

CASE NO. 23079

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

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. Certified Notice Spreadsheet

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 23079

APPLICATION

Mewbourne Oil Company applies for an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 33, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the N/2 of Section 33, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation:
 - (a) The Hot Shots 33 W0AD Fee Well No. 1H, with a first take point in the NE/4NE/4 of 33 and a last take point in the NW/4NW/4 of Section 33; and
 - (b) The Hot Shots 33 W0HE Fee Well No. 1H, with a first take point in the SE/4NE/4 of 33 and a last take point in the SW/4NW/4 of Section 33.

The N/2 of Section 33 will be dedicated to the wells.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2 of Section 33 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 wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests.

EXHIBIT |

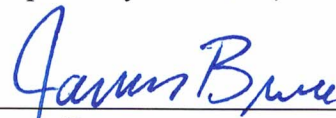
Therefore, applicant seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying the N/2 of Section 33, pursuant to NMSA 1978 §§70-2-17.

5. The pooling of all uncommitted mineral interest owners in the Wolfcamp formation underlying the N/2 of Section 33 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 Wolfcamp formation underlying the N/2 of Section 33;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, and equipping the wells, and allocating the cost among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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

Attorney for Mewbourne Oil Company

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

Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 33, Township 22 South, Range 27 East, NMPM. The unit will be dedicated to the Hot Shots 33 W0AD Fee Well No. 1H, with a first take point in the NE/4NE/4 of 33 and a last take point in the NW/4NW/4 of Section 33, and the Hot Shots 33 W0HE Fee Well No. 1H, with a first take point in the SE/4NE/4 of 33 and a last take point in the SW/4NW/4 of Section 33. 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. The unit is located approximately 1-1/2 miles west of Otis, New Mexico.

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

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

Case No. 23079

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 this compulsory pooling application

3. The purpose of this application is to force pool working interest owners into the Wolfcamp horizontal spacing unit described below, and in wells to be drilled in the unit.

4. The interest owners being pooled have been contacted regarding the proposed wells, but has failed or refused to voluntarily commit their interests to the wells.

5. A plat outlining the unit being pooled is submitted as Attachment A. Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 33, Township 22 South, Range 27 East, NMPM. The unit will be dedicated to the Hot Shots 33 W0AD Fee Well No. 1H, with a first take point in the NE/4NE/4 of 33 and a last take point in the NW/4NW/4 of Section 33, and the Hot Shots 33 W0HE Fee Well No. 1H, with a first take point in the SE/4NE/4 of 33 and a last take point in the SW/4NW/4 of Section 33. C-102s for the wells are also part of Attachment A.

6. The tracts in the unit, the leases, and the parties being pooled and their interests, are set forth in Attachment B.

7. In order to locate the interest owners, Mewbourne examined the county records, performed internet searches, checked telephone records, and searched Accurint and Whitepages.

EXHIBIT 2

8. Attachment C is a summary of communications and a sample copy of the proposal letters sent to the interest owners. Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed wells, or to locate the interest owners.

9. Attachment D contains the Authorizations for Expenditure for the proposed wells. The estimated cost of the wells 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 Eddy County.

10. 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 Eddy 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.

11. Mewbourne requests that the maximum cost plus 200% risk charge be assessed against a non-consenting working interest owner.

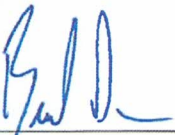
12. Mewbourne requests that it be designated operator of the wells.

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

14. Granting this application is in the interests of conservation and the prevention of waste.

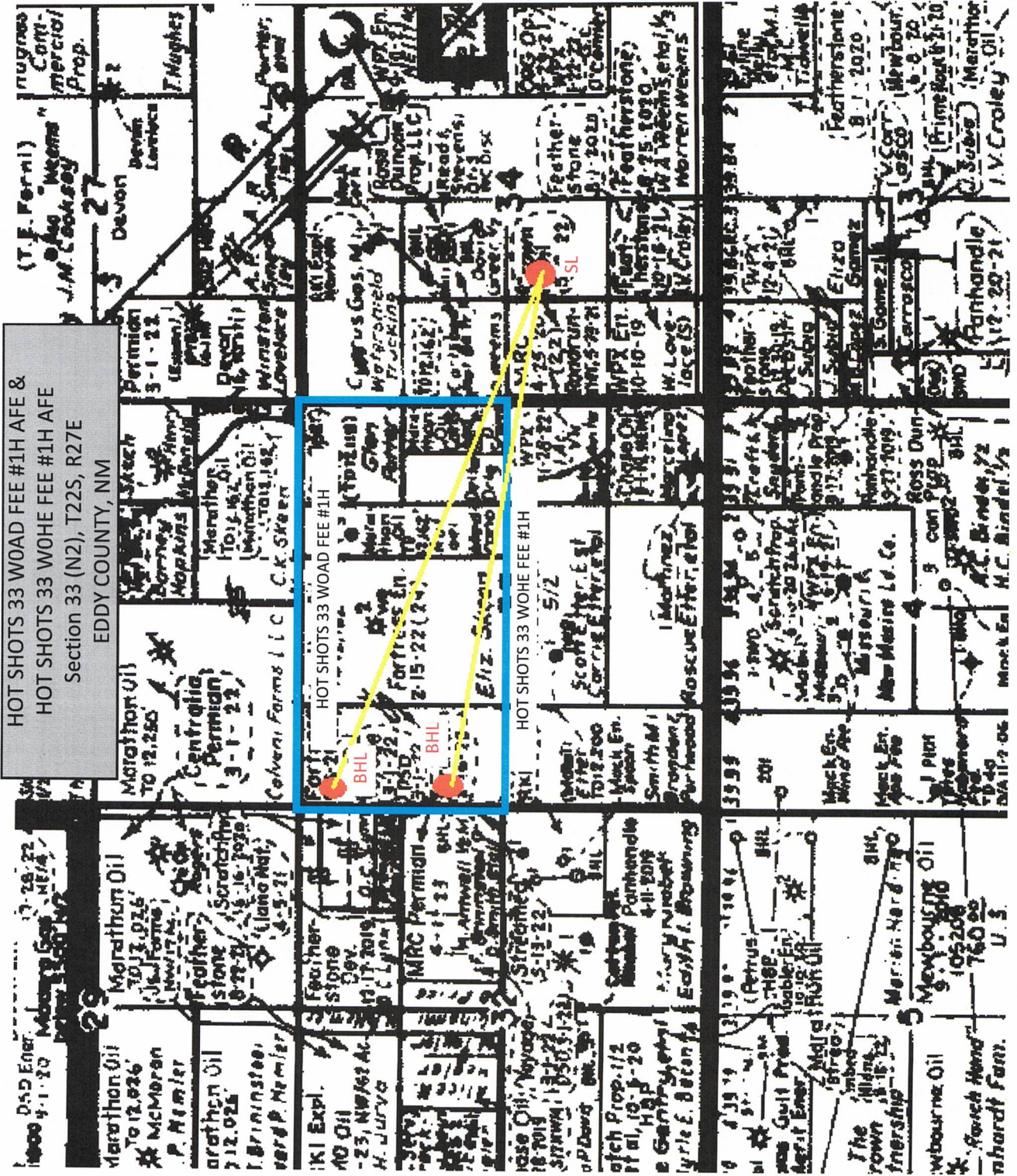
I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 14 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 10/4/2022



Brad Dunn

HOT SHOTS 33 WOAD FEE #1H AFE &
 HOT SHOTS 33 WOHE FEE #1H AFE
 Section 33 (N2), T2S, R27E
 EDDY COUNTY, NM



ATTACHMENT



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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|---|---|
| ¹ API Number | ² Pool Code 98220 | ³ Pool Name Wolfcamp; Purple Sage (Gas) |
| ⁴ Property Code | ⁵ Property Name HOT SHOTS 33 WOAD FEE | ⁶ Well Number 1H |
| ⁷ OGRID NO. | ⁸ Operator Name MEWBOURNE OIL COMPANY | ⁹ Elevation 3113' |

¹⁰ Surface Location

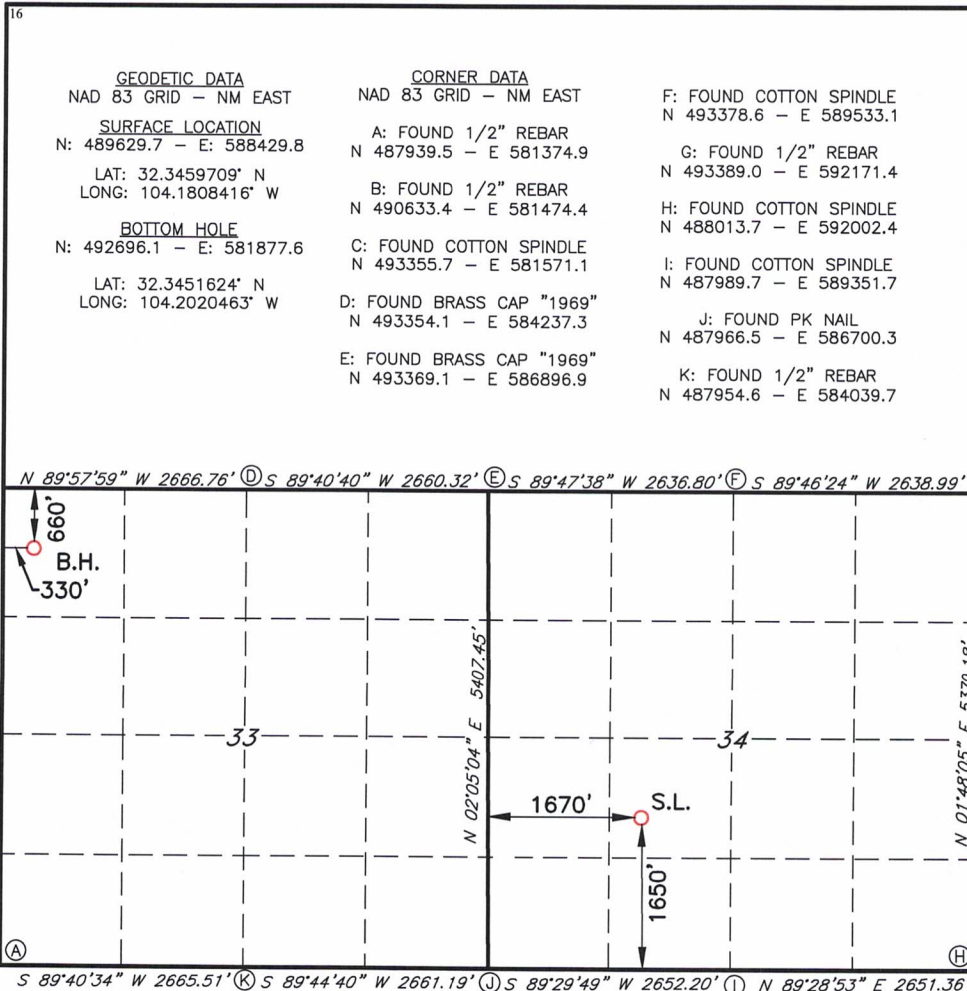
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet From the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K | 34 | 22S | 27E | | 1650 | SOUTH | 1670 | WEST | EDDY |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 33 | 22S | 27E | | 660 | NORTH | 330 | WEST | EDDY |

| | | | |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ 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.



