

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING NOVEMBER 3, 2022**

CASE NOS. 23171-23712

*SIG 6-5 WOLI FED 1H WELL
SIG 6-5 WOMP FED 1H WELL*

EDDY COUNTY, NEW MEXICO



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

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

CASE NOS. 23171-23172


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

| | |
|--|---|
| Case: 23171 | APPLICANT'S RESPONSE |
| Date: November 3, 2011 | |
| Applicant | Mewbourne Oil Company |
| Designated Operator & OGRID (affiliation if applicable) | Mewbourne Oil Company [OGRID 14744] |
| Applicant's Counsel: | Holland & Hart LLP |
| Case Title: | Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico |
| Entries of Appearance/Intervenors: | |
| Well Family | Sig 6/5 |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent: | Wolfcamp |
| Primary Product (Oil or Gas): | Oil |
| Pooling this vertical extent: | N/A |
| Pool Name and Pool Code: | Gatuna Canyon;Wolfcamp (27191) |
| Well Location Setback Rules: | Standard |
| Spacing Unit Size: | 309.91-acres |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 309.91-acres |
| Building Blocks: | Quarter-Quarter sections |
| Orientation: | Laydown |
| Description: TRS/County | Lot 6 (NW4SW4), NE4SW4, N2SE4 of irregular Section 6 and N2S of Section 5, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. |
| 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 | N/A |
| Applicant's Ownership in Each Tract | Exhibit A-3 |
| Well(s) | |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | |
| Well #1 | Sig 6/5 WOLI Fed 1H (API No. pending) SHL: 1180' FSL & 100' FWL (Lot 7) of Sec. 6, T20S, R29E BHL: 2200' FSL & 100' FEL (Unit I) of Sec. 5, T20S, R29E Completion Target: Wolfcamp formation Well Orientation: West to East Completion Location expected to be: Standard |
| Horizontal Well First and Last Take Points | Exhibit A-1 |


| | |
|--|-------------------|
| Completion Target (Formation, TVD and MD) | Exhibit A-4 |
| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | \$8,000 |
| Production Supervision/Month \$ | \$800 |
| Justification for Supervision Costs | Exhibit A |
| Requested Risk Charge | 200% |
| Notice of Hearing | |
| Proposed Notice of Hearing | Exhibit C |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit C |
| Proof of Published Notice of Hearing (10 days before hearing) | N/A |
| Ownership Determination | |
| Land Ownership Schematic of the Spacing Unit | Exhibit A-3 |
| Tract List (including lease numbers and owners) | Exhibit A-3 |
| Pooled Parties (including ownership type) | Exhibit A-3 |
| Unlocatable Parties to be Pooled | N/A |
| Ownership Depth Severance (including percentage above & below) | N/A |
| Joinder | |
| Sample Copy of Proposal Letter | Exhibit A-4 |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit A-3 |
| Chronology of Contact with Non-Joined Working Interests | Exhibit A-5 |
| Overhead Rates In Proposal Letter | Exhibit A-4 |
| Cost Estimate to Drill and Complete | Exhibit A-4 |
| Cost Estimate to Equip Well | Exhibit A-4 |
| Cost Estimate for Production Facilities | Exhibit A-4 |
| Geology | |
| Summary (including special considerations) | Exhibit B |
| Spacing Unit Schematic | Exhibits A-1, B-1 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit B-1 |
| Well Orientation (with rationale) | Exhibit B |
| Target Formation | Exhibit B |
| HSU Cross Section | Exhibit B-2 |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables | |
| C-102 | Exhibit A-1 |
| Tracts | Exhibit A-3 |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit A-3 |
| General Location Map (including basin) | Exhibit A-2 |
| Well Bore Location Map | Exhibits A-1, B-1 |
| Structure Contour Map - Subsea Depth | Exhibit B-1 |

| | |
|--|--|
| Cross Section Location Map (including wells) | Exhibit B-1 |
| Cross Section (including Landing Zone) | Exhibit B-2 |
| Additional Information | |
| Special Provisions/Stipulations | N/A |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. | |
| Printed Name (Attorney or Party Representative): | Michael H. Feldewert |
| Signed Name (Attorney or Party Representative): |  |
| Date: | 1-Nov-2 |

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

| | |
|--|--|
| Case: 23172 | APPLICANT'S RESPONSE |
| Date: November 3, 2011 | |
| Applicant | Mewbourne Oil Company |
| Designated Operator & OGRID (affiliation if applicable) | Mewbourne Oil Company [OGRID 14744] |
| Applicant's Counsel: | Holland & Hart LLP |
| Case Title: | Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico |
| Entries of Appearance/Intervenors: | |
| Well Family | Sig 6/5 |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent: | Wolfcamp |
| Primary Product (Oil or Gas): | Oil |
| Pooling this vertical extent: | N/A |
| Pool Name and Pool Code: | Gatuna Canyon;Wolfcamp (27191) |
| Well Location Setback Rules: | Standard |
| Spacing Unit Size: | 309.93-acres |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 309.93-acres |
| Building Blocks: | Quarter-Quarter sections |
| Orientation: | Laydown |
| Description: TRS/County | Lot 6 (NW4SW4), SE4SW4, S2SE4 of irregular Section 6 and S2S2 of Section 5, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. |
| 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 | N/A |
| Applicant's Ownership in Each Tract | Exhibit A-3 |
| Well(s) | |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | |
| Well #1 | Sig 6/5 WOMP Fed 1H (API No. pending) SHL: 1100' FSL & 100' FWL (Lot 7) of Sec. 6, T20S, R29E BHL: 440' FSL & 100' FEL (Unit P) of Sec. 5, T20S, R29E Completion Target: Wolfcamp formation Well Orientation: West to East Completion Location expected to be: Standard |
| Horizontal Well First and Last Take Points | Exhibit A-1 |

| | |
|--|-------------------|
| Completion Target (Formation, TVD and MD) | Exhibit A-4 |
| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | \$8,000 |
| Production Supervision/Month \$ | \$800 |
| Justification for Supervision Costs | Exhibit A |
| Requested Risk Charge | 200% |
| Notice of Hearing | |
| Proposed Notice of Hearing | Exhibit C |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit C |
| Proof of Published Notice of Hearing (10 days before hearing) | N/A |
| Ownership Determination | |
| Land Ownership Schematic of the Spacing Unit | Exhibit A-3 |
| Tract List (including lease numbers and owners) | Exhibit A-3 |
| Pooled Parties (including ownership type) | Exhibit A-3 |
| Unlocatable Parties to be Pooled | N/A |
| Ownership Depth Severance (including percentage above & below) | N/A |
| Joinder | |
| Sample Copy of Proposal Letter | Exhibit A-4 |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit A-3 |
| Chronology of Contact with Non-Joined Working Interests | Exhibit A-5 |
| Overhead Rates In Proposal Letter | Exhibit A-4 |
| Cost Estimate to Drill and Complete | Exhibit A-4 |
| Cost Estimate to Equip Well | Exhibit A-4 |
| Cost Estimate for Production Facilities | Exhibit A-4 |
| Geology | |
| Summary (including special considerations) | Exhibit B |
| Spacing Unit Schematic | Exhibits A-1, B-1 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit B-1 |
| Well Orientation (with rationale) | Exhibit B |
| Target Formation | Exhibit B |
| HSU Cross Section | Exhibit B-2 |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables | |
| C-102 | Exhibit A-1 |
| Tracts | Exhibit A-3 |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit A-3 |
| General Location Map (including basin) | Exhibit A-2 |
| Well Bore Location Map | Exhibits A-1, B-1 |
| Structure Contour Map - Subsea Depth | Exhibit B-1 |

| | |
|--|--|
| Cross Section Location Map (including wells) | Exhibit B-1 |
| Cross Section (including Landing Zone) | Exhibit B-2 |
| Additional Information | |
| Special Provisions/Stipulations | N/A |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. | |
| Printed Name (Attorney or Party Representative): | Michael H. Feldewert |
| Signed Name (Attorney or Party Representative): |  |
| Date: | 1-Nov-2 |

**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. 23171

APPLICATION

Mewbourne Oil Company (“Mewbourne” or “Applicant”) (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 309.91-acre, more or less, horizontal spacing unit comprised of Lot 6 (NW4SW4 equivalent), NE4SW4, N2SE4 of irregular Section 6 and N2S2 of Section 5, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of its application, Mewbourne states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Sig 6-5 WOLI Fed 1H** well to be horizontally drilled from a surface location in Lot 7 (SW4SW4 equivalent) of irregular Section 6 to a bottom hole location in NE4SE4 (Unit I) of Section 5, Township 20 South, Range 29 East.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the working interest owners in the subject spacing unit.
4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.


