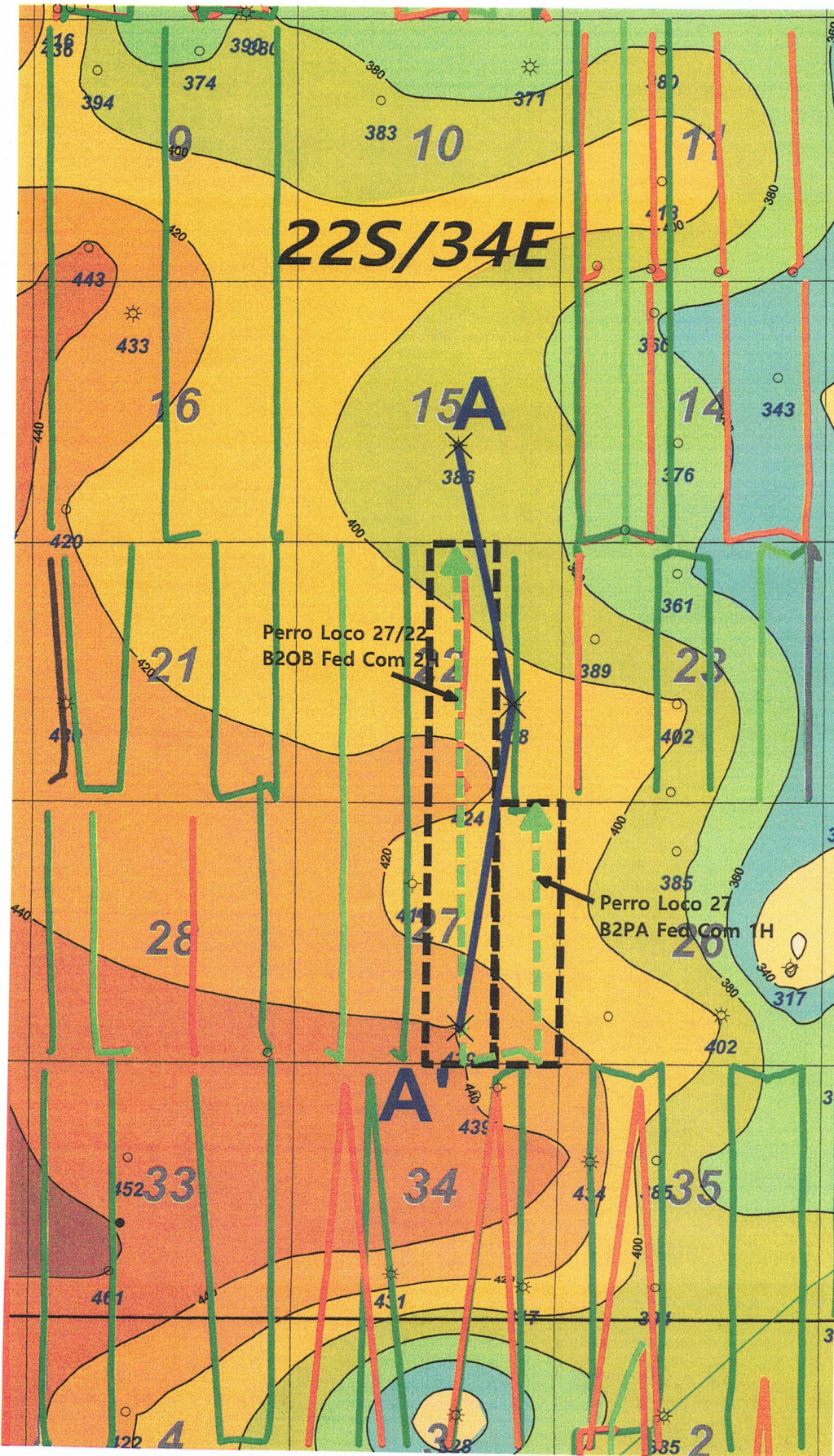
**3<sup>rd</sup> BSPG Carbonate structural top (subsea)**

BSPG Horizontal Color Code

- Avalon Shale Well
- 1st BSPG Sand Well
- Upper 2nd BSPG Sand Well
- Lower 2nd BSPG Sand Well
- 3rd BSPG Sand Well

ATTACHMENT *A*

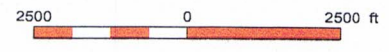




**MOC Mewbourne Oil Company**

**Perro Loco 27 B2PA & 27/22 B2OB**  
 2<sup>nd</sup> BSPG Sand Gross Thickness Isopach Map  
 C.I. = 20'

5/24/22	Lea County	New Mexico
---------	------------	------------



1 inch = 3000 feet

Wells deeper than 7000'