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

Signature _____ Date _____
Printed Name _____
E-mail Address _____

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

09/15/2021
Date of Survey
Signature and Seal of Professional Surveyor _____
19680
Certificate Number
REV: PAD & SL MOVE 11/12/21

ROBERT M. HOWETT
NEW MEXICO
19680
PROFESSIONAL SURVEYOR

Job No.: LS21090996R2

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | |
|----------------------------|---|--------------------------------|---|---------------------------------|
| ¹ API Number | | ² Pool Code 9820 | ³ Pool Name Wolfcamp; Purple Sage (Bas) | |
| ⁴ Property Code | ⁵ Property Name HOT SHOTS 33 WOHE FEE | | | ⁶ Well Number 1H |
| ⁷ OGRID NO. | ⁸ Operator Name MEWBOURNE OIL COMPANY | | | ⁹ Elevation 3113' |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K | 34 | 22S | 27E | | 1620 | SOUTH | 1670 | WEST | EDDY |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E | 33 | 22S | 27E | | 1980 | NORTH | 330 | WEST | EDDY |

| | | | |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ 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.

¹⁶

| | | |
|--|---|---|
| <p>GEODETIC DATA NAD 83 GRID - NM EAST SURFACE LOCATION N: 489599.6 - E: 588428.7 LAT: 32.3458883° N LONG: 104.1808452° W BOTTOM HOLE N: 491377.2 - E: 581830.8 LAT: 32.3507986° N LONG: 104.2022032° W</p> | <p>CORNER DATA NAD 83 GRID - NM EAST A: FOUND 1/2" REBAR N 487939.5 - E 581374.9 B: FOUND 1/2" REBAR N 490633.4 - E 581474.4 C: FOUND COTTON SPINDLE N 493355.7 - E 581571.1 D: FOUND BRASS CAP "1969" N 493354.1 - E 584237.3 E: FOUND BRASS CAP "1969" N 493369.1 - E 586896.9</p> | <p>F: FOUND COTTON SPINDLE N 493378.6 - E 589533.1 G: FOUND 1/2" REBAR N 493389.0 - E 592171.4 H: FOUND COTTON SPINDLE N 488013.7 - E 592002.4 I: FOUND COTTON SPINDLE N 487989.7 - E 589351.7 J: FOUND PK NAIL N 487966.5 - E 586700.3 K: FOUND 1/2" REBAR N 487954.6 - E 584039.7</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.

Signature _____ Date _____
Printed Name _____
E-mail Address _____

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

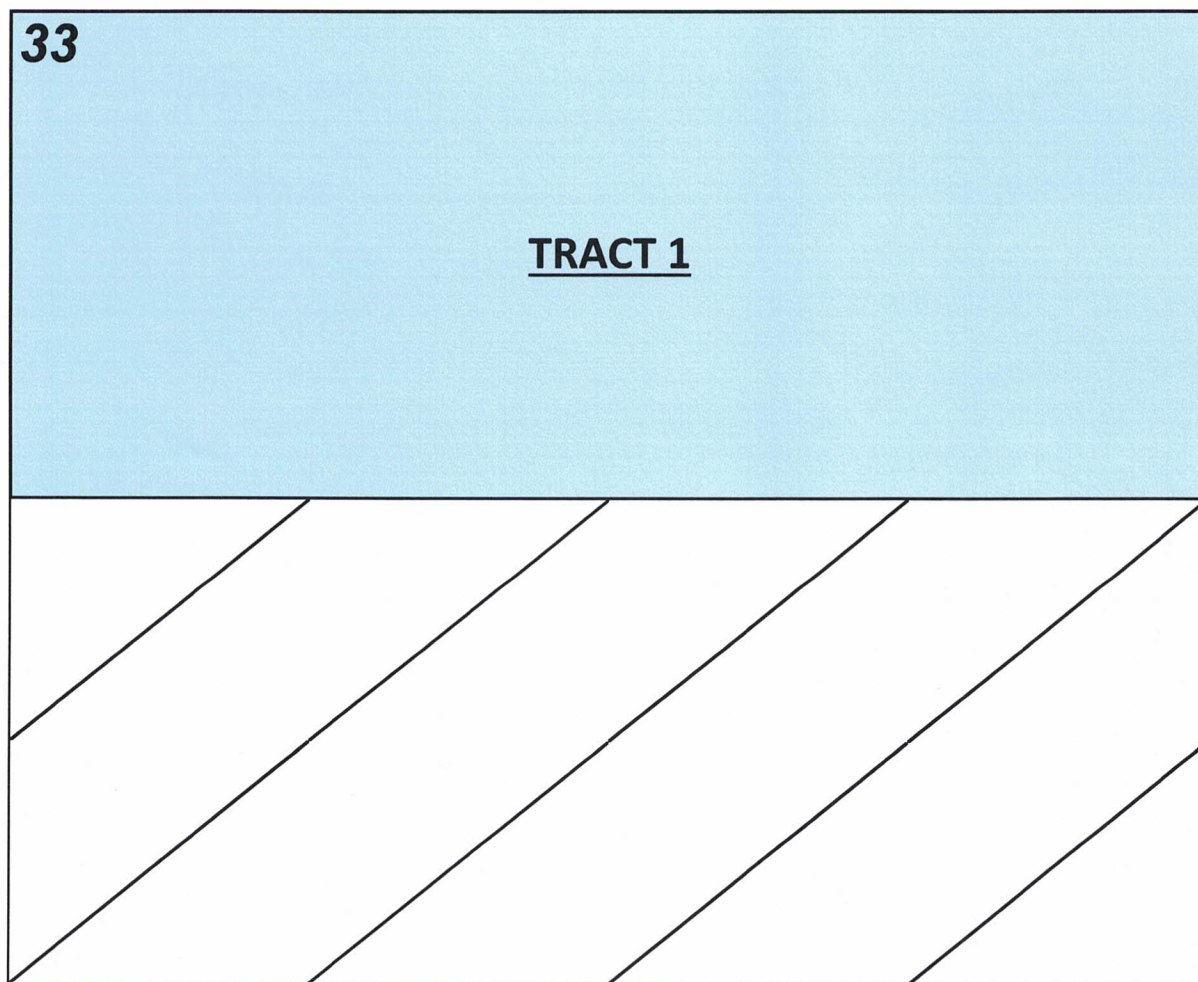
09/15/2021
Date of Survey
Signature and Seal of Professional Surveyor _____
19680
Certificate Number
REV: PAD & SL MOVE 11/12/21

Job No.: LS21090997R2

SECTION PLAT

North half (N/2) of Section 33, Township 22 South, Range 27 East

County of Eddy, State of New Mexico



Tract 1: N2 SEC. 33—MULTIPLE FEE LEASES

Mewbourne Oil Company, et al

Post Oak Crown Minerals, LLC

Lorina M. Ordunez & Lori A. Villegas, as joint tenants

ATTACHMENT

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TRACT OWNERSHIP
HOT SHOTS 33 W0AD FEE #1H & HOT SHOTS 33 WOAD FEE #1H
Section 33 (N/2), T22S, R27E
Eddy County, New Mexico

Section 33 (N/2)

Wolfcamp formation:

| | % Leasehold Interest |
|---|----------------------|
| Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas | 97.993235% |
| POST OAK CROWN MINERALS, LLC 34 S. Wynden Dr., STE 210 Houston, TX 77056 | 1.381765% |
| LORINA M. ORDUNEZ & LORI A. VILLEGAS, AS JOINT TENANTS 1503 Portillo Road Carlsbad, NM 88220 | 0.625000% |
| | 100.000000% |

*** Total interest being pooled: 2.006765%**

OWNERSHIP BY TRACT

N/2 SECTION 33

| | |
|---|-------------|
| Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas | 97.993235% |
| POST OAK CROWN MINERALS, LLC 34 S. Wynden Dr., STE 210 Houston, TX 77056 | 1.381765% |
| LORINA M. ORDUNEZ & LORI A. VILLEGAS, AS JOINT TENANTS 1503 Portillo Road Carlsbad, NM 88220 | 0.625000% |
| | 100.000000% |

Summary of Communications
HOT SHOTS 33 W0AD FEE #1H & HOT SHOTS 33 WOAD FEE #1H

POST OAK CROWN MINERALS, LLC

- 1) 7/18/2022: Well proposal letter with AFEs are sent via certified mail.
- 2) 7/24/2022: Confirmed certified mail delivery of well proposal packet to recipient
- 3) 8/17/2022: Email correspondence with Brian Larimore and Rob Nielson who represent this interest. I sent them a breakdown of their interest along with a lease offer letter. They said they are inclined to lease their minerals to us.
- 4) 8/23/2022: Follow-up email sent to Brian Larimore and Rob Nielson regarding the lease previously discussed. They said they are still reviewing it.
- 5) 9/7/2022: Follow-up email and phone call to Brian Larimore regarding the lease previously discussed. No response and I left a voicemail.
- 6) 9/26/2022: Still no decision from owner has been made and owner has not informed me of what they wish to do and nothing has been done.