5. To allow the recovery of Applicant's just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 3, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial well thereon;
- B. Designating Applicant as operator of the horizontal spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. 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
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Paula M. Vance
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**ATTORNEYS FOR MEWBOURNE OIL
COMPANY**

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 309.91-acre, more or less, horizontal well spacing unit comprised of Lot 6 (NW4SW4), NE4SW4, N2SE4 of irregular Section 6 and N2S2 of Section 5, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed **Sig 6-5 WOLI Fed 1H** well to be horizontally drilled from a surface location in Lot 7 (SW4SW4 equivalent) of irregular Section 6 to a bottom hole location in NE4SE4 (Unit I) of Section 5, Township 20 South, Range 29 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the operating costs and charges for supervision, the designation of applicant as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles northeast 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, EDDY COUNTY, NEW MEXICO.**

CASE NO. 23172

APPLICATION

Mewbourne Oil Company (“Mewbourne” or “Applicant”) (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 309.93-acre, more or less, horizontal spacing unit comprised of Lot 7 (SW4SW4 equivalent), SE4SW4, S2SE4 of irregular Section 6 and S2S2 of Section 5, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of its application, Mewbourne states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Sig 6-5 WOMP Fed 1H** well to be horizontally drilled from a surface location in Lot 7 (SW4SW4 equivalent) of irregular Section 6 to a bottom hole location in SE4SE4 (Unit P) of Section 5, Township 20 South, Range 29 East.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the working interest owners in the subject spacing unit.
4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

5. To allow the recovery of Applicant's just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 3, 2022, and, after notice and hearing as required by law, the Division enter an order:

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- B. Designating Applicant as operator of the horizontal spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. 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
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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Adam G. Rankin
Julia Broggi
Paula M. Vance
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**ATTORNEYS FOR MEWBOURNE OIL
COMPANY**

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 309.93-acre, more or less, horizontal well spacing unit comprised of Lot 6 (NW4SW4), SE4SW4, S2SE4 of irregular Section 6 and S2S2 of Section 5, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed **Sig 6-5 WOMP Fed 1H** well to be horizontally drilled from a surface location in Lot 7 (SW4SW4 equivalent) of irregular Section 6 to a bottom hole location in SE4SE4 (Unit P) of Section 5, Township 20 South, Range 29 East. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the operating costs and charges for supervision, the designation of applicant as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles northeast of Carlsbad, New Mexico.

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

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

CASE NOS. 23171 & 23172

SELF AFFIRMED STATEMENT OF TYLER JOLLY, LANDMAN

1. My name is Tyler Jolly, and I am employed by Mewbourne Oil Company (“Mewbourne”) as a Landman. My responsibilities include the Permian Basin of New Mexico. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.

2. I am familiar with the applications filed by Mewbourne in these consolidated matters and the status of the lands in the subject area. None of the mineral owners to be pooled have expressed opposition to this proceeding, so I do not expect any opposition at the hearing.

3. Mewbourne seeks an order pooling all uncommitted interests in the Wolfcamp formation [Gatuna Canyon; Wolfcamp Pool (27191)] underlying the S/2 equivalent of irregular Sections 5 and 6, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico as follows:

- Under **Case 23171**, Mewbourne seeks to pool a standard 309.91-acre horizontal well spacing unit in the Wolfcamp formation comprised of Lot 6 (NW4SW4 equivalent), NE4SW4, N2SE4 of irregular Section 6 and N2S2 of Section 5. Said horizontal spacing unit is to be initially dedicated to the proposed **Sig 6/5 WOLI Fed 1H** well to be horizontally drilled from a surface location in

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: Mewbourne Oil Company
Hearing Date: November 3, 2022
Case Nos. 23171-232172**

Lot 7 (SW4SW4 equivalent) of irregular Section 6 to a bottom hole location in NE4SE4 (Unit I) of Section 5.

- Under **Case 23172**, Mewbourne seeks to pool a standard a standard 309.93-acre horizontal well spacing unit in the Wolfcamp formation comprised of Lot 6 (NW4SW4 equivalent), SE4SW4, S2SE4 of irregular Section 6 and S2S2 of Section 5. Said horizontal spacing unit is to be initially dedicated to the proposed **Sig 6/5 WOMP Fed 1H** well to be horizontally drilled from a surface location in Lot 7 (SW4SW4 equivalent) of irregular Section 6 to a bottom hole location in SE4SE4 (Unit P) of Section 5.

4. **Exhibit A-1** contains the Form C-102s for the proposed initial wells. They reflect that the wells will be at standard locations under the Division's statewide rules for oil wells.

5. **Exhibit A-2** is a general location map noting the location of the acreage being pooled and the lateral trajectory of the proposed wells. The acreage is comprised of federal lands.

6. **Exhibit A-3** identifies the tracts of land comprising the proposed spacing unit, the working interest ownership in each tract and their respective interest in the horizontal spacing unit. Mewbourne has identified the "uncommitted" working interest owners that remain to be pooled in red italics font.

7. Mewbourne has been able to locate all the mineral owners that it seeks to pool.

8. **Exhibit A-4** contains a sample of the well proposal letter and AFE for the proposed wells submitted to the working interest owners Mewbourne has been able to locate. The costs reflected in these AFEs are consistent with what Mewbourne and other operators have incurred for drilling similar horizontal wells in the area in this formation.

9. **Exhibit A-5** contains a chronology of the contacts with the uncommitted mineral owners. Mewbourne has made a good faith effort to obtain voluntary joinder of these owners in the proposed spacing unit and initial wells.

10. Mewbourne requests overhead and administrative rates of \$8,000 per month for drilling and \$800 per month for a producing well. These rates are consistent with the rates charged by Mewbourne and other operators for similar wells in this area.

11. I have provided the law firm of Holland and Hart, LLP, with the names and addresses of the mineral owners that remain to be pooled and instructed that they be notified of this hearing.

12. Exhibits A-1 through A-5 were prepared by me or compiled under my direction from company business records.

13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



TYLER JOLLY

10/31/22
Date

20095988_v1

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---|--|--|--|---|--|
| ¹ API Number Pending | | ² Pool Code 27191 | | ³ Pool Name Gatuna Canyon Wolfcamp Oil | |
| ⁴ Property Code | | ⁵ Property Name SIG 6/5 WOLI FED | | | ⁶ Well Number 1H |
| ⁷ OGRID NO. 14744 | | ⁸ Operator Name MEWBOURNE OIL COMPANY | | | ⁹ Elevation 3283' |

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 |
|---------------|----------|------------|------------|---------|---------------|------------------|---------------|----------------|-------------|
| 7 | 6 | 20S | 29E | | 1180 | SOUTH | 100 | 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 |
|---------------|----------|------------|------------|---------|---------------|------------------|---------------|----------------|-------------|
| I | 5 | 20S | 29E | | 2200 | SOUTH | 100 | EAST | EDDY |

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 309.91 | 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.

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GEODETIC DATA
NAD 83 GRID - NM EAST
SURFACE LOCATION
N: 581545.3 - E: 606565.0
LAT: 32.5985420° N
LONG: 104.1215267° W

BOTTOM HOLE
N: 582564.6 - E: 616602.0
LAT: 32.6012847° N
LONG: 104.0889272° W

CORNER DATA
NAD 83 GRID - NM EAST
A: FOUND BRASS CAP "1916"
N 580365.5 - E 606463.1
B: FOUND BRASS CAP "1942"
N 583023.8 - E 606467.5
C: FOUND BRASS CAP "1916"
N 585767.2 - E 606452.8
D: FOUND BRASS CAP "1916"
N 585757.6 - E 611400.7
E: FOUND BRASS CAP "1916"
N 585749.7 - E 616696.7
F: FOUND BRASS CAP "1916"
N 583011.3 - E 616701.2
G: FOUND BRASS CAP "1916"
N 580365.0 - E 616706.0
H: FOUND BRASS CAP "1916"
N 580369.0 - E 614058.1
I: FOUND BRASS CAP "1916"
N 580372.5 - E 611413.2
J: FOUND BRASS CAP "1916"
N 580368.4 - E 608772.1
K: FOUND BRASS CAP "1916"

FTP: 2200' FSL & 100' FWL; Sec 6/20S/29E LTP: 2200' FSL & 100' FEL; Sec 5/20S/29E

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.

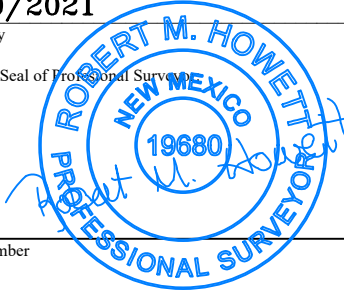
Signature _____ Date _____
Printed Name _____
E-mail Address _____

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.

