

CASE NO. 22426

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

EXHIBIT LIST

1. Application and Proposed Notice
2. Landman's Affidavit
3. Geologist's Affidavit
4. Affidavits of Mailing
5. Publication Affidavit
6. Pooling Checklist

**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. 22426

SELF-AFFIRMED STATEMENT OF BRAXTON BLANDFORD

Braxton Blandford deposes and states:

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

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

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

4. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests to the well.

5. A plat outlining the units being pooled is submitted as Attachment A. Mewbourne seeks orders pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2 SE/4 of Section 11 and S/2 S/2 of Section 12, Township 18 South, Range 31 East, NMPM (Eddy County) and Lot 4 and the SE/4 SW/4 and S/2 SE/4 of Section 7, Township 18 South, Range 32 East, NMPM (Lea County). The unit will be dedicated to the Iron Islands 11/7 B2OP Fed Com Well No. 1H, with a first take point in the SW/4 SE/4 of Section 11 and a last take point in the SE/4 SE/4 of Section 7. There is no depth severance in the Bone Spring formation.

A form C-102 for the well is also submitted as part of Attachment A.

6. The parties being pooled, and their interests, are set forth in Attachment B. Attachment C is a summary of communications and a sample copy of the proposal letters sent to the uncommitted working interest owners.

EXHIBIT 2

7. Some interest owners may be unlocatable. In order to locate the interest owners Mewbourne examined the records of Eddy and Lea Counties, State Land Office records, and the Bureau of Land Management records. In addition, we conducted internet searches using Drilling Info, Accurint, and generic name searches on Google.

Mewbourne has made a good faith effort to locate and obtain the voluntary joinder of the working interest owners in the proposed well.

8. Mewbourne has the right to pool the overriding royalty owners in the well unit.

9. Attachment D contains the Authorization for Expenditure for the proposed well. The estimated costs of the wells set forth therein are fair and reasonable, and comparable to the costs of other wells of similar depth and length drilled in this area of Eddy and Lea Counties.

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 and Lea Counties. 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 non-consenting working interest owners.

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

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

14. The granting of 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: 4/4/2023

Braxton Blandford
Braxton Blandford

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 58040 | ³ Pool Name Tamano; Bone Spring |
| ⁴ Property Code | ⁵ Property Name IRON ISLANDS 11/7 B20P FED COM | ⁶ Well Number 1H |
| ⁷ GRID NO. | ⁸ Operator Name MEWBOURNE OIL COMPANY | ⁹ Elevation 3736' |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| O | 11 | 18S | 31E | | 820 | SOUTH | 2550 | EAST | 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 | 7 | 18S | 32E | | 660 | SOUTH | 100 | EAST | LEA |

| | | | |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| 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

CORNER DATA

NAD 83 GRID - NM EAST

A: CALCULATED CORNER
N: 638662.9 - E: 690302.5

B: FOUND BRASS CAP "1916"
N: 641301.7 - E: 690286.0

C: FOUND BRASS CAP "1916"
N: 643944.5 - E: 690271.1

D: FOUND BRASS CAP "1916"
N: 643964.0 - E: 692910.9

E: FOUND BRASS CAP "1916"
N: 643983.4 - E: 695551.7

F: FOUND BRASS CAP "1916"
N: 644003.4 - E: 698192.6

G: FOUND BRASS CAP "1913"
N: 644024.0 - E: 700832.1

H: FOUND BRASS CAP "1913"
N: 644031.5 - E: 703505.2

I: FOUND BRASS CAP "1913"
N: 644040.6 - E: 706142.9

J: FOUND BRASS CAP "1913"
N: 641403.8 - E: 706159.1

K: FOUND BRASS CAP "1913"
N: 638764.6 - E: 706174.7

L: FOUND BRASS CAP " 1913"
N: 638756.6 - E: 703534.5

M: FOUND BRASS CAP "1913"
N: 638751.3 - E: 700865.5

N: FOUND BRASS CAP "1916"
N: 638700.6 - E: 695582.7

O: FOUND BRASS CAP "1916"
N: 638685.1 - E: 692942.2

P: FOUND BRASS CAP "1916"
N: 641340.7 - E: 695568.1

Q: FOUND BRASS CAP "1913"
N: 641385.1 - E: 700847.0

GEODETIK DATA

NAD 83 GRID - NM EAST

SURFACE LOCATION

N: 639505.4 - E: 693028.8

LAT: 32.7570647° N
LONG: 103.8398927° W

BOTTOM HOLE

N: 639424.2 - E: 706070.8

LAT: 32.7566670° N
LONG: 103.7974710° W

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.