LORINA M. ORDUNEZ & LORI A. VILLEGAS, AS JOINT TENANTS

- 1) 7/19/2022: Well proposal letter with AFEs are sent via certified mail.
- 2) 7/29/2022: Confirmed certified mail delivery of well proposal packet to recipient
- 3) 9/14/2022: Further internet search for updated contact information. No good working phone number or other address found.

ATTACHMENT



MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

July 12, 2022

Via Certified Mail

Lorina M. Ordunez & Lori A. Villegas, as joint tenants
1503 Portillo Road
Carlsbad, NM 88220

Re: Proposed Horizontal Wolfcamp Wells
Hot Shots 33 W0AD Fee #1H
Hot Shots 33 W0HE Fee #1H
N2 of Section 33, T22S-R27E
Eddy County, New Mexico

Ms. Ordunez:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 320.00 acre Working Interest Unit ("WIU"), covering all of the N2 of the captioned Section 33, for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. Mewbourne Oil Company as Operator withdraws its previous proposal to drill the Hot Shots 33 W0AD Fee #1H and Hot Shots 33 W0HE Fee #1H wells and hereby proposes to drill the following horizontal Wolfcamp wells:

1. Hot Shots 33 W0AD Fee #1H will have a surface location 1650' FSL & 1670' FWL in Section 34, T22S, R27E and a bottom hole location approximately 660' FNL & 330' FWL in the above captioned Section 33. We anticipate drilling to an approximate total vertical depth of 9,015' and an approximate total measured depth of 14,950'. The N2 of Section 33 will be dedicated to the well as the proration unit.
2. Hot Shots 33 W0HE Fee #1H will have a surface location 1620' FSL & 1670' FWL in Section 34, T22S, R27E and a bottom hole location approximately 1980' FNL & 330' FWL in the above captioned Section 33. We anticipate drilling to an approximate total vertical depth of 9,011' and an approximate total measured depth of 14,450'. The N2 of Section 33 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling are our AFE's dated July 1, 2022 for the captioned proposed wells. In the event your firm elects to participate in the proposed wells, please execute the enclosed AFE's and return them to me within thirty (30) days.

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%. Should you wish to participate, please email me at bdunn@mewbourne.com and I will promptly email you a copy of the Hot Shots 33 Operating Agreement dated July 1, 2022, for your review.

In lieu of participating, Mewbourne would also be open to discussing an oil and gas lease of your unleased minerals. To discuss further or if you have any questions regarding the above, please email me at bdunn@mewbourne.com or call me at (432) 682-3715. Thank you.

Sincerely,

MEWBOURNE OIL COMPANY

A handwritten signature in blue ink, appearing to read "Brad Dunn".

Brad Dunn
Petroleum Landman

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

| | | | |
|-------------------|--|------------------|--|
| Well Name: | HOT SHOTS 33 W0AD FEE #1H | Prospect: | HOT SHOTS 33 |
| Location: | SL: 1650 FSL & 1670 FWL (34); BHL: 660 FNL & 330 FWL (33) | County: | Eddy ST: NM |
| Sec. 33 | Blk: | Survey: | TWP: 22S RNG: 27E Prop. TVD: 9015 TMD: 14950 |

| INTANGIBLE COSTS 0180 | | CODE | TCP | CODE | CC |
|---|--|-----------|--------------------|-----------|--------------------|
| Regulatory Permits & Surveys | | 0180-0100 | \$25,000 | 0180-0200 | |
| Location / Road / Site / Preparation | | 0180-0105 | \$25,000 | 0180-0205 | \$35,000 |
| Location / Restoration | | 0180-0106 | \$200,000 | 0180-0206 | \$25,000 |
| Daywork / Turnkey / Footage Drilling | 16 days drlg / 3 days comp @ \$26000/d | 0180-0110 | \$444,300 | 0180-0210 | \$83,300 |
| Fuel | 1700 gal/day @ \$.7/gal | 0180-0114 | \$136,500 | 0180-0214 | \$173,300 |
| Alternate Fuels | | 0180-0115 | | 0180-0215 | \$55,500 |
| Mud, Chemical & Additives | | 0180-0120 | \$40,000 | 0180-0220 | |
| Mud - Specialized | | 0180-0121 | \$175,000 | 0180-0221 | |
| Horizontal Drillout Services | | | | 0180-0222 | \$100,000 |
| Stimulation Toe Preparation | | | | 0180-0223 | \$40,000 |
| Cementing | | 0180-0125 | \$14,000 | 0180-0225 | \$50,000 |
| Logging & Wireline Services | | 0180-0130 | \$30,900 | 0180-0230 | \$275,000 |
| Casing / Tubing / Snubbing Services | | 0180-0134 | \$30,000 | 0180-0234 | \$12,000 |
| Mud Logging | | 0180-0137 | \$15,000 | | |
| Stimulation | 37 Stg 11.6 MM gal / 11.6 MM lb | | | 0180-0241 | \$1,451,500 |
| Stimulation Rentals & Other | | | | 0180-0242 | \$196,000 |
| Water & Other | 275000 bbls FW @ \$.80/bbl from Mesquite | 0180-0145 | \$35,000 | 0180-0245 | \$235,000 |
| 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 | \$154,000 | | |
| Transportation | | 0180-0165 | \$30,000 | 0180-0265 | \$15,000 |
| Welding, Construction & Maint. Services | | 0180-0168 | \$4,000 | 0180-0268 | \$15,000 |
| Contract Services & Supervision | | 0180-0170 | \$126,000 | 0180-0270 | \$55,500 |
| Directional Services | Includes Vertical Control | 0180-0175 | \$221,000 | | |
| Equipment Rental | | 0180-0180 | \$128,200 | 0180-0280 | \$13,800 |
| Well / Lease Legal | | 0180-0184 | \$5,000 | 0180-0284 | |
| Well / Lease Insurance | | 0180-0185 | \$3,900 | 0180-0285 | |
| Intangible Supplies | | 0180-0188 | \$7,000 | 0180-0288 | \$1,000 |
| Damages | | 0180-0190 | \$50,000 | 0180-0290 | \$10,000 |
| Pipeline Interconnect, ROW Easements | | 0180-0192 | | 0180-0292 | \$5,000 |
| Company Supervision | | 0180-0195 | \$75,600 | 0180-0295 | \$28,800 |
| Overhead Fixed Rate | | 0180-0196 | \$10,000 | 0180-0296 | \$20,000 |
| Contingencies | 5% (TCP) 5% (CC) | 0180-0199 | \$106,500 | 0180-0299 | \$147,300 |
| TOTAL | | | \$2,236,100 | | \$3,092,500 |

| TANGIBLE COSTS 0181 | | CODE | TCP | CODE | CC |
|-------------------------------------|---|-----------|--------------------|-----------|--------------------|
| Casing (19.1" - 30") | | 0181-0793 | | | |
| Casing (10.1" - 19.0") | 600' - 13 3/8" 54.5# J-55 ST&C @ \$76.3/ft | 0181-0794 | \$48,900 | | |
| Casing (8.1" - 10.0") | 2075' - 9 5/8" 40# HCL80 LT&C @ \$60.83/ft | 0181-0795 | \$134,800 | | |
| Casing (6.1" - 8.0") | 9300' - 7" 29# HPP110 BT&C @ \$51.98/ft | 0181-0796 | \$516,300 | | |
| Casing (4.1" - 6.0") | 5850' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$29.38/ft | | | 0181-0797 | \$183,600 |
| Tubing | 9050' - 2 7/8" 6.5# L-80 IPC Tbg @ \$12.5/ft | | | 0181-0798 | \$120,800 |
| Drilling Head | | 0181-0860 | \$50,000 | | |
| Tubing Head & Upper Section | | | | 0181-0870 | \$30,000 |
| Horizontal Completion Tools | Completion Liner Hanger | | | 0181-0871 | \$70,000 |
| Subsurface Equip. & Artificial Lift | ESP | | | 0181-0880 | \$100,000 |
| Pumping Unit Systems | | | | 0181-0885 | |
| Service Pumps | (1/4) 1 TP/1 CP/1 Circ Pump | | | 0181-0886 | \$8,000 |
| Storage Tanks | (1/4) 8 OT/6 WT/1 GB | | | 0181-0890 | \$130,000 |
| Emissions Control Equipment | (1/4) 3 VRT/1 VRU/1 FLARE/3 KO/1 Air | | | 0181-0892 | \$78,500 |
| Separation / Treating Equipment | (1/4) 1H Sep/1V Sep/1 HHT/2 VHT | | | 0181-0895 | \$73,500 |
| Automation Metering Equipment | (1/4) Automation/Fiber/Meters | | | 0181-0898 | \$48,500 |
| Line Pipe & Valves - Gathering | (1/4) Facility Gas Work | | | 0181-0900 | \$21,500 |
| Fittings / Valves & Accessories | (1/4) Flow Line/Parts | | | 0181-0906 | \$176,500 |
| Cathodic Protection | | | | 0181-0908 | |
| Electrical Installation | | | | 0181-0909 | \$98,500 |
| Equipment Installation | | | | 0181-0910 | \$82,300 |
| Pipeline Construction | (1/4) Facility Gas Work | | | 0181-0920 | \$15,700 |
| TOTAL | | | \$750,000 | | \$1,237,400 |
| SUBTOTAL | | | \$2,986,100 | | \$4,329,900 |

TOTAL WELL COST \$7,316,000

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: Christian Ward Date: 7/1/2022