09/20/2021
Date of Survey

Signature and Seal of Professional Surveyor _____

19680
Certificate Number



16

S 89°53'19" E 4949.11' S 89°54'53" E 5297.22'

LOT 4 31.79 AC. LOT 3 42.73 AC. LOT 2 42.87 AC. LOT 1 43.01 AC. LOT 4 43.08 AC. LOT 3 43.07 AC. LOT 2 43.07 AC. LOT 1 43.06 AC.

LOT 5 29.88 AC.

LOT 6 29.91 AC.

LOT 7 29.95 AC.

S.L.

N 00°06'15" W 2646.94'

100' 100' 100' 100' 100' 100' 100' 100'

1180' 2200' 2200' 2200' 2200' 2200' 2200' 2200'

S 89°55'36" W 2309.57' S 89°54'42" W 2641.74' N 89°55'29" W 2645.56' N 89°54'45" W 2648.46'

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 Pending | | ² Pool Code 27191 | | ³ Pool Name Gatuna Canyon Wolfcamp Oil | | | |
| ⁴ Property Code | | ⁵ Property Name SIG 6/5 WOMP FED | | | | ⁶ Well Number 1H | |
| ⁷ OGRID NO. 14744 | | ⁸ Operator Name MEWBOURNE OIL COMPANY | | | | ⁹ Elevation 3283' | |

¹⁰ Surface Location

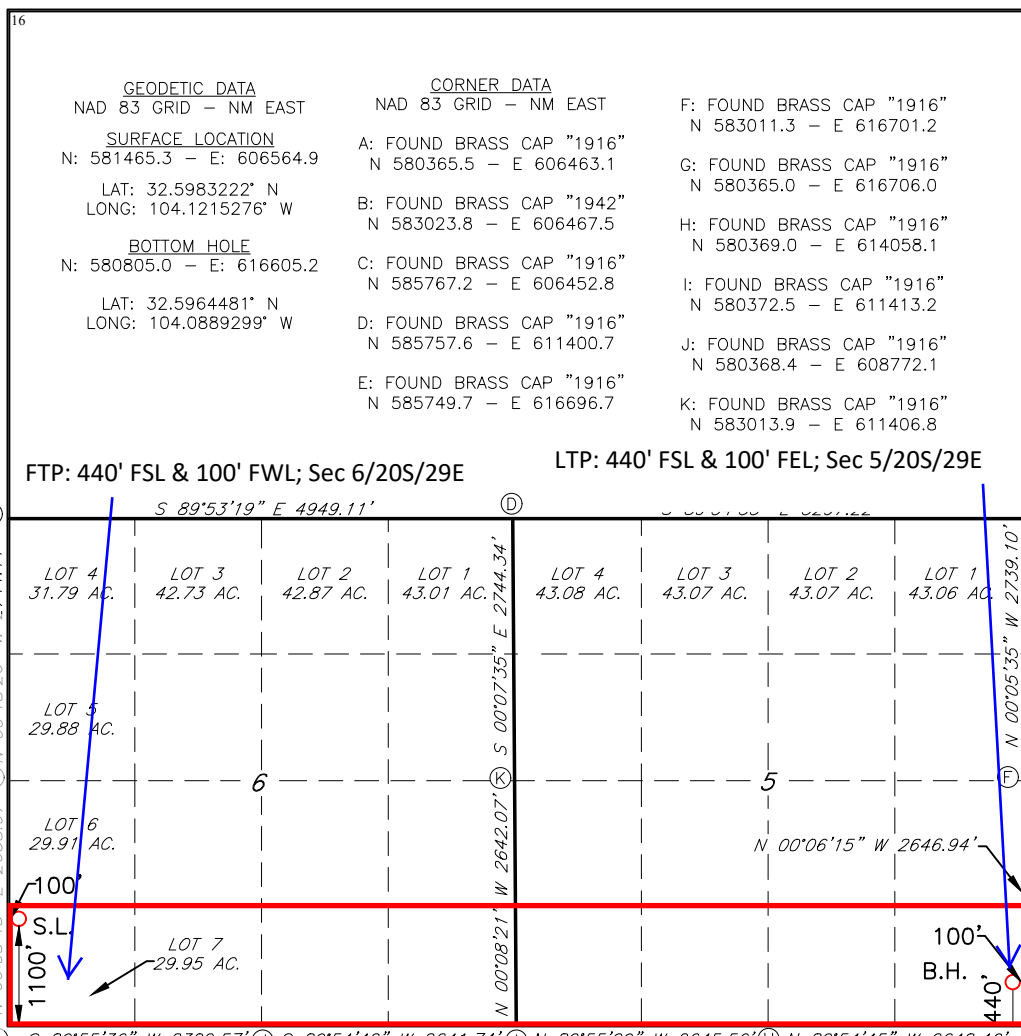
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet From the | East/West line | County |
|---------------|----------|------------|------------|---------|---------------|------------------|---------------|----------------|-------------|
| 7 | 6 | 20S | 29E | | 1100 | SOUTH | 100 | 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 |
|---------------|----------|------------|------------|---------|---------------|------------------|---------------|----------------|-------------|
| P | 5 | 20S | 29E | | 440 | SOUTH | 100 | EAST | EDDY |

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 309.93 | 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 _____

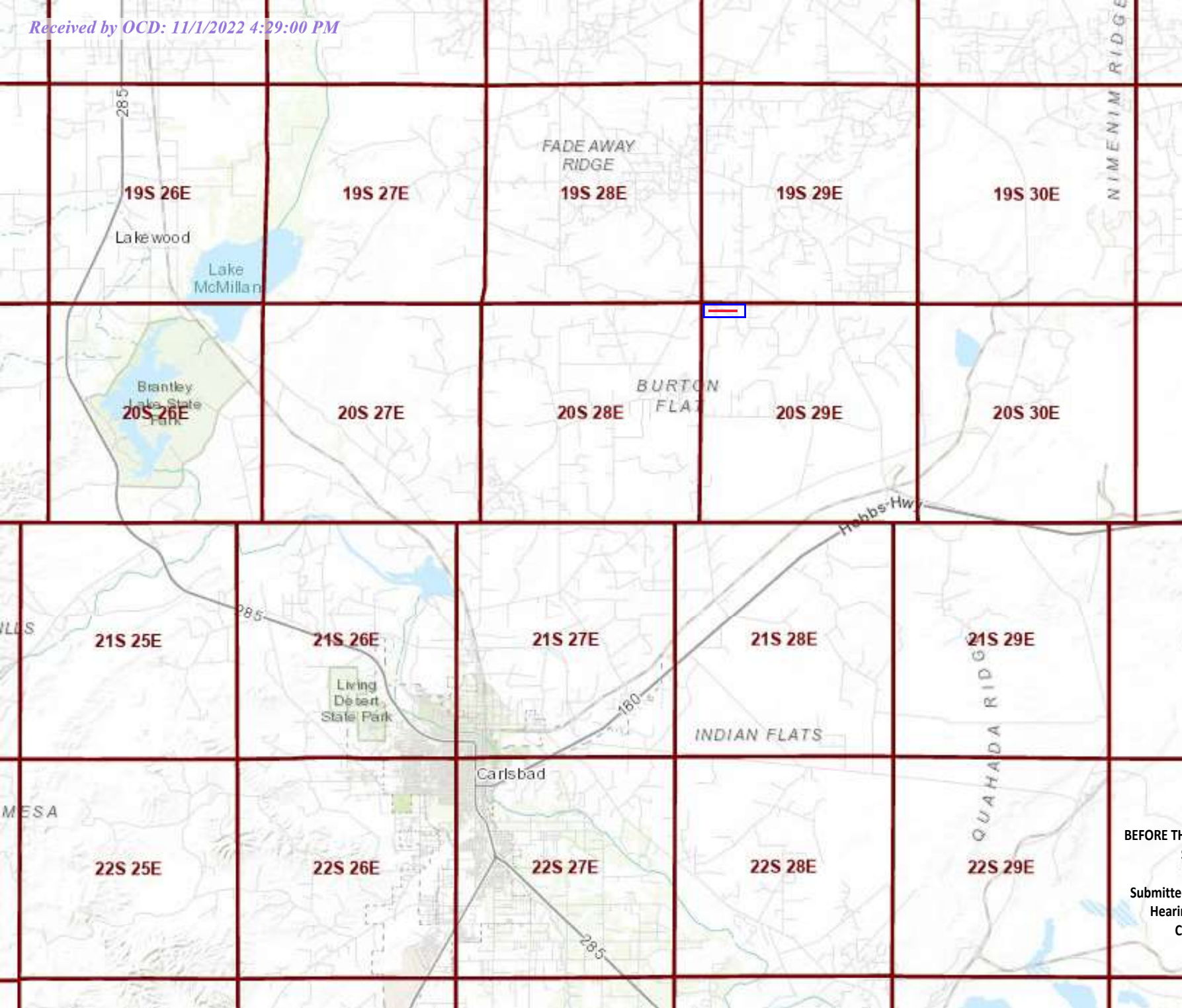
18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