TD

**2<sup>nd</sup> BSPG Sd gross thickness (ft)**

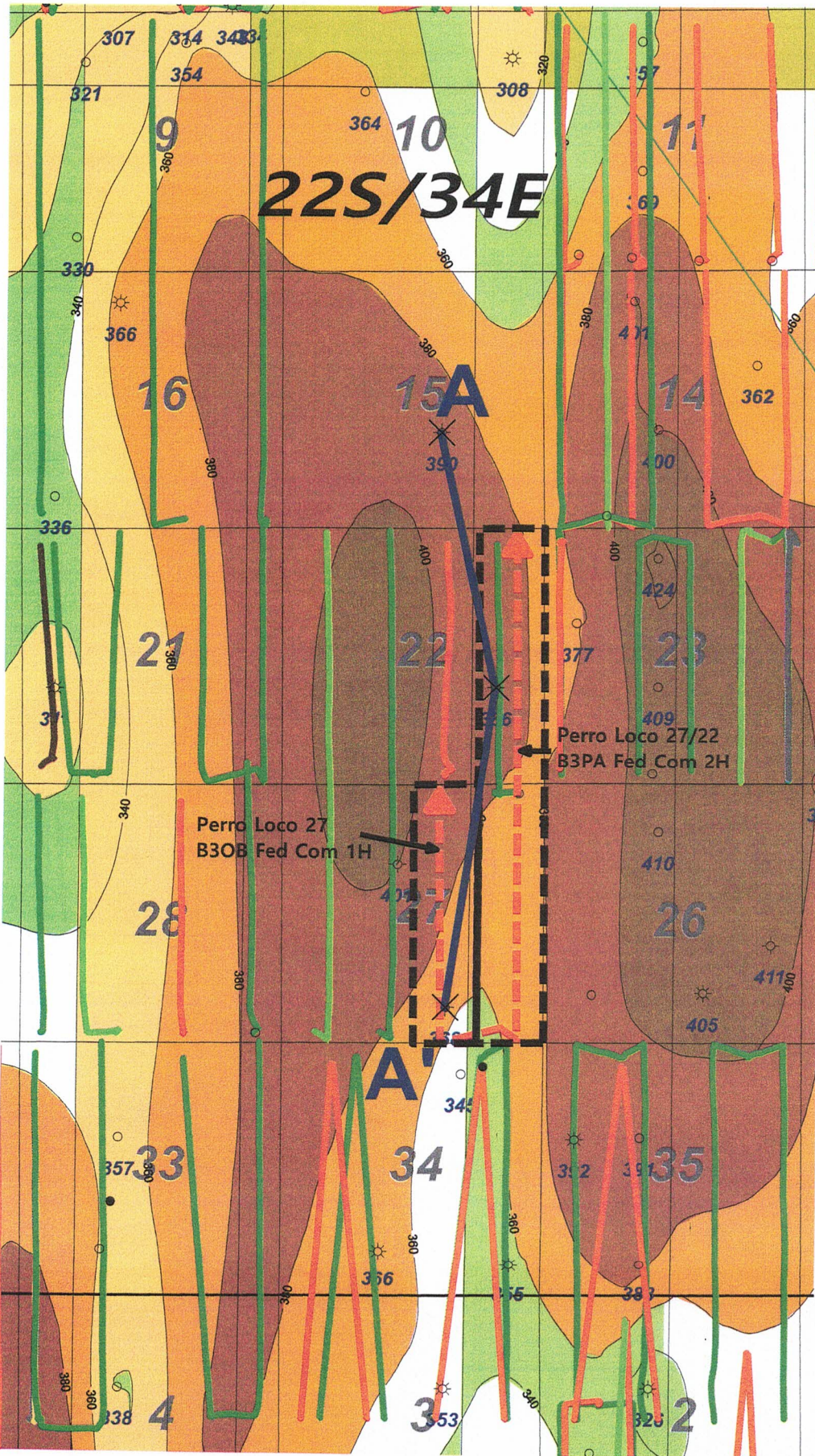
BSPG Horizontal Color Code

- Avalon Shale Well
- 1st BSPG Sand Well
- Upper 2nd BSPG Sand Well
- Lower 2nd BSPG Sand Well
- 3rd BSPG Sand Well

*B*

ATTACHMENT





**MOC Mewbourne Oil Company**

**Perro Loco 27 B3OB & 27/22 B3PA**  
**3rd BSPG Sand Gross Thickness Isopach Map**  
**C.I. = 20'**

5/24/22	Lea County	New Mexico
Scale: 1" = 2200'		



1 inch = 3000 feet

Wells deeper than 7000'