Company Approval: *M. Wittke* Date: 7/8/2022

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____



ATTACHMENT

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: **HOT SHOTS 33 W0HE FEE #1H** Prospect: **HOT SHOTS 33**
 Location: **SL: 1620 FSL & 1670 FWL (34); BHL: 1980 FNL & 330 FWL (33)** County: **Eddy** ST: **NM**
 Sec. **33** Blk: Survey: TWP: **22S** RNG: **27E** Prop. TVD: **9011** TMD: **14450**

| INTANGIBLE COSTS 0180 | | CODE | TCP | CODE | CC |
|---|--|-----------|--------------------|-----------|--------------------|
| Regulatory Permits & Surveys | | 0180-0100 | \$25,000 | 0180-0200 | |
| Location / Road / Site / Preparation | | 0180-0105 | \$25,000 | 0180-0205 | \$35,000 |
| Location / Restoration | | 0180-0106 | \$200,000 | 0180-0206 | \$25,000 |
| Daywork / Turnkey / Footage Drilling | 16 days drlg / 3 days comp @ \$26000/d | 0180-0110 | \$444,300 | 0180-0210 | \$83,300 |
| Fuel | 1700 gal/day @ \$.47/gal | 0180-0114 | \$136,500 | 0180-0214 | \$173,300 |
| Alternate Fuels | | 0180-0115 | | 0180-0215 | \$55,500 |
| Mud, Chemical & Additives | | 0180-0120 | \$40,000 | 0180-0220 | |
| Mud - Specialized | | 0180-0121 | \$175,000 | 0180-0221 | |
| Horizontal Drillout Services | | | | 0180-0222 | \$100,000 |
| Stimulation Toe Preparation | | | | 0180-0223 | \$40,000 |
| Cementing | | 0180-0125 | \$14,000 | 0180-0225 | \$50,000 |
| Logging & Wireline Services | | 0180-0130 | \$30,900 | 0180-0230 | \$275,000 |
| Casing / Tubing / Snubbing Services | | 0180-0134 | \$30,000 | 0180-0234 | \$12,000 |
| Mud Logging | | 0180-0137 | \$15,000 | | |
| Stimulation | 37 Stg 11.6 MM gal / 11.6 MM lb | | | 0180-0241 | \$1,451,500 |
| Stimulation Rentals & Other | | | | 0180-0242 | \$196,000 |
| Water & Other | 275000 bbls FW @ \$.80/bbl from Mesquite | 0180-0145 | \$35,000 | 0180-0245 | \$235,000 |
| 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 | \$154,000 | | |
| Transportation | | 0180-0165 | \$30,000 | 0180-0265 | \$15,000 |
| Welding, Construction & Maint. Services | | 0180-0168 | \$4,000 | 0180-0268 | \$15,000 |
| Contract Services & Supervision | | 0180-0170 | \$126,000 | 0180-0270 | \$48,000 |
| Directional Services | Includes Vertical Control | 0180-0175 | \$221,000 | | |
| Equipment Rental | | 0180-0180 | \$128,200 | 0180-0280 | \$13,800 |
| Well / Lease Legal | | 0180-0184 | \$5,000 | 0180-0284 | |
| Well / Lease Insurance | | 0180-0185 | \$3,700 | 0180-0285 | |
| Intangible Supplies | | 0180-0188 | \$7,000 | 0180-0288 | \$1,000 |
| Damages | | 0180-0190 | \$50,000 | 0180-0290 | \$10,000 |
| Pipeline Interconnect, ROW Easements | | 0180-0192 | | 0180-0292 | \$5,000 |
| Company Supervision | | 0180-0195 | \$75,600 | 0180-0295 | \$28,800 |
| Overhead Fixed Rate | | 0180-0196 | \$10,000 | 0180-0296 | \$20,000 |
| Contingencies | 5% (TCP) 5% (CC) | 0180-0199 | \$106,500 | 0180-0299 | \$146,900 |
| TOTAL | | | \$2,235,900 | | \$3,084,600 |

| TANGIBLE COSTS 0181 | | CODE | TCP | CODE | CC |
|-------------------------------------|---|-----------|--------------------|-----------|--------------------|
| Casing (19.1" - 30") | | 0181-0793 | | | |
| Casing (10.1" - 19.0") | 600' - @ \$76.3/ft | 0181-0794 | \$48,900 | | |
| Casing (8.1" - 10.0") | 2075' - 9 5/8" 40# HCL80 LT&C @ \$60.83/ft | 0181-0795 | \$134,800 | | |
| Casing (6.1" - 8.0") | 8800' - 7" 29# HPP110 BT&C @ \$51.98/ft | 0181-0796 | \$488,500 | | |
| Casing (4.1" - 6.0") | 5850' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$29.38/ft | | | 0181-0797 | \$183,600 |
| Tubing | 8550' - 2 7/8" 6.5# L-80 IPC Tbg @ \$12.5/ft | | | 0181-0798 | \$114,100 |
| Drilling Head | | 0181-0860 | \$50,000 | | |
| Tubing Head & Upper Section | | | | 0181-0870 | \$30,000 |
| Horizontal Completion Tools | Completion Liner Hanger | | | 0181-0871 | \$70,000 |
| Subsurface Equip. & Artificial Lift | ESP | | | 0181-0880 | \$100,000 |
| Pumping Unit Systems | | | | 0181-0885 | |
| Service Pumps | (1/4) 1 TP/1 CP/1 Circ Pump | | | 0181-0886 | \$8,000 |
| Storage Tanks | (1/4) 8 OT/6 WT/1 GB | | | 0181-0890 | \$130,000 |
| Emissions Control Equipment | (1/4) 3 VRT/1 VRU/1 FLARE/3 KO/1 Air | | | 0181-0892 | \$78,500 |
| Separation / Treating Equipment | (1/4) 1H Sep/1V Sep/1 HHT/2 VHT | | | 0181-0895 | \$73,500 |
| Automation Metering Equipment | (1/4) Automation/Fiber/Meters | | | 0181-0898 | \$48,500 |
| Line Pipe & Valves - Gathering | (1/4) Facility Gas Work | | | 0181-0900 | \$21,500 |
| Fittings / Valves & Accessories | (1/4) Flow Line/Parts | | | 0181-0906 | \$176,500 |
| Cathodic Protection | | | | 0181-0908 | |
| Electrical Installation | | | | 0181-0909 | \$98,500 |
| Equipment Installation | | | | 0181-0910 | \$82,300 |
| Pipeline Construction | (1/4) Facility Gas Work | | | 0181-0920 | \$15,700 |
| TOTAL | | | \$722,200 | | \$1,230,700 |
| SUBTOTAL | | | \$2,958,100 | | \$4,315,300 |

TOTAL WELL COST \$7,273,400

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: Christian Ward Date: 7/1/2022

Company Approval: M. Whitton Date: 7/8/2022

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

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

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

Case No. 23079

VERIFIED STATEMENT OF TYLER HILL

COUNTY OF MIDLAND)
STATE OF TEXAS) ss.
)

Tyler Hill, being duly sworn upon his oath, 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 this case. 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 of the Wolfcamp formation, mapped on the top of the correlative Wolfcamp marker. It shows that structure dips to the east, and that the planned wellbores would drill perpendicular to strike. It also shows a line of cross-section, A-A'.
 - (b) Attachment B is a south-north cross section. The well logs on the cross-section give a representative sample of the Wolfcamp formation in this area. The target zone for the wells is the Upper Wolfcamp Sand, and that zone is continuous across the well unit.
4. I conclude from the maps that:
 - (a) The horizontal spacing unit is justified from a geologic standpoint.
 - (b) Each quarter section in the unit will contribute more or less equally to production.
 - (c) There is no faulting or other geologic impediment in the area which will affect the drilling of the subject wells.
5. Attachment C is a regional map that shows the Hot Shots drilling unit in relation to nearby cities, and its location in Eddy County, NM.

EXHIBIT 3

6. Attachment D is the Survey Calculation Report for wells: Hot Shots 33 W0AD Fee 1H and Hot Shots 33 W0HE Fee 1H. The producing interval of the proposed well will be orthodox. The Pool code is Purple Sage Wolfcamp (98220).



Tyler Hill

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

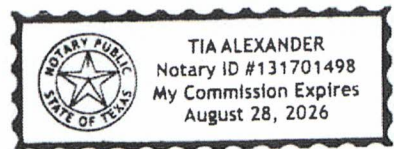
Tyler Hill, being duly sworn upon his oath, deposes and states that: He is a geologist for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge,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