09/20/2021
Date of Survey

Signature and Seal of Professional Surveyor _____

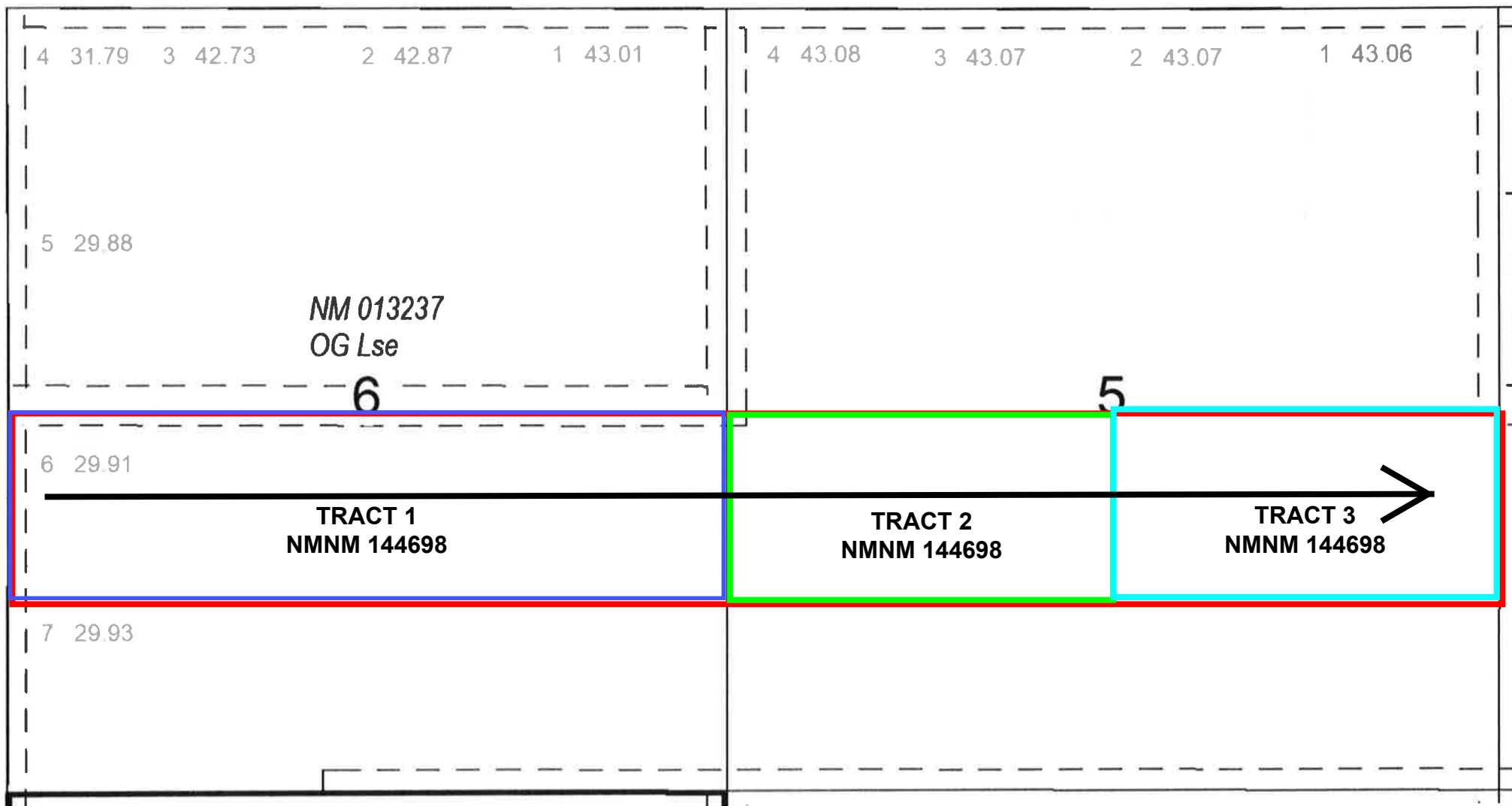
19680
Certificate Number

PROF. ROBERT M. HOWETT
NEW MEXICO
19680
PROFESSIONAL SURVEYOR



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. A2
 Submitted by: Mewbourne Oil Company
 Hearing Date: November 3, 2022
 Case Nos. 23171-232172

SIG 6-5 WOLI FED #1H



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A3
Submitted by: Mewbourne Oil Company
Hearing Date: November 3, 2022
Case Nos. 23171-232172

Tract 1: Lot 6 (NW4SW4), NE4SW4, N2SE4 of Section 6 - NMNM 144698

Mewbourne Oil Company, et al.
Magnum Hunter Production, Inc.

Tract 3: N2SE4 of Section 5 - NMNM 0144698

Mewbourne Oil Company
Magnum Hunter Production, Inc.

Tract 2: N2SW4 of Section 5 - NMNM 144698

Mewbourne Oil Company, et al
Magnum Hunter Production, Inc.

**RECAPITULATION
SIG 6-5 WOLI FED #1H**

| Tract Number | Number of Acres Committeed | Percentage of Interst in Communitized Area |
|---------------------|-----------------------------------|---|
| 1 | 149.910 | 48.372108% |
| 2 | 80.000 | 25.813946% |
| 3 | 80.000 | 25.813946% |
| TOTAL | 309.910 | 100.000000% |

Ownership by Tract
Sig 6-5 WOLI Fed #1H

Tract 1: Lot 6 (NW4SW4), NE4SW4, N2SE4 of Section 6 - NMNM 144698

| Entity/Individual | Interest |
|--------------------------------|--------------------|
| Mewbourne Oil Company, et al. | 46.868700% |
| Magnum Hunter Production, Inc. | 53.131300% |
| Total | 100.000000% |

Tract 2: N2SW4 of Section 5 - NMNM 144698

| Entity/Individual | Interest |
|--------------------------------|---------------------|
| Mewbourne Oil Company, et al. | 46.8687000% |
| Magnum Hunter Production, Inc. | 53.1313000% |
| Total | 100.0000000% |

Tract 3: N2SE4 of Section 5 - NMNM 0144698

| Entity/Individual | Interest |
|--------------------------------|---------------------|
| Mewbourne Oil Company, et al. | 45.1108800% |
| Magnum Hunter Production, Inc. | 54.889120% |
| Total | 100.0000000% |