12-09-2020
Date of Survey

Signature and Seal of Professional Surveyor _____

19680
Certificate Number

Job No.: LS20120781

Tract 5: S/2 S/2 of Section 12-Federal Lease NM 0047800A & NM 0058709A
 Mewbourne Oil Company
 Charlesworth Enterprises

- Chi Energy Inc
- Collection Corp
- HEICO Employees Ltd
- Jalapeño Corporation
- James H Yates Inc
- Northern Oil & Gas, Inc
- MRC Delaware Resources LLC
- MRC Explorers Resources LLC
- MRC Spiral Resources LLC
- Nadel & Gussman Captain LLC
- Patricia Ann Brunson
- Durango Production Corporation
- The Tommye G Ewing Limited Partnership
- Yates Energy Corporation

Tract 6: SE/4 SE/4 of Section 11-Federal Lease 0029388B
 Mewbourne Oil Company

Tract 7: SW/4 SE/4 of Section 11-Federal Lease 0029388D

- Mewbourne Oil Company
- Llano Natural Resources, LLC
- Bank of America, N.A., successor Trustee of the Delmar H. Lewis Living Trust
- Francis H. Hudson, Trustee of Lindy's Living Trust w/2/a dated July 8, 1994
- Frost Bank trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard
- Javelina Partners
- Marathon Oil Permian LLC
- Zorro Partners, Ltd.

RECAPITULATION FOR IRON ISLANDS 11/7 B2OP FED COM #1H

| Tract Number | Number of Acres Committed | Percentage of Interest in Communitized Area |
|--------------|---------------------------|---|
| 1 | 40 | 9.97680% |
| 2 | 40 | 9.97680% |
| 3 | 40 | 9.97680% |
| 4 | 40.93 | 10.20876% |
| 5 | 160 | 39.90722% |
| 6 | 40 | 9.97680% |
| 7 | 40 | 9.97680% |
| TOTAL | 400.93 | 100.000000% |

TRACT OWNERSHIP
 Iron Islands 11/7 B2OP Fed Com #1H
 Lot 4, SE/4 SW/4, and S/2 SE/4 of Section 7, S/2 S/2 of Section 12, and S/2 SE/4 of Section 11

Bank-Spring Formation:

Owner
 Mewbourne Oil Company, et al
% of Leasehold Interest
 76.110164%

*MRC Delaware Resources LLC
 One Lincoln Centre, 5400 LBJ Freeway, Suite 1500
 Dallas, Texas 75240
 8.015344%

x denotes owner being pooled

| | |
|--|--------------------|
| *Marathon Oil Permian, LLC 990 Town & Country Blvd Houston, TX 77024 | 7.1150043% |
| *MRC Spiral Resources LLC One Lincoln Centre, 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240 | 1.110169% |
| *MRC Explorers Resources LLC One Lincoln Centre, 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240 | 1.110169% |
| *The Tommys G Ewing Limited Partnership PO Box 1 Amarillo, Texas 79105 | 1.662801% |
| *Charlesworth Enterprises PO Box 1 Amarillo, Texas 79105 | 1.662800% |
| *Bank of America, N.A., successor Trustee of the Delmar H. Lewis Living Trust PO Box 830308 Dallas, Texas 75283-0308 | 0.706690% |
| *J.R. Norton Company 5210 E Palo Verde Place Paradise Valley, Arizona 85252 | 0.602088% |
| *Patrice Ann Branson 4205 Linkford Avenue Springdale, AR 72762 | 1.662800% |
| *HEXCO Employees Ltd. PO Box 1933 Roswell, New Mexico 88202-1933 | 0.083164% |
| *Frost Bank trustee of the Josephine T. Hudson Testamentary Trust FBO J. Torrell Ard PO Box 1600 San Antonio, Texas 78296 | 0.117782% |
| *Collekian Corporation PO Box 25663 Albuquerque, New Mexico 87125 | 0.002993% |
| *James H Yates Inc PO Box 189 Roswell, New Mexico 88202-0189 | 0.002993% |
| TOTAL | 100.000000% |
| Total Interest Being Pooled: | 23.889836% |