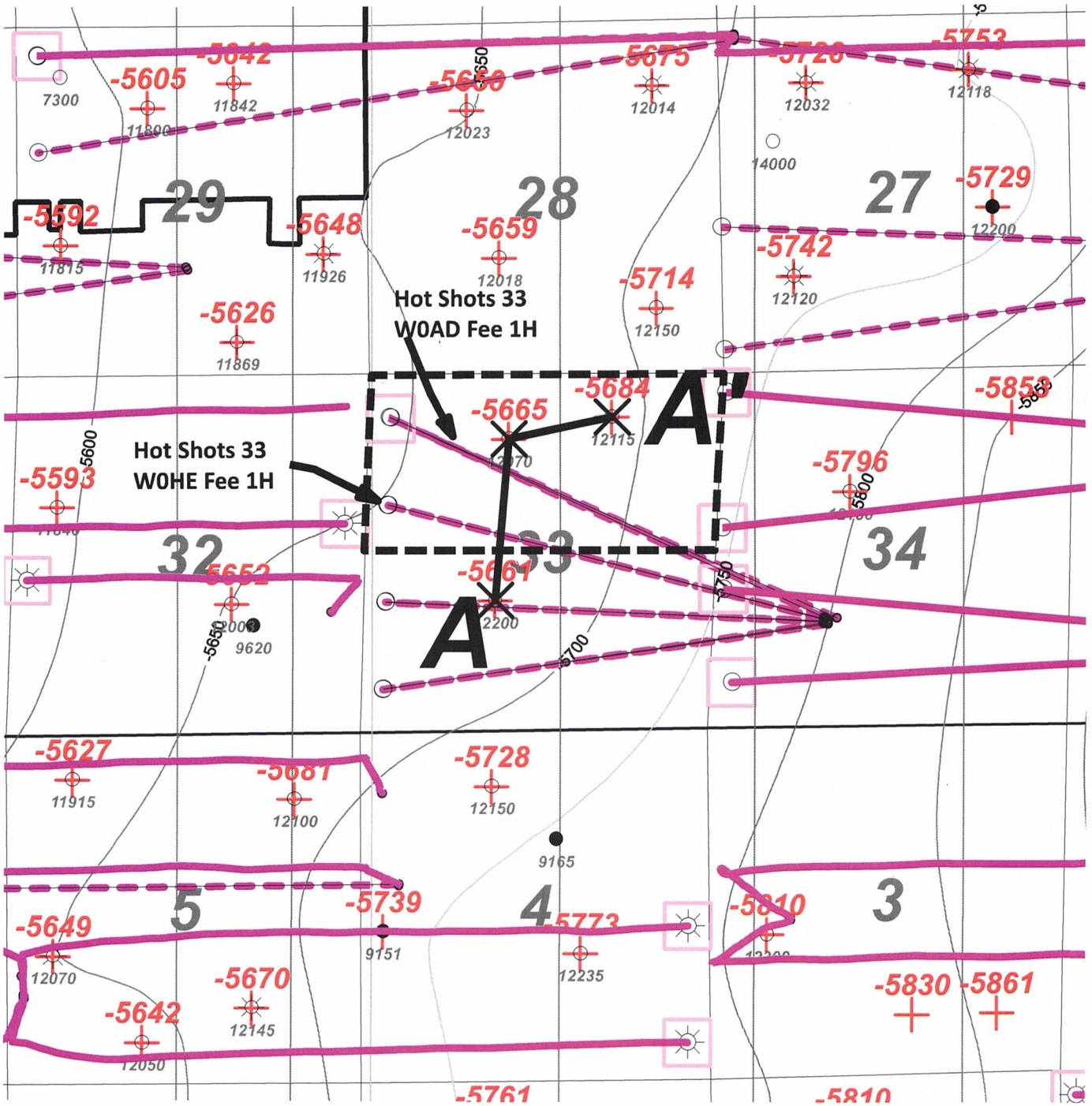
Tyler Hill
Tyler Hill

SUBSCRIBED AND SWORN TO before me this 27th day of September, 2022 by Tyler Hill.

My Commission Expires: 8-28-26

Tia Alexander
Notary Public





Activity Color Code (Permitted Horizons)

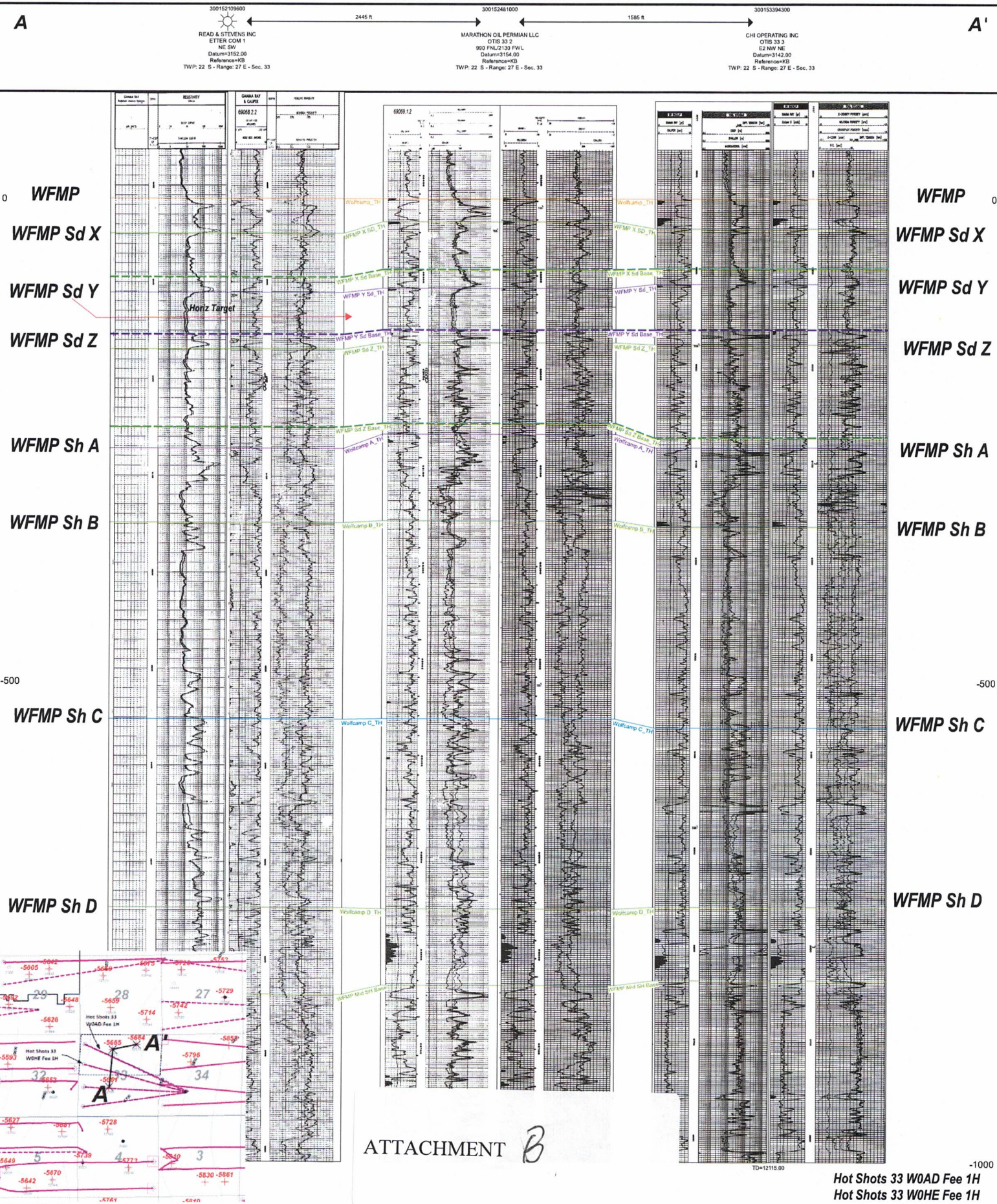
--- Wolfcamp Sand



ATTACHMENT *A*

| | | |
|--|---------|-----------------------------|
| MOC Mewbourne Oil Company | | |
| <i>Hot Shots 33 WOAD Fee 1H Hot Shots 33 WOIL Fee 1H Structure top WFMP (C.I. 50')</i> | | |
| Author: T. Hill | County: | Date: 27 September, 2022 |
| Scale: 1.0"=3000' | | |

Rockhounds/Hot Shots 33 WFMP



ATTACHMENT B

Hot Shots 33 WOAD Fee 1H
Hot Shots 33 WOHE Fee 1H



Hot Shots 33

Eddy County Locator Map

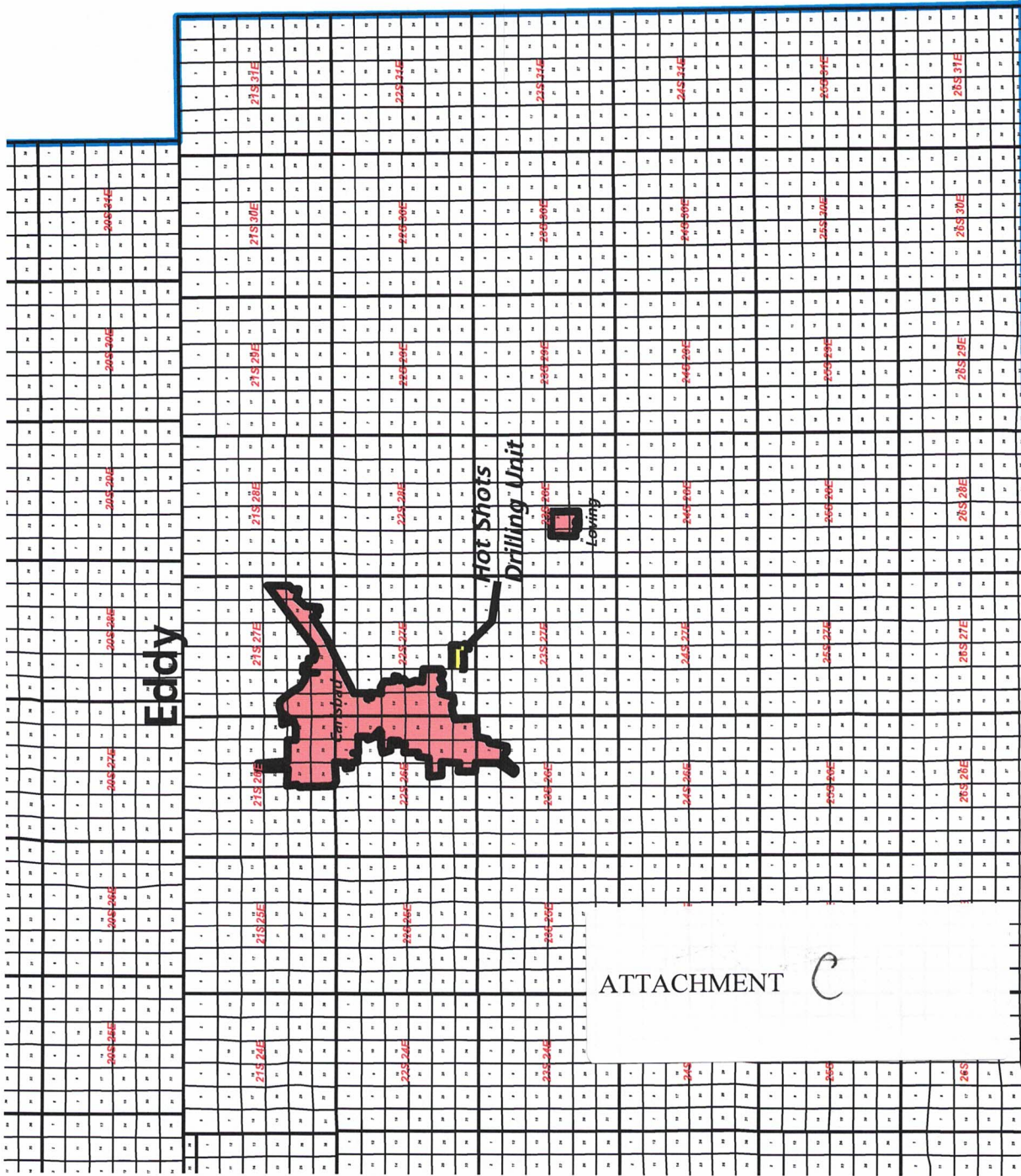
| | | |
|-----------------|--------------------|--------------------|
| Author: T. Hill | NMTX | Date: |
| | Scale: 1.0"=3.468' | 27 September, 2022 |