Spacing Unit Ownership

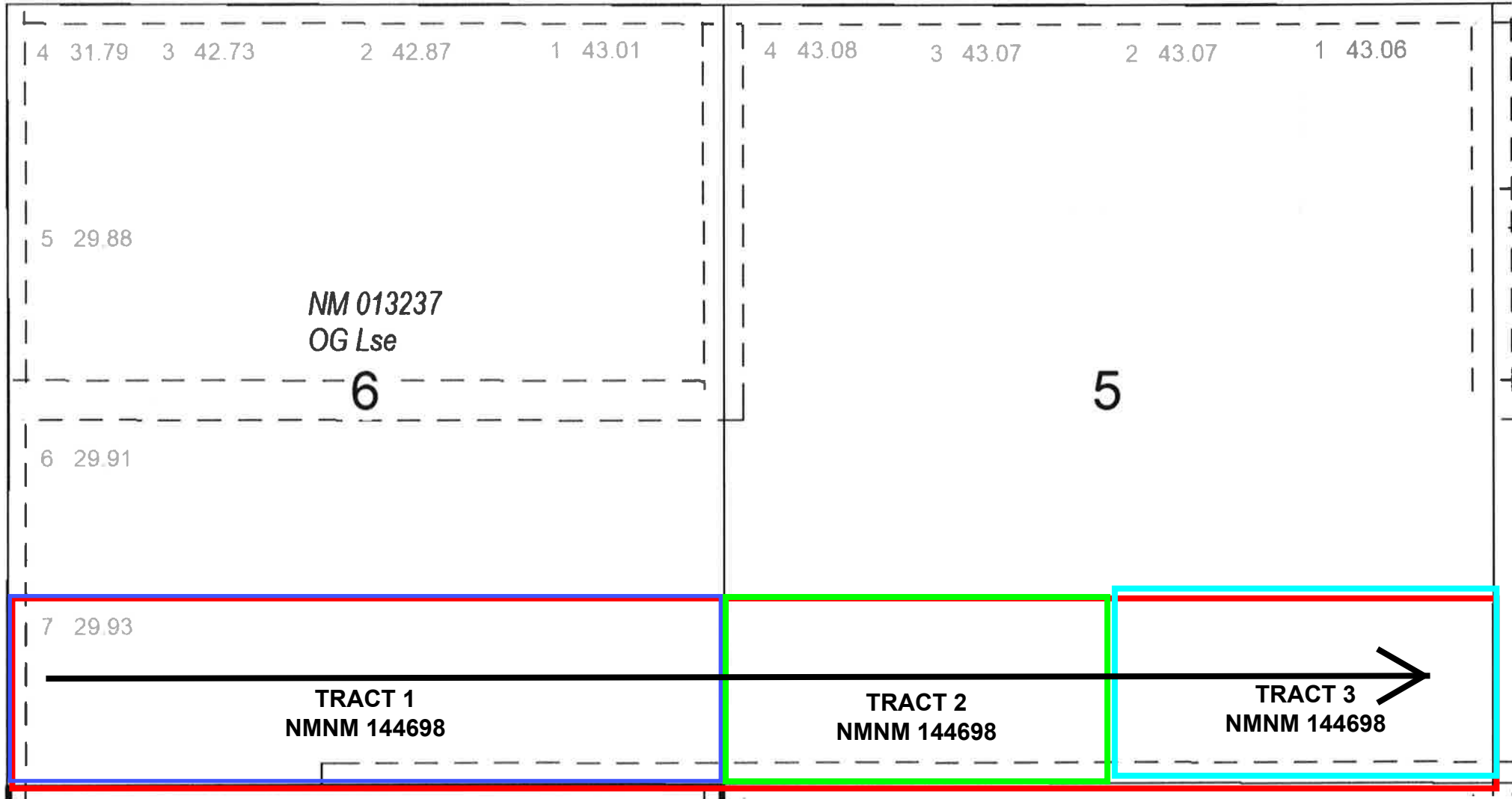
Sig 6-5 WOLI Fed #1H

| Entity | Interest |
|--------------------------------|---------------------|
| Mewbourne Oil Company, et al. | 46.4149370% |
| Magnum Hunter Production, Inc. | 53.5850630% |
| Total | 100.0000000% |

Parties in Red are being pooled -

53.5850630%

SIG 6-5 W0MP FED #1H



Tract 1: Lot 7 (SW4SW4), SE4SW4, S2SE4 of Section 6 - NMNM 144698

Mewbourne Oil Company, et al.
Magnum Hunter Production, Inc.

Tract 3: S2SE4 of Section 5 - NMNM 0144698

Mewbourne Oil Company
Magnum Hunter Production, Inc.

Tract 2: S2SW4 of Section 5 - NMNM 144698

Mewbourne Oil Company, et al
Magnum Hunter Production, Inc.

RECAPITULATION
SIG 6-5 WOMP FED #1H

| Tract Number | Number of Acres Committeed | Percentage of Interst in Communitized Area |
|--------------|----------------------------|--|
| 1 | 149.930 | 48.375440% |
| 2 | 80.000 | 25.812280% |
| 3 | 80.000 | 25.812280% |
| TOTAL | 309.930 | 100.000000% |

Ownership by Tract
Sig 6-5 WOMP Fed #1H

Tract 1: Lot 7 (SW4SW4), SE4SW4, S2SE4 of Section 6 - NMNM 144698

| Entity/Individual | Interest |
|--------------------------------|--------------------|
| Mewbourne Oil Company, et al. | 46.868700% |
| Magnum Hunter Production, Inc. | 53.131300% |
| Total | 100.000000% |

Tract 2: S2SW4 of Section 5 - NMNM 144698

| Entity/Individual | Interest |
|--------------------------------|---------------------|
| Mewbourne Oil Company, et al. | 46.8687000% |
| Magnum Hunter Production, Inc. | 53.1313000% |
| Total | 100.0000000% |

Tract 3: S2SE4 of Section 5 - NMNM 0144698

| Entity/Individual | Interest |
|--------------------------------|---------------------|
| Mewbourne Oil Company, et al. | 45.1108800% |
| Magnum Hunter Production, Inc. | 54.889120% |
| Total | 100.0000000% |

Spacing Unit Ownership
Sig 6-5 WOMP Fed #1H

| Entity | Interest |
|--------------------------------|---------------------|
| Mewbourne Oil Company, et al. | 46.4149670% |
| Magnum Hunter Production, Inc. | 53.5850330% |
| Total | 100.0000000% |

Parties in Red are being pooled - 53.5850330%

MEWBOURNE OIL COMPANY

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

June 15, 2022

Certified Mail

Magnum Hunter Production, Inc.
600 Marienfeld Street, Suite 600
Midland, Texas 79701
Attn: Riley Morris

Re: Sig 6-5 Well Proposals
Sections 6 and 5, T20S, R29E
Eddy County, New Mexico

Ladies and Gentlemen:

In addition to the wells proposed in that certain letter dated April 27, 2022 and May 16, 2022, Mewbourne Oil Company ("MOC"), as Operator, hereby proposes three additional wells under the previously proposed Sig 6-5 Operating Agreement targeting the 3rd Bone Spring Sand and Wolfcamp Sand intervals:

- 1) Sig 6-5 B3LI Fed Com #1H – API # - pending
Surface Location: 1140' FSL, 100' FWL, Section 6, T20S, R29E
Bottom Hole Location: 1340' FSL, 100' FEL, Section 5, T20S, R29E
Proposed Total Vertical Depth: 9030'
Proposed Total Measured Depth: 18836'
Target: 3rd Bone Spring Sand
- 2) Sig 6-5 W0LI Fed Com #1H – API # - pending
Surface Location: 1180' FSL, 100' FWL, Section 6, T20S, R29E
Bottom Hole Location: 2200' FSL, 100' FEL, Section 5, T20S, R29E
Proposed Total Vertical Depth: 9158'
Proposed Total Measured Depth: 19021'
Target: Wolfcamp Sand
- 3) Sig 6-5 W0MP Fed Com #1H – API # - pending
Surface Location: 1100' FSL, 100' FWL, Section 6, T20S, R29E
Bottom Hole Location: 440' FSL, 100' FEL, Section 5, T20S, R29E
Proposed Total Vertical Depth: 9191'
Proposed Total Measured Depth: 19008'
Target: Wolfcamp Sand

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A4
Submitted by: Mewbourne Oil Company
Hearing Date: November 3, 2022
Case Nos. 23171-232172

In the event you elect to participate in the proposed wells, please execute the enclosed AFEs before returning them to the undersigned within thirty (30) days. The previously proposed Operating Agreement provides a non-consent penalty of 300%/100% and COPAS drilling/producing rates of \$8000/month and \$800/month respectively. Please enclose your most current well information requirements with your executed AFEs so that we may supply well data when available.

Please contact me at (432) 682-3715 or tjolly@mewbourne.com if you have any questions or need additional information.

Very truly yours,

MEWBOURNE OIL COMPANY

A handwritten signature in blue ink, appearing to read "Tyler Jolly".

Tyler Jolly
Landman

MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

| | | | |
|------------|---|-------------|-----------------------------|
| Well Name: | SIG 6/5 WOLI FEDERAL #1H | Prospect: | Wolfcamp (2.0 Mile Lateral) |
| Location: | SL: 1180 FSL & 100 FWL (6); BHL: 2200 FSL & 100 FEL (5) | County: | Eddy ST: NM |
| Sec.: | 6/5 | Blk.: | |
| Survey: | | TWP.: | 20S |
| RNG.: | 29E | Prop. TVD.: | 9158 |
| TMD.: | 19021 | | |