TD

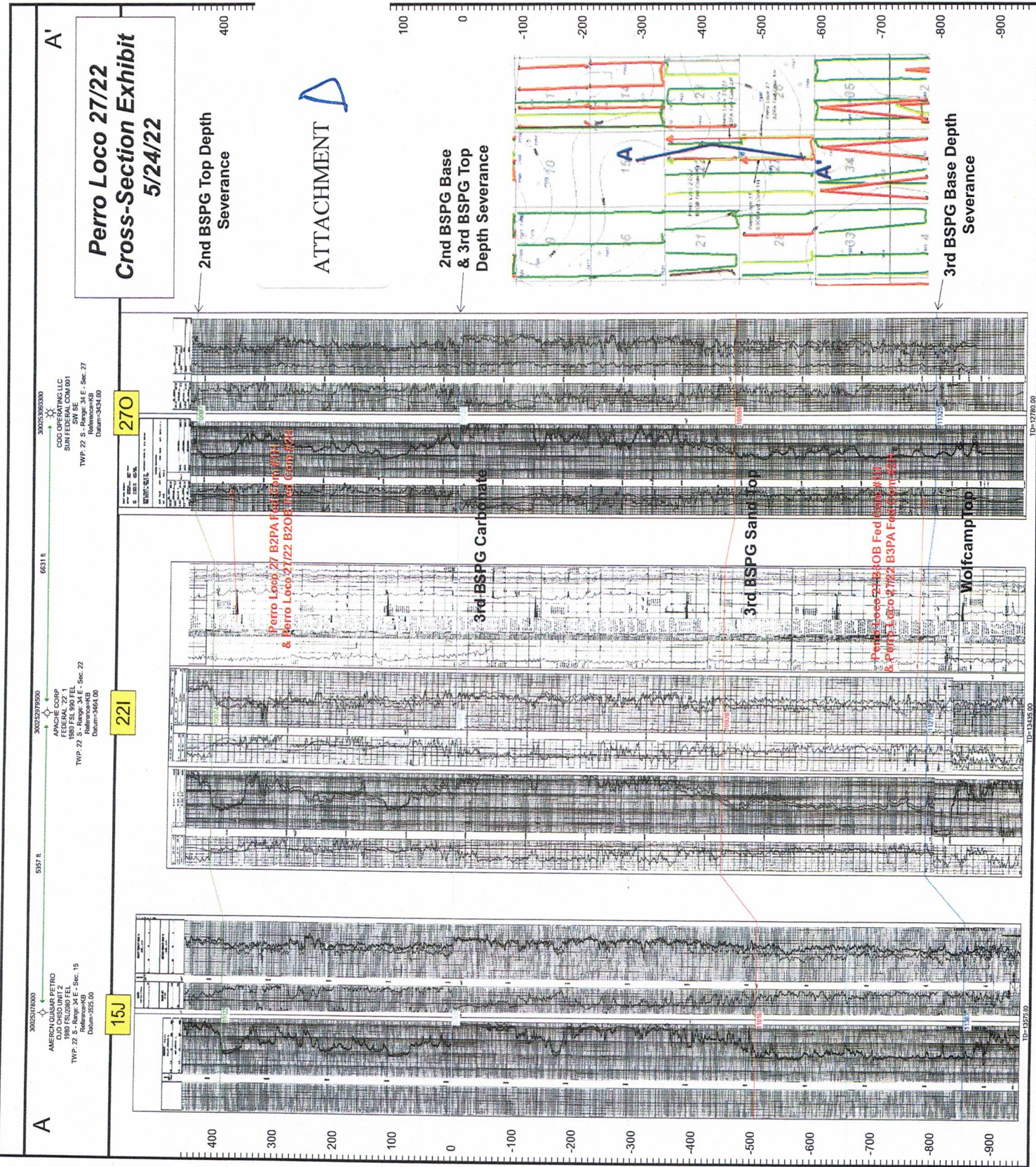
**3rd BSPG Sd gross thickness (ft)**

BSPG Horizontal Color Code

- Avalon Shale Well
- 1st BSPG Sand Well
- Upper 2nd BSPG Sand Well
- Lower 2nd BSPG Sand Well
- 3rd BSPG Sand Well