Lea

Eddy

Texas

ATTACHMENT C



ATTACHMENT

Project: EDDY COUNTY, NEW MEXICO (NAD 83 - GRID)
 Site: SEC. 34 T2S R27E
 Well: HOT SHOTS 33 WOAD FEE #1H
 Wellbore: ORIGINAL WELLBORE
 Design: PROPOSAL #2

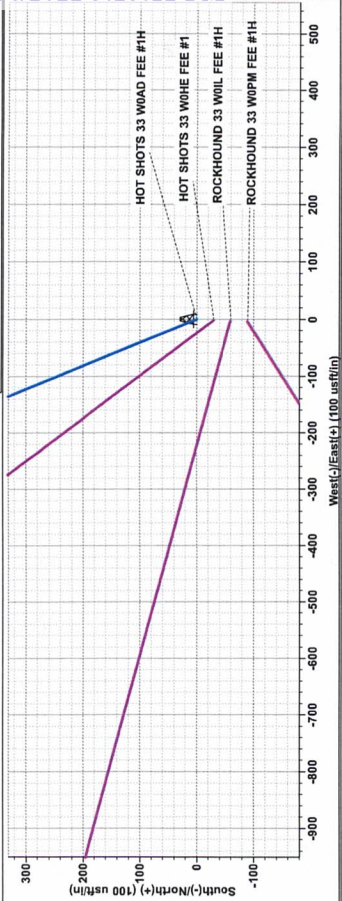


zimuths to Grid North
 True North: -0.0°
 Magnetic North: 6.6°
 Magnetic Field
 Strength: 47381.1n
 Dip Angle: 59.8°
 Date: 2022-08-27
 Model: IGRF2015

ANNOTATIONS

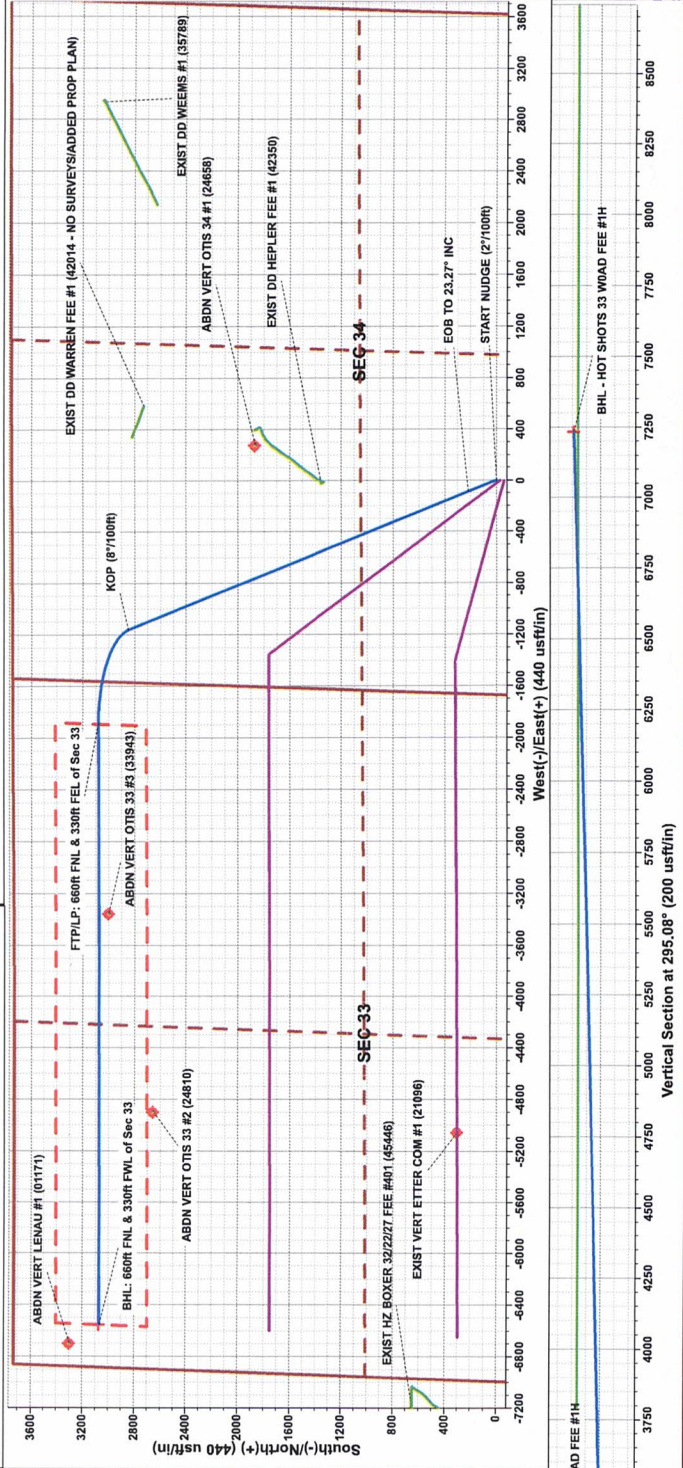
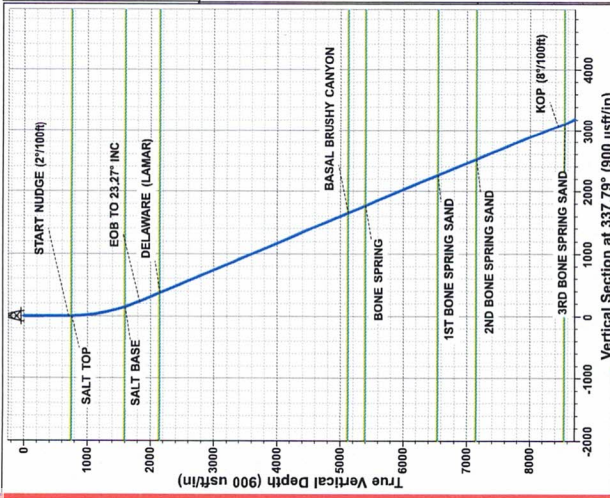
| MD | Inc | Azi | TVD | +N/S | +E/W | Vsect | Dep | Annotation |
|----------|-------|--------|---------|---------|----------|---------|---------|---------------------------------------|
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | SHL: 1650R FSL & 1670R FWL of Sec 34 |
| 700.00 | 0.00 | 0.00 | 700.00 | 0.00 | 0.00 | 0.00 | 0.00 | START NUDGE (2°/100R) |
| 1863.41 | 23.27 | 337.79 | 1831.69 | 215.72 | -88.06 | 171.20 | 233.01 | EOB TO 23.27° INC |
| 9063.85 | 23.27 | 337.79 | 8446.49 | 2849.20 | -1163.04 | 2261.10 | 3077.43 | KOP (8°/100R) |
| 10097.16 | 91.29 | 269.86 | 9011.00 | 3078.02 | -1886.83 | 3013.64 | 3865.25 | FTP/LP: 660R FNL & 330R FEL of Sec 33 |
| 14763.71 | 91.29 | 269.86 | 8906.00 | 3066.43 | -6552.18 | 7234.23 | 8530.62 | BHL: 660R FNL & 330R FWL of Sec 33 |

PROPOSED LOCAL COORDINATES:
 SHL: 1650R FSL & 1670R FWL of Sec 34
 FTP/LP: 660R FNL & 330R FEL of Sec 33
 BHL: 660R FNL & 330R FWL of Sec 33
SETBACK BOUNDARIES:
 330R FNL & 1032R FNL of Sec 33
 330R FE/WL of Sec 33



DESIGN TARGET DETAILS

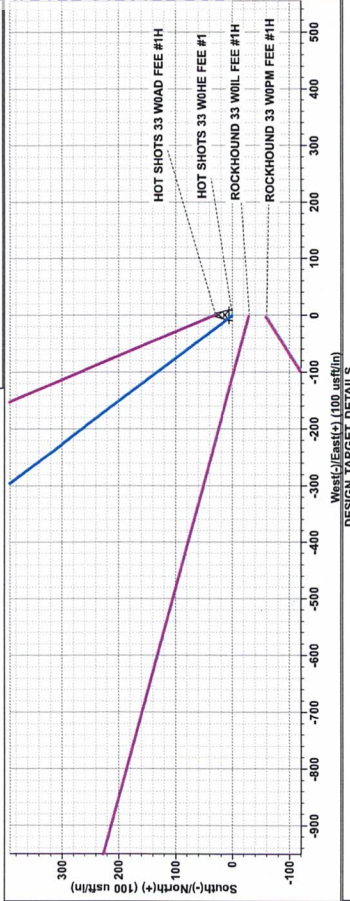
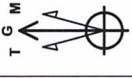
| Name | TVD | +N/S | +E/W | Northing | Easting | Latitude | Longitude |
|------------------------------------|---------|---------|----------|-----------|-----------|-----------|-------------|
| BHL - HOT SHOTS 33 WOAD FEE #1H | 8906.00 | 3066.43 | -6552.18 | 492696.10 | 581877.60 | 32.354424 | -104.202046 |
| FTP/LP - HOT SHOTS 33 WOAD FEE #1H | 9011.00 | 3078.02 | -1886.83 | 492707.69 | 586542.95 | 32.354439 | -104.186938 |



Project: EDDY COUNTY, NEW MEXICO (NAD 83 - GRID)
 Site: SEC. 34 T22S R27E
 Well: HOT SHOTS 33 WOHE FEE #1H
 Wellbore: ORIGINAL WELLBORE
 Design: PROPOSAL #1