OWNERSHIP BY TRACT

SE/4 SE/4 of Section 7
Owner
 Mewbourne Oil Company, et al.
 J.R. Norton Co.
 % of Leasehold Interest
 98.500000%
 1.500000%
TOTAL
100.000000%

SW/4 SE/4 of Section 7
Owner
 Mewbourne Oil Company, et al.
 J.R. Norton Co.
 % of Leasehold Interest
 98.500000%
 1.500000%
TOTAL
100.000000%

SE/4 SW/4 of Section 7
Owner
 Mewbourne Oil Company, et al.
 J.R. Norton Co.
 % of Leasehold Interest
 98.500000%
 1.500000%
TOTAL
100.000000%

Lot 4 of Section 7
Owner
 Mewbourne Oil Company, et al.
 J.R. Norton Company
 % of Leasehold Interest
 98.500000%
 1.500000%
TOTAL
100.000000%

S/2 S/2 of Section 12
Owner
 Mewbourne Oil Company, et al.
 MRC Delaware Resources LLC
 The Tommye G Ewing Limited Partnership
 Charlesworth Enterprises
 Patricia Ann Brunson
 MRC Explorers Resources LLC
 MRC Spinal Resources LLC
 HEYCO Employers Ltd
 Colkelan Corp
 James H Yates Inc
 % of Leasehold Interest
 61.627909%
 20.084948%
 4.166668%
 4.166666%
 4.166665%
 2.781875%
 2.781875%
 0.208393%
 0.007500%
 0.007500%
TOTAL
100.000000%

SE/4 SE/4 of Section 11
Owner
 Mewbourne Oil Company, et al.
 % of Leasehold Interest
 100.000000%
TOTAL
100.000000%

| <u>SW/4 SE/4 of Section II</u> | <u>% of Leasehold Interest</u> |
|---|--------------------------------|
| <u>Owner</u> | |
| Mevoourne Oil Company, et al. | 20.069443% |
| Bank of America, N.A., successor Trustee of the Delmar H. Lewis Living Trust | 7.083330% |
| Frost Bank trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard | 1.180557% |
| Marathon Oil Permian LLC | 71.666670% |
| TOTAL | 100.000000% |

Summary of Communications

Iron Islands 11/7 B2BC Fed Com #1H

Iron Islands 11/7 B2GF Fed Com #1H

Iron Islands 11/7 B2JI Fed Com #1H

Iron Islands 11/7 B2OP Fed Com #1H

T18S-R31E, Eddy County, NM

T18S-R32E, Lea County, NM

9/9/2021: Mailed Working Interest Unit, Well Proposal and Joint Operating Agreement to all of the below parties, unless mentioned otherwise in Summary of Communications below.

MRC Delaware Resources, LLC

MRC Spiral Resources, LLC

MRC Explorers Resources, LLC

10/1/2021: Mailed Working Interest Unit, Well Proposal and Joint Operating Agreement to the above listed party.

- Multiple phone calls, email, and discussions since April 2022.

Marathon Oil Permian, LLC

12/16/2021: Phone correspondence left a Voicemail.

12/27/2021: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

1/25/2022: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

6/16/2022: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

6/27/2022: Phone correspondence left a Voicemail.

7/7/2022: Phone correspondence with the above listed party regarding the Well Proposal and Working interest unit.