ATTACHMENT





**Perro Loco 2nd & 3rd Bone Spring Sand Horizontal Production Data Table**

Well Name	Operator	API	Location	Comp Date	Cum Oil (MBO)	Cum Gas (BCF)	Cum Water (MBW)	NS/EW	HZ Target
GAUCHO 21 FEDERAL 3H	DEVON ENERGY	3002542136	22S 34E 21N SE SW	2015-12-05	288	1.0	341	NS	2nd BSPG Sd
GAUCHO 21 FEDERAL 4H	DEVON ENERGY	3002542137	22S 34E 21N	2015-12-10	389	0.9	334	NS	2nd BSPG Sd
TOUR BUS 23 STATE 502H	DEVON ENERGY	3002542735	22S 34E 23D	2016-04-25	257	0.4	502	NS	2nd BSPG Sd
SMALLS FEDERAL 1H	COG OPERATING LLC	3002543001	22S 34E 28P SE SE	2016-07-01	530	0.9	684	NS	2nd BSPG Sd
SMALLS FEDERAL 7H	COG OPERATING LLC	3002543068	22S 34E 28N SE SW	2017-01-25	417	0.8	302	NS	2nd BSPG Sd
SMALLS FEDERAL 8H	COG OPERATING LLC	3002543069	22S 34E 28M SW SW	2017-01-20	741	1.5	453	NS	2nd BSPG Sd
SQUINTS FEDERAL COM 7H	COG OPERATING LLC	3002543167	22S 34E 27N SE SW	2020-08-02	720	1.1	496	NS	2nd BSPG Sd
SQUINTS FEDERAL COM 8H	COG OPERATING LLC	3002543168	22S 34E 27M SW SW	2020-07-26	500	0.8	407	NS	2nd BSPG Sd
RIO BLANCO 4 33 FEDERAL COM 3H	DEVON ENERGY	3002543246	23S 34E 4E SW NW	2019-04-03	398	0.5	543	NS	2nd BSPG Sd
PERRO LOCO 22 B2PA FEDERAL 1H	MEWBOURNE OIL CO	3002543393	22S 34E 27A NE NE	2017-07-03	253	0.4	418	NS	2nd BSPG Sd
GRAMA 8817 JV-P FEDERAL COM 2H	BTA OIL PRODUCERS LLC	3002543426	22S 34E 16M SW SW	2017-01-23	774	2.0	780	NS	2nd BSPG Sd
GRAMA 8817 16-9 FEDERAL 4H	BTA OIL PRODUCERS LLC	3002543870	22S 34E 16O SW SE	2019-02-26	787	1.5	548	NS	2nd BSPG Sd
GRAMA 8817 16-9 FEDERAL 5H	BTA OIL PRODUCERS LLC	3002543871	22S 34E 16P SE SE	2019-03-02	723	1.4	661	NS	2nd BSPG Sd
TOUR BUS 23 STATE 503H	CENTENNIAL RESOURCES	3002543934	22S 34E 23C NE NW	2018-01-02	246	0.5	507	NS	2nd BSPG Sd
TOUR BUS 23 STATE 504H	CENTENNIAL RESOURCES	3002543935	22S 34E 23C	2017-12-12	240	0.5	456	NS	2nd BSPG Sd
GAUCHO 21 FEDERAL 6H	DEVON ENERGY	3002544178	22S 34E 21P SE SE	2019-01-21	460	0.7	340	NS	2nd BSPG Sd
TOUR BUS 23 STATE 505H	CENTENNIAL RESOURCES	3002544614	22S 34E 23A	2018-06-30	242	0.5	377	NS	2nd BSPG Sd
TOUR BUS 23 STATE 506H	CENTENNIAL RESOURCES	3002544615	22S 34E 23A	2018-06-30	202	0.3	390	NS	2nd BSPG Sd
RIO BLANCO 4 33 FEDERAL COM 38H	DEVON ENERGY	3002544829	23S 34E 4E SW NW	2019-04-05	330	0.4	412	NS	2nd BSPG Sd
RIO BLANCO 4 33 FEDERAL COM 39H	DEVON ENERGY	3002544830	23S 34E 4G SW NE	2019-04-11	332	0.5	392	NS	2nd BSPG Sd
RIO BLANCO 4 33 FEDERAL COM 5H	DEVON ENERGY	3002544962	23S 34E 4G SW NE	2019-04-11	399	0.5	446	NS	2nd BSPG Sd
GAUCHO 21 FEDERAL 7H	DEVON ENERGY	3002545238	22S 34E 21P SE SE	2019-01-21	399	0.9	346	NS	2nd BSPG Sd
MAXUS 8026 FEDERAL 3H	BTA OIL PRODUCERS LLC	3002546815	22S 34E 34A NE NE	2020-09-01	358	0.5	635	NS	2nd BSPG Sd
MAXUS 8026 FEDERAL 4H	BTA OIL PRODUCERS LLC	3002546816	22S 34E 34A NE NE	2020-09-24	345	0.4	566	NS	2nd BSPG Sd
NORTH RIDGE 8040 FEDERAL COM 1H	BTA OIL PRODUCERS LLC	3002546957	22S 34E 35C NE NW	2020-10-10	329	0.5	437	NS	2nd BSPG Sd
NORTH RIDGE 8040 FEDERAL COM 2H	BTA OIL PRODUCERS LLC	3002546958	22S 34E 35C NE NW	2020-10-09	295	0.5	455	NS	2nd BSPG Sd
NORTH RIDGE 8040 FEDERAL COM 3H	BTA OIL PRODUCERS LLC	3002546959	22S 34E 35A NE NE	2020-10-21	170	0.3	353	NS	2nd BSPG Sd
NORTH RIDGE 8040 FEDERAL COM 4H	BTA OIL PRODUCERS LLC	3002546960	22S 34E 35A NE NE	2020-10-21	219	0.4	365	NS	2nd BSPG Sd
MAXUS 8026 FEDERAL 5H	BTA OIL PRODUCERS LLC	3002546817	22S 34E 34C NE NW	2021-07-01	196	0.3	299	NS	2nd BSPG Sd
MAXUS 8026 FEDERAL 6H	BTA OIL PRODUCERS LLC	3002546818	22S 34E 34C NE NW	2021-07-26	226	0.3	327	NS	2nd BSPG Sd
CABRA LOCA 11 B3OB STATE 1H	MEWBOURNE OIL CO	3002542002	22S 34E 11O	2014-12-03	337	0.3	167	NS	3rd BSPG Sd