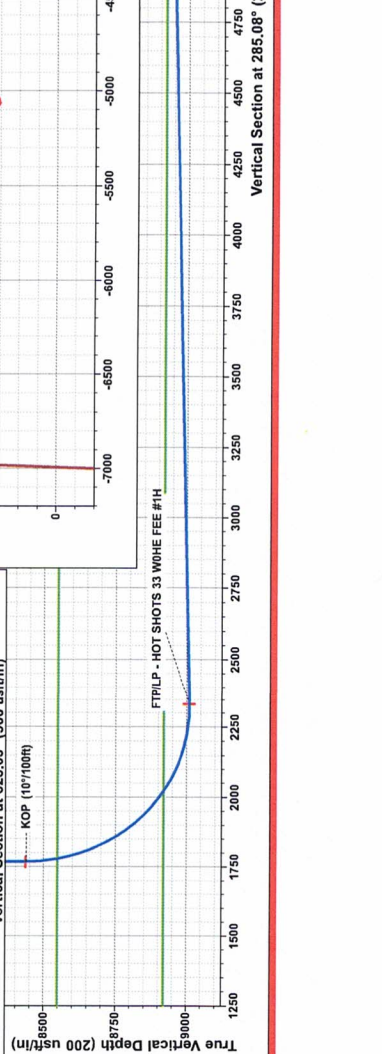
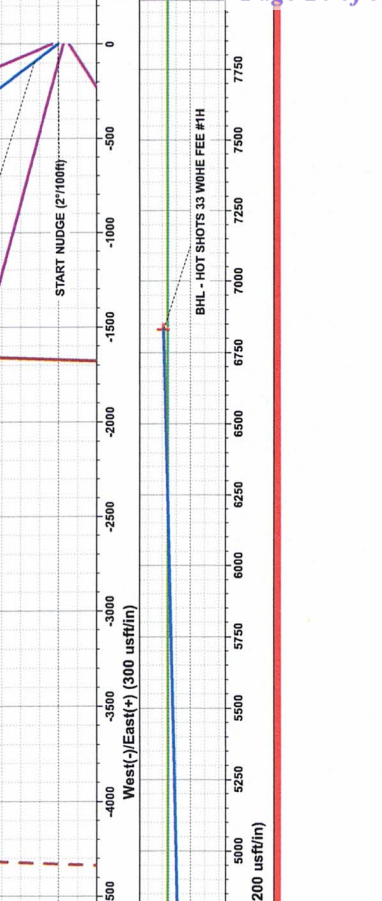
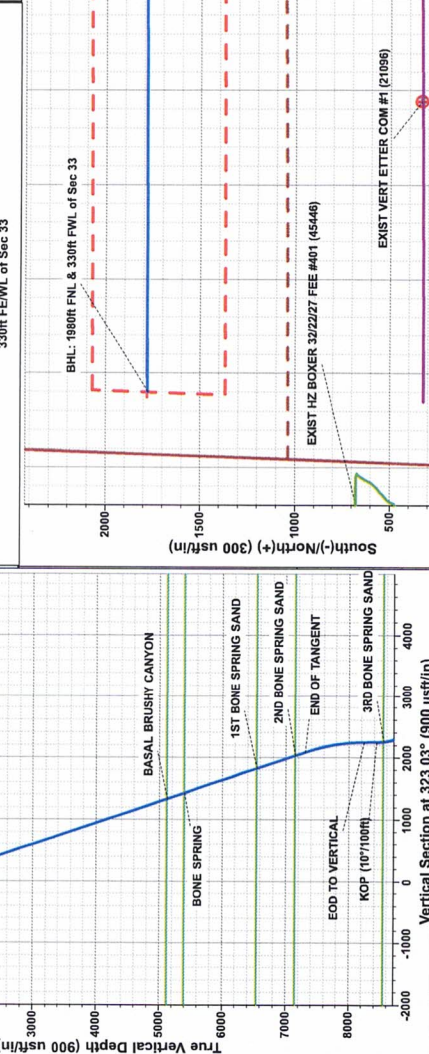
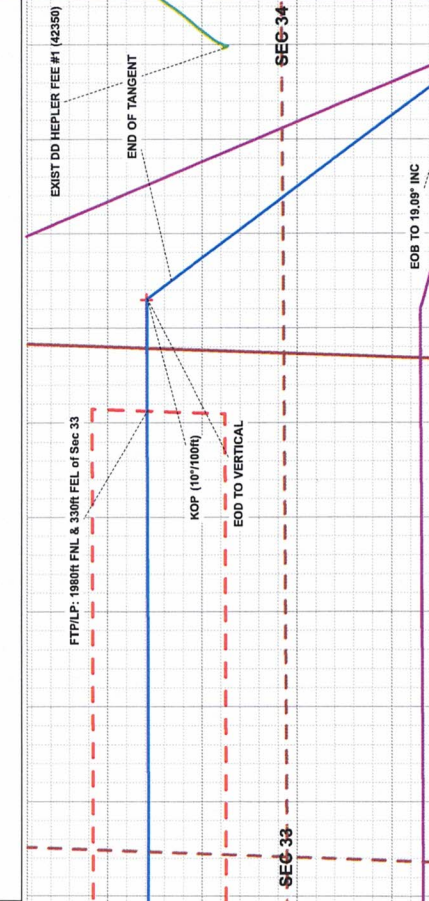
Azimuths to Grid North
 True North: -0.0°
 Magnetic North: 6.61°
 Magnetic Field
 Strength: 47381.0nT
 Dip Angle: 59.8°
 Date: 2022-08-26
 Model: IGRF2022



| MD | Inc | Azi | TVD | +N/S | +E/W | Vsect | Dep | Annotation |
|----------|-------|--------|---------|---------|----------|---------|---------|--|
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | SHL: 1620R FSL & 1670R FWL of Sec 34 |
| 800.00 | 0.00 | 0.00 | 800.00 | 0.00 | 0.00 | 0.00 | 0.00 | START NUDDGE (2°/100R) |
| 1754.58 | 19.09 | 323.03 | 1737.01 | 125.89 | -94.77 | 124.26 | 157.57 | EOB TO 19.09° INC |
| 7642.60 | 19.09 | 323.03 | 7301.18 | 1664.48 | -1253.05 | 1642.90 | 2083.42 | END OF TANGENT |
| 8597.18 | 0.00 | 0.00 | 8238.19 | 1790.37 | -1347.82 | 1767.16 | 2240.99 | EOD TO VERTICAL |
| 8797.18 | 0.00 | 0.00 | 8438.19 | 1790.37 | -1347.82 | 1767.16 | 2240.99 | KOP (10°/100R) |
| 9710.08 | 91.29 | 269.86 | 9011.00 | 1788.94 | -1933.67 | 2332.47 | 2826.84 | FTP/LP: 1980R FNL & 330R FEL of Sec 33 |
| 14375.55 | 91.29 | 269.86 | 8906.00 | 1777.58 | -6597.95 | 6633.20 | 7491.13 | BHL: 1980R FNL & 330R FWL of Sec 33 |

| Name | TVD | +N/S | +E/W | Longitude |
|------------------------------------|---------|---------|----------|-------------|
| BHL - HOT SHOTS 33 WOHE FEE #1H | 8906.00 | 1777.58 | -6597.95 | -104.202203 |
| FTP/LP - HOT SHOTS 33 WOHE FEE #1H | 9011.00 | 1788.94 | -1933.67 | -104.187089 |
| KOP - HOT SHOTS 33 WOHE FEE #1H | 8438.19 | 1790.37 | -1347.82 | -104.185202 |

PROPOSED LOCAL COORDINATES:
 SHL: 1620R FSL & 1670R FWL of Sec 34
 FTP/LP: 1980R FNL & 330R FEL of Sec 33
 BHL: 1980R FNL & 330R FWL of Sec 33
 SETBACK BOUNDARIES:
 1692R FNL & 2394R FNL of Sec 33
 330R FE/WL of Sec 33



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

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

Case No. 23079

SELF-AFFIRMED STATEMENT OF NOTICE

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

James Bruce deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Mewbourne Oil Company.
3. Mewbourne Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the applications filed herein.
4. Notice of the applications was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Rules.
6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 10/4/22

James Bruce
James Bruce

EXHIBIT 4

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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

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

jamesbruc@aol.com

September 15, 2022

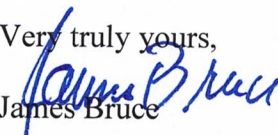
CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling (Case No. 23077), filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, seeking an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 33, Township 22 South, Range 27 East, NMPM. The unit will be dedicated to the Hot Shots 33 W0AD Fee Well No. 1H, with a first take point in the NE/4NE/4 of 33 and a last take point in the NW/4NW/4 of Section 33, and the Hot Shots 33 W0HE Fee Well No. 1H, with a first take point in the SE/4NE/4 of 33 and a last take point in the SW/4NW/4 of Section 33. This matter is scheduled for hearing at 8:15 a.m. on Thursday, October 6, 2022. Due to current circumstances, 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 application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter 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 September 29, 2022. 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

EXHIBIT A

Marathon Oil Permian LLC
990 Town and Country Blvd.
Houston, TX 77024
Attn: Chase Rice

Devon Energy Production Company, L.P.
333 West Shridan Avenue
Oklahoma City, OK 73102
Attn: Verl Brown

Eddy County, New Mexico
101 W. Greene Street, STE 110
Carlsbad, NM 88220

Lorina M. Ordunez & Lori A. Villegas
1503 Portillo Road
Carlsbad, NM 88220

Post Oak Crown Minerals, LLC
34 S. Wynden Dr., STE 210
Houston, TX 77056
Attn: Permian Land Manager

Rafael Medrano, Jr. and Cesilia Medrano, Trustees
of the Rafael Medrano, Jr. and Cesilia
Medrano Revocable Trust dated February 13, 2019
1433 Smedley Rd.
Carlsbad, NM 88220

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com

OFFICIAL USE

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To Rafael Medrano, Jr. and Cecilia Medrano, Trustees of the Rafael Medrano, Jr. and Cecilia Medrano Revocable Trust dated February 13, 2019
1433 Smedley Rd.
Carlsbad, NM 88220

Street and Apt. No., or PO BOX NO.

City, State, ZIP+4®

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

7021 0950 0002 0374 3603

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:

Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Marathon Oil Permian LLC
990 Town and Country Blvd.
Houston, TX 77024
Attn: Chase Rice

7021 0950 0002 0374 3207

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature X TC Agent Addressee

B. Received by (Printed Name) 9-26-2022 C. Date of Delivery

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type

Priority Mail Express®

Adult Signature

Registered Mail™

Certified Mail®

Certified Mail Restricted Delivery

Signature Confirmation™

Signature Confirmation Restricted Delivery

Collect on Delivery

Collect on Delivery Restricted Delivery

Postmark Here

9590 9402 7543 2098 9501 27

7021 0950 0002 0374 3207

PS Form 3811, July 2020 PSN 7530-02-000-9053

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OFFICIAL USE

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To Marathon Oil Permian LLC
990 Town and Country Blvd.
Houston, TX 77024
Attn: Chase Rice

Street and Apt. No., or PO BOX NO.