| INTANGIBLE COSTS 0180 | CODE | TCP | CODE | CC |
|---|-----------|--------------------|-----------|--------------------|
| Regulatory Permits & Surveys | 0180-0100 | \$20,000 | 0180-0200 | |
| Location / Road / Site / Preparation | 0180-0105 | \$45,000 | 0180-0205 | \$35,000 |
| Location / Restoration | 0180-0106 | \$200,000 | 0180-0206 | \$100,000 |
| Daywork / Turnkey / Footage Drilling 23 days drlg / 3 days comp @ \$23000/d | 0180-0110 | \$565,000 | 0180-0210 | \$73,700 |
| Fuel 1700 gal/day @ \$4.7/gal | 0180-0114 | \$196,300 | 0180-0214 | \$497,300 |
| Alternate Fuels | 0180-0115 | | 0180-0215 | |
| Mud, Chemical & Additives | 0180-0120 | \$50,000 | 0180-0220 | |
| Mud - Specialized | 0180-0121 | \$140,000 | 0180-0221 | |
| Horizontal Drillout Services | | | 0180-0222 | \$200,000 |
| Stimulation Toe Preparation | | | 0180-0223 | \$50,000 |
| Cementing | 0180-0125 | \$145,000 | 0180-0225 | \$50,000 |
| Logging & Wireline Services | 0180-0130 | \$35,000 | 0180-0230 | \$370,000 |
| Casing / Tubing / Snubbing Services | 0180-0134 | \$35,000 | 0180-0234 | \$18,000 |
| Mud Logging | 0180-0137 | \$15,000 | | |
| Stimulation 51 Stg 20.2 MM gal / 25.3 MM lb | | | 0180-0241 | \$2,400,000 |
| Stimulation Rentals & Other | | | 0180-0242 | \$266,000 |
| Water & Other | 0180-0145 | \$40,000 | 0180-0245 | \$320,000 |
| Bits | 0180-0148 | \$94,000 | 0180-0248 | |
| Inspection & Repair Services | 0180-0150 | \$60,000 | 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 | \$30,000 |
| Welding, Construction & Maint. Services | 0180-0168 | \$4,000 | 0180-0268 | \$15,000 |
| Contract Services & Supervision | 0180-0170 | \$161,000 | 0180-0270 | \$57,100 |
| Directional Services Includes Vertical Control | 0180-0175 | \$297,000 | | |
| Equipment Rental | 0180-0180 | \$163,875 | 0180-0280 | \$20,000 |
| Well / Lease Legal | 0180-0184 | \$5,000 | 0180-0284 | |
| Well / Lease Insurance | 0180-0185 | \$4,600 | 0180-0285 | |
| Intangible Supplies | 0180-0188 | \$7,000 | 0180-0288 | \$1,000 |
| Damages | 0180-0190 | \$10,000 | 0180-0290 | \$10,000 |
| Pipeline Interconnect, ROW Easements | 0180-0192 | | 0180-0292 | \$5,000 |
| Company Supervision | 0180-0195 | \$96,600 | 0180-0295 | \$36,000 |
| Overhead Fixed Rate | 0180-0196 | \$10,000 | 0180-0296 | \$20,000 |
| Contingencies 5% (TCP) 5% (CC) | 0180-0199 | \$129,569 | 0180-0299 | \$231,180 |
| TOTAL | | \$2,720,944 | | \$4,854,780 |

| TANGIBLE COSTS 0181 | CODE | TCP | CODE | CC |
|---|-----------|---------------------|-----------|--------------------|
| Casing (19.1" - 30") 400' - 20" 94# X-56 BTC @ \$71.95/ft | 0181-0793 | \$30,700 | | |
| Casing (10.1" - 19.0") 1300' - 13 3/8" 54.5# J-55 ST&C @ \$64.12/ft | 0181-0794 | \$89,000 | | |
| Casing (8.1" - 10.0") 3150' - 9 5/8" 40# HCL80 LT&C @ \$51.12/ft | 0181-0795 | \$172,000 | | |
| Casing (6.1" - 8.0") 8650' - 7" 29# HPP110 BT&C @ \$44.10/ft | 0181-0796 | \$407,400 | | |
| Casing (4.1" - 6.0") 10560' - 4 1/2" 13.5# P-110 CDC-HTQ @ \$23.91/ft | | | 0181-0797 | \$269,700 |
| Tubing 8475' - 2 7/8" 6.5# L-80 IPC Tbg @ \$12/ft | | | 0181-0798 | \$108,600 |
| 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 ESP | | | 0181-0880 | \$80,000 |
| Pumping Unit Systems | | | 0181-0885 | |
| Service Pumps (1/2) TP/CP/Circ pump | | | 0181-0886 | \$15,000 |
| Storage Tanks (1/2) 6 OT/5 WT/GB | | | 0181-0890 | \$195,000 |
| Emissions Control Equipment (1/2) VRT's/VRU/Flare/KO's | | | 0181-0892 | \$150,000 |
| Separation / Treating Equipment (1/2) H sep/V sep/HT | | | 0181-0895 | \$100,000 |
| Automation Metering Equipment Automation/fiber/meters | | | 0181-0898 | \$92,500 |
| Line Pipe & Valves - Gathering (1/2) 1 mile gas & water | | | 0181-0900 | \$75,000 |
| Fittings / Valves & Accessories | | | 0181-0906 | \$300,000 |
| Cathodic Protection | | | 0181-0908 | \$7,500 |
| Electrical Installation | | | 0181-0909 | \$145,000 |
| Equipment Installation | | | 0181-0910 | \$155,000 |
| Pipeline Construction (1/2) 1 mile gas & water | | | 0181-0920 | \$50,000 |
| TOTAL | | \$734,100 | | \$1,843,300 |
| SUBTOTAL | | \$3,455,044 | | \$6,698,080 |
| TOTAL WELL COST | | \$10,153,124 | | |

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: Gavin Edington Date: 6/15/2022

Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

| | | | |
|------------|--|------------|-----------------------------|
| Well Name: | SIG 6/5 WOMP FEDERAL #1H | Prospect: | Wolfcamp (2.0 Mile Lateral) |
| Location: | SL: 1100 FSL & 100 FWL (6); BHL: 440 FSL & 100 FEL (5) | County: | Eddy ST: NM |
| Sec.: | 6/5 | Blk.: | |
| Survey: | | TWP: | 20S |
| RNG: | 29E | Prop. TVD: | 9191 |
| TMD: | 19008 | | |

| INTANGIBLE COSTS 0180 | CODE | TCP | CODE | CC |
|---|-----------|---------------------|-----------|--------------------|
| Regulatory Permits & Surveys | 0180-0100 | \$20,000 | 0180-0200 | |
| Location / Road / Site / Preparation | 0180-0105 | \$45,000 | 0180-0205 | \$35,000 |
| Location / Restoration | 0180-0106 | \$200,000 | 0180-0206 | \$100,000 |
| Daywork / Turnkey / Footage Drilling 23 days drlg / 3 days comp @ \$23000/d | 0180-0110 | \$565,000 | 0180-0210 | \$73,700 |
| Fuel 1700 gal/day @ \$4.7/gal | 0180-0114 | \$196,300 | 0180-0214 | \$497,300 |
| Alternate Fuels | 0180-0115 | | 0180-0215 | |
| Mud, Chemical & Additives | 0180-0120 | \$50,000 | 0180-0220 | |
| Mud - Specialized | 0180-0121 | \$140,000 | 0180-0221 | |
| Horizontal Drillout Services | | | 0180-0222 | \$200,000 |
| Stimulation Toe Preparation | | | 0180-0223 | \$50,000 |
| Cementing | 0180-0125 | \$145,000 | 0180-0225 | \$50,000 |
| Logging & Wireline Services | 0180-0130 | \$35,000 | 0180-0230 | \$370,000 |
| Casing / Tubing / Snubbing Services | 0180-0134 | \$35,000 | 0180-0234 | \$18,000 |
| Mud Logging | 0180-0137 | \$15,000 | | |
| Stimulation 51 Stg 20.2 MM gal / 25.3 MM lb | | | 0180-0241 | \$2,400,000 |
| Stimulation Rentals & Other | | | 0180-0242 | \$266,000 |
| Water & Other | 0180-0145 | \$40,000 | 0180-0245 | \$320,000 |
| Bits | 0180-0148 | \$94,000 | 0180-0248 | |
| Inspection & Repair Services | 0180-0150 | \$60,000 | 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 | \$30,000 |
| Welding, Construction & Maint. Services | 0180-0168 | \$4,000 | 0180-0268 | \$15,000 |
| Contract Services & Supervision | 0180-0170 | \$161,000 | 0180-0270 | \$57,100 |
| Directional Services Includes Vertical Control | 0180-0175 | \$297,000 | | |
| Equipment Rental | 0180-0180 | \$163,875 | 0180-0280 | \$20,000 |
| Well / Lease Legal | 0180-0184 | \$5,000 | 0180-0284 | |
| Well / Lease Insurance | 0180-0185 | \$4,600 | 0180-0285 | |
| Intangible Supplies | 0180-0188 | \$7,000 | 0180-0288 | \$1,000 |
| Damages | 0180-0190 | \$10,000 | 0180-0290 | \$10,000 |
| Pipeline Interconnect, ROW Easements | 0180-0192 | | 0180-0292 | \$5,000 |
| Company Supervision | 0180-0195 | \$96,600 | 0180-0295 | \$36,000 |
| Overhead Fixed Rate | 0180-0196 | \$10,000 | 0180-0296 | \$20,000 |
| Contingencies 5% (TCP) 5% (CC) | 0180-0199 | \$129,569 | 0180-0299 | \$231,180 |
| TOTAL | | \$2,720,944 | | \$4,854,780 |
| TANGIBLE COSTS 0181 | | | | |
| Casing (19.1" - 30") 400' - 20" 94# X-56 BTC @ \$71.95/ft | 0181-0793 | \$30,700 | | |
| Casing (10.1" - 19.0") 1300' - 13 3/8" 54.5# J-55 ST&C @ \$64.12/ft | 0181-0794 | \$89,000 | | |
| Casing (8.1" - 10.0") 3150' - 9 5/8" 40# HCL80 LT&C @ \$51.12/ft | 0181-0795 | \$172,000 | | |
| Casing (6.1" - 8.0") 8650' - 7" 29# HPP110 BT&C @ \$44.10/ft | 0181-0796 | \$407,400 | | |
| Casing (4.1" - 6.0") 10560' - 4 1/2" 13.5# P-110 CDC-HTQ @ \$23.91/ft | | | 0181-0797 | \$269,700 |
| Tubing 8475' - 2 7/8" 6.5# L-80 IPC Tbg @ \$12/ft | | | 0181-0798 | \$108,600 |
| 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 ESP | | | 0181-0880 | \$80,000 |
| Pumping Unit Systems | | | 0181-0885 | |
| Service Pumps (1/2) TP/CP/Circ pump | | | 0181-0886 | \$15,000 |
| Storage Tanks (1/2) 6 OT/5 WT/GB | | | 0181-0890 | \$195,000 |
| Emissions Control Equipment (1/2) VRT's/VRU/Flare/KO's | | | 0181-0892 | \$150,000 |
| Separation / Treating Equipment (1/2) H sep/V sep/HT | | | 0181-0895 | \$100,000 |
| Automation Metering Equipment Automation/fiber/meters | | | 0181-0898 | \$92,500 |
| Line Pipe & Valves - Gathering (1/2) 1 mile gas & water | | | 0181-0900 | \$75,000 |
| Fittings / Valves & Accessories | | | 0181-0906 | \$300,000 |
| Cathodic Protection | | | 0181-0908 | \$7,500 |
| Electrical Installation | | | 0181-0909 | \$145,000 |
| Equipment Installation | | | 0181-0910 | \$155,000 |
| Pipeline Construction (1/2) 1 mile gas & water | | | 0181-0920 | \$50,000 |
| TOTAL | | \$734,100 | | \$1,843,300 |
| SUBTOTAL | | \$3,455,044 | | \$6,698,080 |
| TOTAL WELL COST | | \$10,153,124 | | |