ATTACHMENT E

CABRA LOCA 11 B3PA STATE COM 1H	MEWBOURNE OIL CO	3002542149	22S 34E 11P	2015-09-12	223	0.3	212	NS	3rd BSPG Sd
PERRO LOCO 22 B30B FEDERAL 1H	MEWBOURNE OIL CO	3002542288	22S 34E 22O SW SE	2015-03-09	146	0.2	394	NS	3rd BSPG Sd
CABRA NIMO 11 B3NC STATE COM 1H	MEWBOURNE OIL CO	3002542597	22S 34E 11N	2016-11-30	568	0.8	260	NS	3rd BSPG Sd
CABRA NIMO 11 B3MD STATE COM 1H	MEWBOURNE OIL CO	3002542598	22S 34E 11M	2017-09-13	525	0.8	222	NS	3rd BSPG Sd
SMALLS FEDERAL 2H	COG OPERATING LLC	3002543064	22S 34E 28O SW SE	2018-06-02	297	0.4	435	NS	3rd BSPG Sd
CHISO 14 STATE 8711 3H	BTA OIL PRODUCERS LLC	3002543614	22S 34E 14P	2017-06-05	142	0.1	267	NS	3rd BSPG Sd
CHISO 14 STATE 8711 4H	BTA OIL PRODUCERS LLC	3002543615	22S 34E 14P	2017-06-01	140	0.2	318	NS	3rd BSPG Sd
TOUR BUS 23 STATE 601H	CENTENNIAL RESOURCES	3002544290	22S 34E 23D	2018-04-23	180	0.3	367	NS	3rd BSPG Sd
MAXUS 8026 FEDERAL 9H	BTA OIL PRODUCERS LLC	3002546821	22S 34E 34A NE NE	2021-08-08	289	0.4	307	NS	3rd BSPG Sd
NORTH RIDGE 8040 FEDERAL COM 6H	BTA OIL PRODUCERS LLC	3002546961	22S 34E 35C NE NW	2022-01-01	83	0.1	115	NS	3rd BSPG Sd
NORTH RIDGE 8040 FEDERAL COM 5H	BTA OIL PRODUCERS LLC	3002547000	22S 34E 35C NE NW	2022-02-07	97	0.1	127	NS	3rd BSPG Sd
MAXUS 8026 FEDERAL 7H	BTA OIL PRODUCERS LLC	3002546819	22S 34E 34D NW NW	2022-02-01	71	0.1	81	NS	3rd BSPG Sd
MAXUS 8026 FEDERAL 8H	BTA OIL PRODUCERS LLC	3002546820	22S 34E 34D NW NW	2022-02-22	68	0.1	66	NS	3rd BSPG Sd



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. 22635

SELF-AFFIRMED STATEMENT OF NOTICE

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

James Bruce deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Mewbourne Oil Company.
3. Mewbourne Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owner, at its last known address, by certified mail. Copies of the notice letters and certified return receipts are attached hereto as Attachments A and B.
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: 7/27/22