City, State, ZIP+4®

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

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:

Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Rafael Medrano, Jr. and Cecilia Medrano, Trustees of the Rafael Medrano, Jr. and Cecilia Medrano Revocable Trust dated February 13, 2019
1433 Smedley Rd.
Carlsbad, NM 88220

7021 0950 0002 0374 3603

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature X Cecilia Medrano Agent Addressee

B. Received by (Printed Name) 9-23-22 C. Date of Delivery

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type

Priority Mail Express®

Registered Mail™

Adult Signature Restricted Delivery

Certified Mail®

Signature Confirmation™

Signature Confirmation Restricted Delivery

Collect on Delivery

Collect on Delivery Restricted Delivery

Postmark Here

9590 9402 7543 2098 9500 73

7021 0950 0002 0374 3603

PS Form 3811, July 2020 PSN 7530-02-000-9053

7021 0950 0002 0374 3207

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Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To Devon Energy Production Company, L.P.
333 West Shiridan Avenue
Oklahoma City, OK 73102
Street and Apt. No., or P.O. Box
Attn: Vert Brown
City, State, ZIP+4® _____

PS Form 3800, April 2015 PSN 7550-02-000-9047 See Reverse for Instructions

767E 42E0 2000 0560 7202

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Article Number *Transfer from* 7021 0950 0002 0374 3634 (over \$500) *M HS*

PS Form 3811, July 2020 PSN 7550-02-000-9053 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature Adrian Jones Agent Addressee

B. Received by (Printed Name) ADRIAN J. JONES C. Date of Delivery 9/22/22

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type

Priority Mail Express®
 Registered Mail™
 Registered Mail Restricted Delivery
 Certified Mail®
 Signature Confirmation™
 Signature Confirmation Restricted Delivery
 Collect on Delivery
 Restricted Delivery

Eddy County, New Mexico
101 W. Greene Street, STE 110
Carlsbad, NM 88220

9590 9402 7543 2098 9501 03

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Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To Devon Energy Production Company, L.P.
333 West Shiridan Avenue
Oklahoma City, OK 73102
Street and Apt. No., or P.O. Box
Attn: Vert Brown
City, State, ZIP+4® _____

PS Form 3800, April 2015 PSN 7550-02-000-9047 See Reverse for Instructions

4E9E 42E0 2000 0560 7202

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Article Number *Transfer from* 7021 0950 0002 0374 3191 (over \$500) *M HS*

PS Form 3811, July 2020 PSN 7550-02-000-9053 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature David Carillo Agent Addressee

B. Received by (Printed Name) _____ C. Date of Delivery _____

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type

Priority Mail Express®
 Registered Mail™
 Registered Mail Restricted Delivery
 Certified Mail®
 Signature Confirmation™
 Signature Confirmation Restricted Delivery
 Collect on Delivery
 Restricted Delivery

Devon Energy Production Company, L.P.
333 West Shiridan Avenue
Oklahoma City, OK 73102
Attn: Vert Brown

9590 9402 7543 2098 9501 10

7021 0950 0002 0374 3610

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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 Post Oak Crown Minerals, LLC 34 S. Wynden Dr., STE 210 Houston, TX 77056 Attn: Permian Land Manager | |
| Street and Apt. No., or P.O. Box No. | |
| City, State, ZIP+4® | |

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

7021 0950 0002 0374 3627

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OFFICIAL USE

| | |
|--|------------------|
| 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 Lorina M. Ordunez & Lori A. Villegas. 1503 Portillo Road Carlsbad, NM 88220 | |
| Street and Apt. No., or P.O. Box No. | |
| City, State, ZIP+4® | |

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

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005420318

This is not an invoice

JAMES BRUCE ATTORNEY AT LAW

POBOX 1056

SANTA FE, NM 87504

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

09/21/2022

Mariah Verheggen
Legal Clerk

Subscribed and sworn before me this September 21, 2022:

Kathleen Allen

State of WI, County of Brown
NOTARY PUBLIC

1-7-25

My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005420318
PO #: 5420318
of Affidavits 1

This is not an invoice

EXHIBIT 5

NOTICE

To: Marathon Oil Permian LLC, Devon Energy Production Company, L.P., Rafael Medrano, Jr. and Cesilia Medrano as Trustees of the Rafael Medrano, Jr. and Cesilia Medrano Trust U/T/A dated September 13, 2019, The County of Eddy, Lorina M. Ordunez, Lori A. Villegas, and Post Oak Crown Minerals, LLC, or your heirs, devisees, successors, or assigns: Mewbourne Oil Company has filed the following application with the New Mexico Oil Conservation Division: Case No. 23079, seeking an order pooling all mineral uncommitted interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 33, Township 22 South, Range 27 East, NMPM. The unit will be dedicated to the Hot Shots 33 W0AD Fee Well No. 1H, with a first take point in the NE/4NE/4 of 33 and a last take point in the NW/4NW/4 of Section 33, and the Hot Shots 33 W0HE Fee Well No. 1H, with a first take point in the SE/4NE/4 of 33 and a last take point in the SW/4NW/4 of Section 33. 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. The applications are scheduled to be heard at 8:15 a.m. on October 6, 2022. During the current circumstances, 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 application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, September 29, 2022. 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. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, (505) 982-2043, jamesbruc@aol.com. The unit is located approximately 1-1/2 miles west of Otis, New Mexico.
#5420318, Current Argus, September 21, 2022

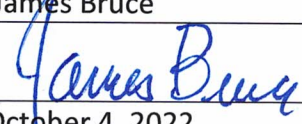
COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

| | |
|---|---|
| Case: | 23079 |
| Date | October 6, 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, Eddy County, New Mexico |
| Entries of Appearance/Intervenors: | |
| Well Family | Hot Shots Wolfcamp wells |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent: | Wolfcamp Formation |
| Primary Product (Oil or Gas): | Gas |
| Pooling this vertical extent: | Entire Wolfcamp formation |
| Pool Name and Pool Code: | Purple Sage; Wolfcamp (Gas)/Pool Code 98220 |
| Well Location Setback Rules: | Purple Sage pool rules and current horizontal well rules |
| Spacing Unit Size: | Half Section/320 acres |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 320 acres |
| Building Blocks: | 320 acres |
| Orientation: | East-West |
| Description: TRS/County | N/2 §33-22S-27E, NMPM, Eddy 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 | Exhibit 2A-B |
| Well(s) | |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non- standard) | Hot Shots 33 WODA Fee Well No. 1H API No. 30-015-Pending SHL: 1650 FSL & 1670 FWL §34-22S-27E BHL: 660 FNL & 330 FWL §33 FTP: 660 FNL & 330 FEL §33 LTP: 660 FNL & 330 FWL §33 Upper Wolfcamp/TVD 9015 feet/MD 14950 feet |

EXHIBIT

6

| | |
|--|--|
| | Hot Shots 33 W0HE Fee Well No. 1H API No. 30-015-Pending SHL: 1620 FSL & 1670 FWL §34-22S-27E BHL: 1980 FNL & 330 FWL §33 FTP: 1980 FNL & 330 FEL §33 LTP: 1980 FNL & 330 FWL §33 Upper Wolfcamp/TVD 9011 feet/MD 14450 feet |
| Horizontal Well First and Last Take Points | See above |
| 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 2A, page 2 |
| Requested Risk Charge | Cost + 200%/Exhibit 2A, 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) | Exhibit 5 |
| Ownership Determination | |
| Land Ownership Schematic of the Spacing Unit | Exhibit 2A |
| Tract List (including lease numbers and owners) | |
| Pooled Parties (including ownership type) | Exhibit 2B |
| Unlocatable Parties to be Pooled | |
| Ownership Depth Severance (including percentage above & below) | None |
| Joinder | |
| Sample Copy of Proposal Letter | Exhibit 2C |
| List of Interest Owners (<i>i.e.</i> Exhibit A of JOA) | Exhibit 2B |
| Chronology of Contact with Non-Joined Working Interests | Exhibit 2C |
| Overhead Rates In Proposal Letter | |
| Cost Estimate to Drill and Complete | Exhibit 2D |
| Cost Estimate to Equip Well | Exhibit 2D |
| Cost Estimate for Production Facilities | Exhibit 2D |
| Geology | |
| Summary (including special considerations) | Exhibit 3 |
| Spacing Unit Schematic | Exhibit 3-A |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit 3-A |
| Well Orientation (with rationale) | Laydown/Exhibit 3 |
| Target Formation | Wolfcamp |

| | |
|--|---|
| H50 Cross Section | Exhibit 3B |
| Depth Severance Discussion | Not Applicable |
| Forms, Figures and Tables | |
| C-102 | Exhibit 2A |
| Tracts | Exhibit 2B |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit 2B |
| General Location Map (including basin) | Exhibit 2A |
| Well Bore Location Map | Exhibit 2A |
| Structure Contour Map - Subsea Depth | Exhibit 3A |
| Cross Section Location Map (including wells) | Exhibit 3A |
| Cross Section (including Landing Zone) | Exhibit 3B |
| Additional Information | |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. | |
| Printed Name (Attorney or Party Representative): | James Bruce |
| Signed Name (Attorney or Party Representative): |  |
| Date: | October 4, 2022 |

CASE NO. 23079

STATUS OF CERTIFIED NOTICE

| <u>INTEREST OWNER</u> | <u>MAILING DATE</u> | <u>RECEIPT DATE</u> | <u>CARD RETURNED</u> |
|---|---------------------|---------------------|----------------------|
| Lorena M. Ordunez & Lori A. Villegas | September 15, 2022 | Unknown | No |
| Post Oak Crown Minerals, LLC | September 15, 2022 | Unknown | No |

All other parties who were notified of the application have voluntarily committed their interests to the wells, and are dismissed from the pooling.

EXHIBIT 7