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: Gavin Edington Date: 6/15/2022

Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

Summary of Communications

Sig 6-5 B2LI Fed #1H

Sig 6-5 B2MP Fed #1H

Sig 6-5 B3LI Fed #1H

Sig 6-5 W0LI Fed #1H

Sig 6-5 W0MP Fed #1H

Magnum Hunter Production, Inc.

1. May 16, 2022 – emailed well proposal letter, AFEs, and Operating Agreement before hard copies were sent certified mail.
2. June 15, 2022 – emailed well proposal letter, AFEs, and Operating Agreement before hard copies were sent certified mail.
3. Email correspondence between Riley Morris with Magnum Hunter and Tyler Jolly with Mewbourne discussing the well proposal.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A5
Submitted by: Mewbourne Oil Company
Hearing Date: November 3, 2022
Case Nos. 23171-232172

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

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

CASE NOS. 23171 & 23172

SELF AFFIRMMENT STATEMENT OF CHARLES CROSBY, GEOLOGIST

1. My name is Charles Crosby, and I am employed by Mewbourne Oil Company (“Mewbourne”) as a petroleum geologist. My responsibilities include the Permian Basin of New Mexico. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology.

2. I am familiar with the application filed by Mewbourne in these matters, and I have conducted a geologic study of the lands in the subject area.

3. The target interval for the proposed initial Sig 6/5 wells is the Wolfcamp sand.

4. **Exhibit B-1** is a subsea structure map that I prepared for the top of the Wolfcamp formation. The contour intervals are 100 feet. The area comprising the proposed spacing units is outlined with a dashed black box, and the approximate location and orientation of the initial wells noted with dashed purple arrows. The structure map shows the Wolfcamp formation dipping to the east/southeast. The structure appears consistent across the proposed spacing units, and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.

5. Exhibit B-1 also shows a line of cross section through the proposed horizontal spacing units from A to A’. I chose the logs from these wells to create a cross section because they penetrate the targeted interval, are of good quality and have been subjected to petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Mewbourne Oil Company
Hearing Date: November 3, 2022
Case Nos. 23171-232172**

6. **Exhibit B-2** is a stratigraphic cross-section that I prepared using the logs from the representative wells shown on Exhibit B-1. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells is marked on the cross section by a red arrow. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing units.

7. My geologic study indicates the Wolfcamp formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed horizontal spacing units will be productive and contribute proportionately to the production from the wells.

8. Exhibit B-1 also shows the existing Wolfcamp development in this area. In my opinion, the laydown orientation of the proposed wells is appropriate because of the stress regime in this area. Recently, operators in the area have overwhelmingly drilled wells in the laydown orientation based on the above referenced regional stress regime and improved results.

9. In my opinion, approval of this application is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

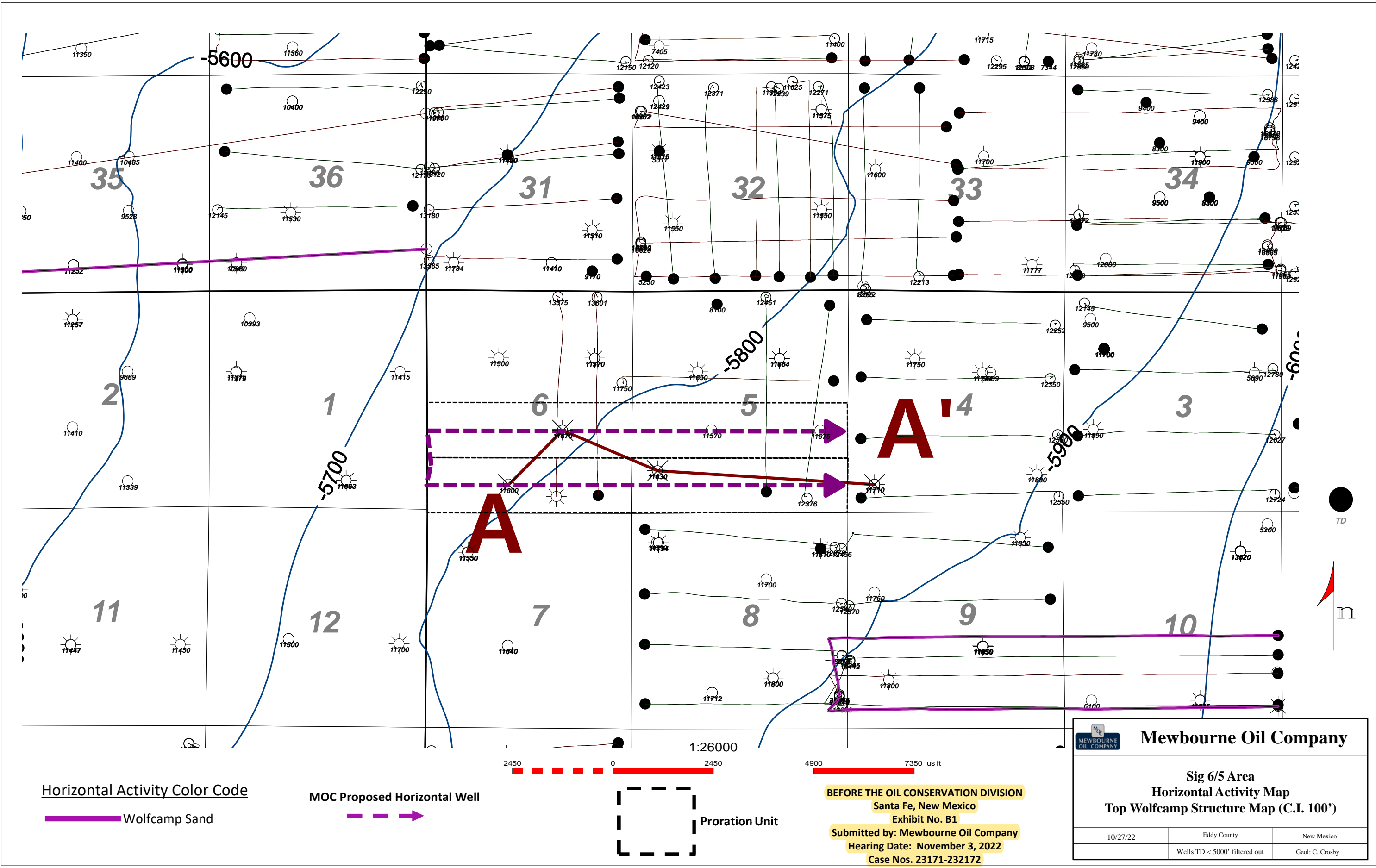
10. Exhibits B-1 through B-2 were either prepared by me or compiled under my direction and supervision.

11. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Charles Crosby

10/27/22
Date

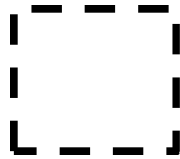


Horizontal Activity Color Code

— Wolfcamp Sand

MOC Proposed Horizontal Well

--->



Proration Unit



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B1
 Submitted by: Mewbourne Oil Company
 Hearing Date: November 3, 2022
 Case Nos. 23171-232172

Mewbourne Oil Company

**Sig 6/5 Area
 Horizontal Activity Map
 Top Wolfcamp Structure Map (C.I. 100')**

| | | |
|----------|-------------------------------|-----------------|
| 10/27/22 | Eddy County | New Mexico |
| | Wells TD < 5000' filtered out | Geol: C. Crosby |

A
W

A'
E

30015239790000 1866 ft 30015330410000 2513 ft 30015325210000 5306 ft 30015212260000

PETROLEUM CORP THE SUPERIOR FEDERAL 6 MEWBOURNE OIL CO COLT 6 FEDERAL 1 MEWBOURNE OIL CO GATUNA CANYON 5 FEDERAL COM 1 PETROLEUM CORP THE SUPERIOR FEDERAL 3

Datum=3298.00 Datum=3304.00 Datum=3300.00 Datum=3326.00

660 FSL/1979 FWL 1980 FSL 1650 FEL N2 SW SW 660 FSL/660 FWL

TWP: 20 S - Range: 29 E - Sec. 6 TWP: 20 S - Range: 29 E - Sec. 6 TWP: 20 S - Range: 29 E - Sec. 5 TWP: 20 S - Range: 29 E - Sec. 4

6N

6J

5M

4M

500 Top 3rd Bone Spring Sand

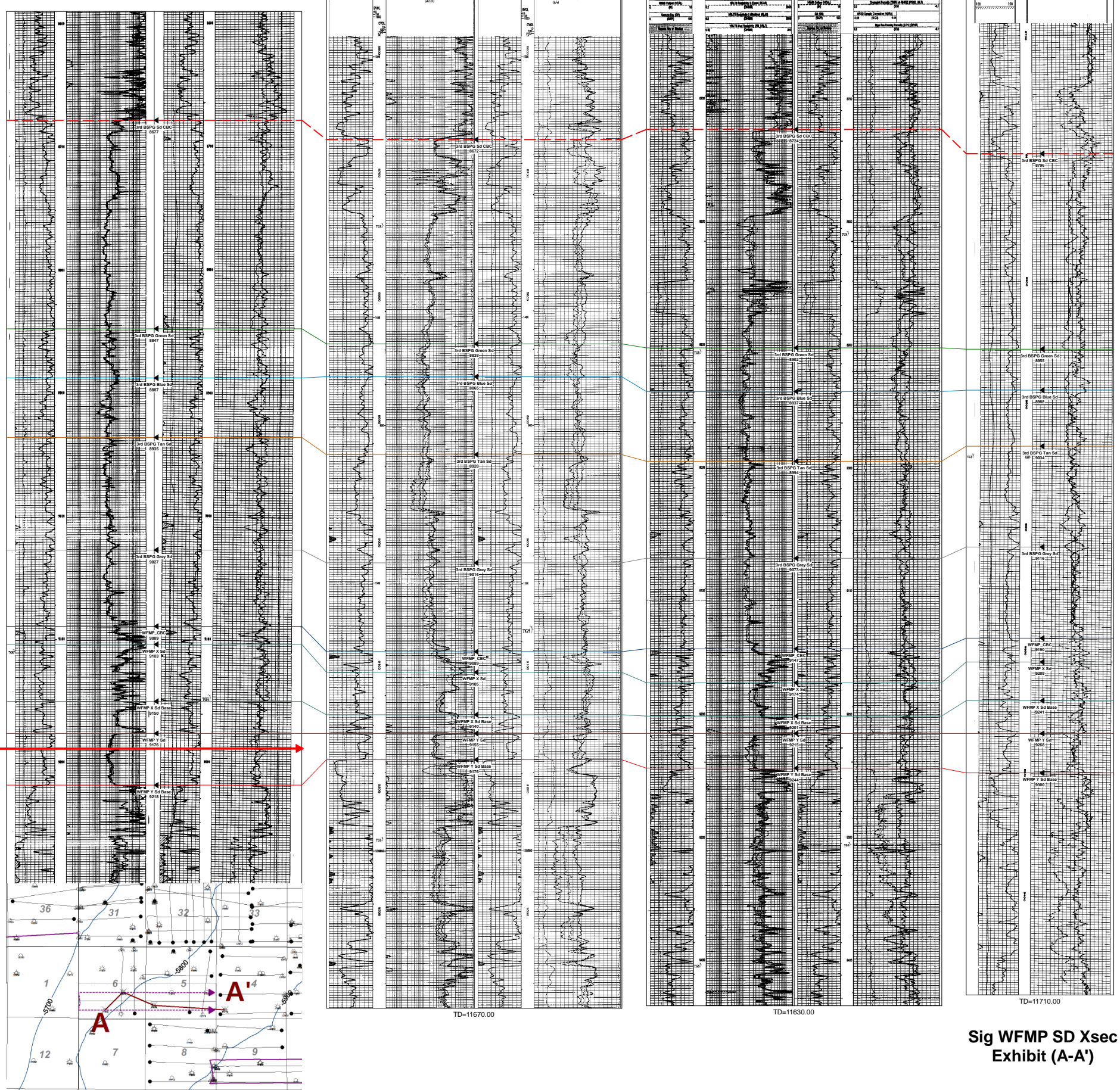
500

Top Wolfcamp

Wolfcamp Sand Target

0

0



Sig WFMP SD Xsec Exhibit (A-A')

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B2
 Submitted by: Mewbourne Oil Company
 Hearing Date: November 3, 2022
 Case Nos. 23171-232172

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

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

CASE NOS. 23171-23172

AFFIDAVIT

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

Michael H. Feldewert, attorney in fact and authorized representative of the Applicant herein, being first duly sworn, upon oath, states

1. The above-referenced applications and notice of the hearing on these applications were sent by certified mail to the affected parties on the date set forth in the letter attached hereto.
2. The green card receipt attached hereto contains the names of the parties to whom notice was provided.
3. The green card receipt attached provided by the United States Postal Service reflects the status of the delivery of this notice as of the date on each green card receipt.



Michael H. Feldewert

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Mewbourne Oil Company
Hearing Date: November 3, 2022
Case Nos. 23171-232172

SUBSCRIBED AND SWORN to before me this 31st day of October, 2022 by Michael H.

Feldewert.



Notary Public

My Commission Expires:

Nov. 12, 2023

STATE OF NEW MEXICO
NOTARY PUBLIC
CARLA GARCIA
COMMISSION # 1127528
COMMISSION EXPIRES 11/12/2023



Michael H. Feldewert
Partner
Phone (505) 988-4421
mfeldewert@hollandhart.com

October 14, 2022

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico: Sig 6-5 WOLI Fed 1H

Ladies & Gentlemen:

This letter is to advise you that Mewbourne Oil Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on November 3, 2022, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>.

Due to the remodeling of the state building where the New Mexico Oil Conservation Division is located, hearings will be conducted remotely beginning at 8:15 a.m. 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. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Tyler Jolly at (432) 682-3715, or at tjolly@mewbourne.com.

Michael H. Feldewert

ATTORNEY FOR MEWBOURNE OIL COMPANY

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

| | | |
|----------|------------|------------------|
| Alaska | Montana | Utah |
| Colorado | Nevada | Washington, D.C. |
| Idaho | New Mexico | Wyoming |



Michael H. Feldewert
Partner
Phone (505) 988-4421
mfeldewert@hollandhart.com

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| Alaska | Montana | Utah |
| Colorado | Nevada | Washington, D.C. |
| Idaho | New Mexico | Wyoming |

| | | | |
|--|--|--|--|
| SENDER: COMPLETE THIS SECTION | | COMPLETE THIS SECTION ON DELIVERY | |
| <ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. | | <p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p><i>x [Signature]</i></p> | |
| <p>1. Article Addressed to:</p> <p>Magnum Hunter Production Inc. Attn: Riley Munis 600 Marienfeld St. Suite 600 Midland, TX 79701</p>  <p>9590 9402 1200 5246 7131 51</p> | | <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>Sadie Garcia 10-17-22</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>2. Article Number (Transfer from service label)</p> <p>7014 2120 0004 5800 5793</p> | | <p>3. Service Type <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Return Receipt for Merchandise</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 <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> | |
| PS Form 3811, July 2015 PSN 7530-02-000-9053 | | Domestic Return Receipt | |