James Bruce  
James Bruce

EXHIBIT A



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

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

Case No. 22635

NOTICE LETTERS

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Alpha Energy Partners, LLC P.O. Box 10701 Midland, TX 79701	03/10/22	03/21/22
BTA Oil Producers 104 South Pecos Midland, TX 79701	03/10/22	
COG Operating, LLC Attn: Baylor Mitchell 600 W. Illinois Avenue Midland, TX 79701	03/09/22	03/16/22
MRC Delaware Resources LLC Attn: David Johns 5400 LBJ Freeway, Ste. 1500 Houston, TX 77210-4294	03/09/22	03/16/22

ATTACHMENT *A*



**HINKLE SHANOR LLP**  
 ATTORNEYS AT LAW  
 PO BOX 2068  
 SANTA FE, NEW MEXICO 87504  
 505-982-4554 (FAX) 505-982-8623

WRITER:  
 Dana S. Hardy, Partner  
 dhardy@hinklelawfirm.com

March 9, 2022

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

**TO ALL INTERESTED PARTIES SUBJECT TO NOTICE**

Re: Case No. 22635: Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **April 7, 2022** beginning at 8:15 a.m.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be filed at the Division's Santa Fe office or submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/>) and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Thank you for your attention to this matter.

Sincerely,

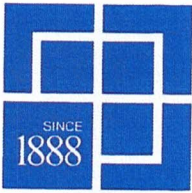
/s/ Dana S. Hardy  
 Dana S. Hardy

Enclosure

PO BOX 10  
 ROSWELL, NEW MEXICO 88202  
 575-622-6510  
 (FAX) 575-623-9332

PO BOX 1720  
 ARTESIA, NEW MEXICO 88210  
 575-622-6510  
 (FAX) 575-746-6316

PO BOX 2068  
 SANTA FE, NEW MEXICO 87504  
 505-982-4554  
 (FAX) 505-982-8623



hinklelawfirm.com

**HINKLE SHANOR LLP**  
ATTORNEYS AT LAW  
PO BOX 2068  
SANTA FE, NEW MEXICO 87504  
505-982-4554 (FAX) 505-982-8623

WRITER:  
Dana S. Hardy, Partner  
dhardy@hinklelawfirm.com

March 10, 2022

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

**TO VERTICAL OFFSETS IN POOL**

Re: Case No. 22635: Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **April 7, 2022** beginning at 8:15 a.m. *Your interest is not being pooled by this application.* You are receiving this notice because you own an offsetting vertical interest within the Bone Spring formation that is not included in the horizontal spacing unit identified in this application.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be filed at the Division's Santa Fe office or submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/>) and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Thank you for your attention to this matter.

Sincerely,

/s/ Dana S. Hardy  
Dana S. Hardy

Enclosure

PO BOX 10  
ROSWELL, NEW MEXICO 88202  
575-622-6510  
(FAX) 575-623-9332

PO BOX 1720  
ARTESIA, NEW MEXICO 88210  
575-622-6510  
(FAX) 575-746-6316

PO BOX 2068  
SANTA FE, NEW MEXICO 87504  
505-982-4554  
(FAX) 505-982-8623

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Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To Alpha Energy Partners, LLC  
 P.O. Box 10701  
 Midland, TX 79701

City, State, \_\_\_\_\_

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

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 87507  
 USPS

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<p>1 Article Addressed to:</p> <p>Alpha Energy Partners, LLC          P.O. Box 10701          Midland, TX 79701</p> <p>9590 9402 5760 0003 2665 31</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input checked="" type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> <p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>2 Article Number (Transfer from service label)</p> <p>7021 0950 0002 0367 2200</p>	<p>Domestic Return Receipt</p>

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Return Receipt (electronic) \$

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Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To \$

Street and BTA Oil Producers

104 South Pecos

Midland, TX 79701

City, State

PS Form 3800, April 2016 PSN 7530-02-000-9047 See Reverse for Instructions

4612 29E0 2000 0560 T202

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FAQs >

Track Another Package +

Tracking Number: 70210950000203672194

Remove X

Your item was delivered to an individual at the address at 10:37 am on March 14, 2022 in MIDLAND, TX 79701.

USPS Tracking Plus® Available v

## Delivered, Left with Individual

March 14, 2022 at 10:37 am  
MIDLAND, TX 79701

Feedback

Get Updates v

Text & Email Updates v

Tracking History v

USPS Tracking Plus® v

Product Information v

See Less ^

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Postage \$ \_\_\_\_\_

Total Postage and Fees \$ \_\_\_\_\_


Sent To COG Operating LLC  
Attn: Baylor Mitchell  
600 W. Illinois Avenue  
Midland, TX 79701

Street and A/City, State, Z...

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

85 901-9998

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MAR 09 2022

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<p>1. Article Addressed to:</p> <p>COG Operating LLC Attn: Baylor Mitchell 600 W. Illinois Avenue Midland, TX 79701</p> <p></p> <p>9590 9402 6746 1074 2394 38</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7021 0950 0002 0367 2149</p>	
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>

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Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_


Total Postage and Fees \$ \_\_\_\_\_

Sent To

Street and, MRC Delaware Resources LLC  
Attn: David Johns  
5400 LBJ Freeway, Ste. 1500  
City, State, Dallas, TX 75240

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

*SANTA FE MAIN POST OFFICE*  
*MAR 09 2022*  
*87501-9998*

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<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature <i>MAR 14 2022</i></p> <p><input checked="" type="checkbox"/> L Brown <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>L BROWN</i> C. Date of Delivery <i>2022</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>MRC Delaware Resources LLC Attn: David Johns 5400 LBJ Freeway, Ste. 1500 Dallas, TX 75240</p> <p> 9590 9402 5760 0003 2665 62</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7021 0950 0002 0367 2187</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>



**JMES 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)

July 14, 2022

ATTACHMENT **B**

To: Persons on Exhibit A

Ladies and gentlemen:

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

Case No. 22633: the W/2E/2 of Section 27, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Perro Loco 27 B3OB Fed. Com. Well No. 1H;

Case No. 22634: the E/2E/2 of Section 22 and the E/2E/2 Section 27, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Perro Loco 27/22 B3PA Fed. Com. Well No. 2H;

Case No. 22635: the E/2E/2 of Section 27, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Perro Loco 27 B2PA Fed. Com. Well No. 1H; and

Case No. 22636: the W/2E/2 of Section 22 and the W/2E/2 Section 27, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Perro Loco 27/22 B2OB Fed. Com. Well No. 2H.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, August 4, 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 five business days before the hearing date. 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

Tara N. Pace  
5716 Ridgemont Place  
Midland, TX 79707

Aleyna N. Pace  
5716 Ridgemont Place  
Midland, TX 79707

Larry T. Long  
P.O. Box 1777  
Kilgore, TX 75663

7020 0090 0000 0865 0715

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<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	Tara N. Pace 5716 Ridgemont Place Midland, TX 79707	
Street and Apt. No., or PO		
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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	Larry T. Long P.O. Box 1777 Kilgore, TX 75663	
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

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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	Aleyna N. Pace 5716 Ridgemont Place Midland, TX 79707	
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

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<p>1. Article Addressed to:</p> <p style="text-align: center;">Larry T. Long  P.O. Box 1777  Kilgore, TX 75663</p> <div style="text-align: center;">   9590 9402 7543 2098 9631 58 </div>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes  If YES, enter delivery address below: <input type="checkbox"/> No</p> <p style="font-size: 2em; text-align: center;"><i>1777</i></p> <p>3. Service Type <span style="float: right;"><input type="checkbox"/> Priority Mail Express®</span></p> <p><input type="checkbox"/> Adult Signature <span style="float: right;"><input type="checkbox"/> Registered Mail™</span></p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <span style="float: right;"><input type="checkbox"/> Registered Mail Restricted Delivery</span></p> <p><input checked="" type="checkbox"/> Certified Mail® <span style="float: right;"><input type="checkbox"/> Signature Confirmation™</span></p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <span style="float: right;"><input type="checkbox"/> Signature Confirmation Restricted Delivery</span></p> <p><input type="checkbox"/> Collect on Delivery <span style="float: right;"><input type="checkbox"/> Signature Confirmation Restricted Delivery</span></p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <span style="float: right;"><input type="checkbox"/> Signature Confirmation Restricted Delivery</span></p>
<p>2. Article Identification Number</p> <p style="font-size: 1.2em; text-align: center;">7020 0090 0000 0865 0692</p>	<p style="text-align: right;">Restricted Delivery</p> <p style="text-align: right;">(over \$500)</p>
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>	<p style="text-align: right;"><i>M P Loco</i> Domestic Return Receipt</p>

**CASE NOS. 22633 - 22636**

**STATUS OF CERTIFIED NOTICE**


<u>INTEREST OWNER</u>	<u>MAILING DATE</u>	<u>RECEIPT DATE</u>	<u>CARD RETURNED</u>
Tara N. Pace	July 14, 2022	Returned Undelivered	No
Aleyna N. Pace	“	Returned Undelivered	No
Larry T. Long	“	July 19, 2022	Yes

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

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

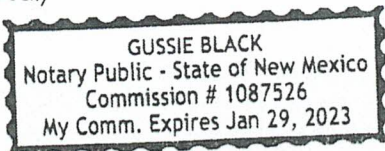
Beginning with the issue dated  
March 17, 2022  
and ending with the issue dated  
March 17, 2022.

  
\_\_\_\_\_  
Publisher

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

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

My commission expires  
January 29, 2023  
(Seal)



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

**LEGAL NOTICE**  
March 17, 2022

This is to notify all interested parties, including COG Operating LLC; MRC Delaware Resources, LLC; BTA Oil Producers; Alpha Energy Partners, LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Mewbourne Oil Company (Case No. 22635). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on April 7, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <http://www.emnrd.state.nm.us/OCD/hearings.html>. Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation from a depth of approximately 10,087' to a depth of approximately 10,526' underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the E/2E/2 of Section 27, Township 22 South, Range 34 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Perro Loco 27 B2PA Fed Com #1H well, which will be horizontally drilled from a surface hole location in the SE/4SE/4 (Unit P) of Section 27 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 27. A depth severance exists in the Bone Spring formation. Accordingly, Applicant seeks to pool all uncommitted interests in the Bone Spring formation at a stratigraphic equivalent of approximately 10,087' MD to approximately 10,526' MD as observed on the Sun Federal Com #1 (API 3002530603) well log. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 45 miles east of Carlsbad, New Mexico.  
#37439

EXHIBIT 5

02107475

00264720


GILBERT  
HINKLE, SHANOR LLP  
PO BOX 2068  
SANTA FE, NM 87504

# Affidavit of Publication

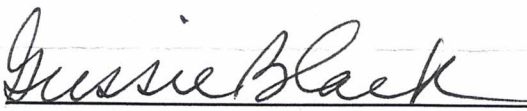
STATE OF NEW MEXICO  
COUNTY OF LEA

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

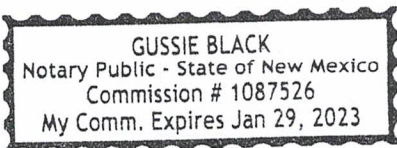
Beginning with the issue dated  
July 22, 2022  
and ending with the issue dated  
July 22, 2022.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
22nd day of July 2022.

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

My commission expires  
January 29, 2023  
(Seal)



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

**LEGAL NOTICE**  
July 22, 2022

To: Tara N. Pace, Aleyna N. Pace, and Larry T. Long, or your heirs, devisees, successors, or assigns: Mewbourne Oil Company has filed four 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:

Case No. 22633: the W/2E/2 of Section 27, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Perro Loco 27 B3OB Fed. Com. Well No. 1H;

Case No. 22634: the E/2E/2 of Section 22 and the E/2E/2 Section 27, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Perro Loco 27/22 B3PA Fed. Com. Well No. 2H;

Case No. 22635: the E/2E/2 of Section 27, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Perro Loco 27 B2PA Fed. Com. Well No. 1H; and

Case No. 22636: the W/2E/2 of Section 22 and the W/2E/2 Section 27, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Perro Loco 27/22 B2OB Fed. Com. Well No. 2H.

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, August 4, 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, July 28, 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 14 mile southwest of Oil Center, New Mexico. #37878

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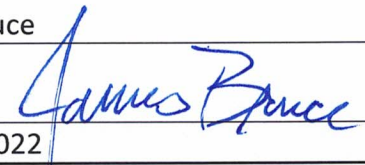
**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case:</b>	<b>22635</b>
<b>Date</b>	<b>August 4, 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, Lea County, New Mexico
Entries of Appearance/Intervenors:	COG Operating LLC/Holland & Hart LLP
Well Family	Perro Loco 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:	Ojo Chiso; Bone Spring, East (Pool Code 96553)
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)	160 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	E/2E/2 §27-22S-34E, NMPM, Lea 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	Exhibit 2-B
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non- standard)	<p>Perro Loco 27 B2PA Fed. Com. Well No. 1H  API No. 30-015-Pending  SHL: 205 FSL &amp; 2070 FEL §27  BHL: 100 FNL &amp; 500 FEL §27  FTP: 100 FSL &amp; 500 FEL §27  LTP: 100 FNL &amp; 500 FEL §27  Second Bone Spring/TVD 10388 feet/MD 15143 feet</p> <p>Only the 2<sup>nd</sup> Bone Spring is sought to be pooled in this proposed well unit. It is defined as depths from 10,087 feet subsurface to the base of the 2<sup>nd</sup> Bone Spring, at a depth of 10,526 feet subsurface, as found in the</p>

EXHIBIT

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Horizontal Well First and Last Take 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.e. 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-B
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-D
Well Orientation (with rationale)	Exhibit 3
Target Formation	Bone Spring
HSU Cross Section	Exhibit 3-D
Depth Severance Discussion	N/A

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-D
<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>	July 28, 2022