9/14/2022: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

ATTACHMENT C

10/14/2022: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

12/7/2022: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

2/1/2023: Email and Phone correspondence with the above listed party regarding the Well Proposal and Working interest unit.

Devon Energy Production Company, LP

12/15/2021: Phone correspondence left a Voicemail.

12/27/2021: Phone correspondence left a Voicemail. Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

1/25/2022: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

6/16/2022: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

Occidental Permian, Ltd

9/14/2021: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

12/16/2021: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

6/27/2022: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

Patricia Ann Brunson

3/3/2022: Mailed Working Interest Unit, Well Proposal and Joint operating Agreement to the above listed party. Email Correspondence with the above listed party regarding the Well Proposal and Working interest unit.

9/14/2022: Phone & Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

Charlesworth Enterprises

The Tommye G Ewing Limited Partnership

9/14/2021: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

9/16/2021: Phone correspondence with the above listed party regarding the Well Proposal and Working interest unit.

9/29/2021: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

10/6/2021: Phone & Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

11/10/2021: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

12/14/2021: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

12/27/2021: Called above listed party and left a voicemail.

1/6/2022: Called above listed party and left a voicemail.

Bank of America, N.A., successor Trustee of the Delmar H. Lewis Living Trust

10/18/2021: Phone correspondence with the above listed party regarding the Well Proposal and Working interest unit.

11/10/2021: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

12/20/2021: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

1/11/2022: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

1/26/2022: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

Chevron USA, Inc

9/29/2021: Email correspondence with the above listed party regarding the Working interest unit.

10/26/2021: Phone correspondence with the above listed party regarding the Working interest unit.

1/12/2022: Email correspondence with the above listed party regarding the Working interest unit.

3/21/2022: Email correspondence with the above listed party regarding the Working interest unit.

J.R. Norton Company

10/11/2021: Mailed another Working Interest Unit, Well Proposal and Joint operating Agreement to the above listed party. Proof of delivery is attached.

Did not find a good contact.

Laurelind Corporation

12/13/2021: Phone correspondence with the above listed party regarding the Well Proposal and Working interest unit.

12/28/2021: Email correspondence with the above listed party regarding the Well Proposal and Working interest unit.

1/12/2022: Phone correspondence left a Voicemail.

6/16/2022: Phone correspondence left a Voicemail.

Patti Jeanine Fletcher Letcher

9/27/2021: Mailed another Working Interest Unit, Well Proposal and Joint operating Agreement to the above listed party.

1/3/2022: Email correspondence with the above listed party regarding the working interest unit.

3/3/2022: Email correspondence with the above listed party regarding the working interest unit.

6/20/2022: Email correspondence with the above listed party regarding the working interest unit.

Amanda L Fletcher-Furbee

9/27/2021: Mailed another Working Interest Unit, Well Proposal and Joint operating Agreement to the above listed party.

1/3/2022: Email correspondence with the above listed party regarding the working interest unit.

1/5/2022: Phone correspondence with the above listed party regarding the working interest unit.

1/31/2022: Email correspondence with the above listed party regarding the working interest unit.

6/20/2022: Email correspondence with the above listed party regarding the working interest unit.

Christopher R. Fletcher

9/27/2021: Mailed another Working Interest Unit, Well Proposal and Joint operating Agreement to the above listed party.

1/3/2022: Email correspondence with the above listed party regarding the working interest unit.

3/3/2022: Email correspondence with the above listed party regarding the working interest unit.

James H. Yates, Inc

10/1/2021: Mailed Working Interest Unit, Well Proposal and Joint operating Agreement to the above listed party.

Did not find a good contact.

Colkelan Corporation

10/1/2021: Mailed Working Interest Unit, Well Proposal and Joint operating Agreement to the above listed party.

Did not find a good contact.

HEYCO Employees, Ltd.

Did not find a good contact.

Frost Bank trustee of the Joesphine T. Hudson Testamentary Trust FBO J. Terrell Ard

Did not find a good contact.

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

October 1, 2021

Via Certified Mail

MRC Delaware Resources, LLC
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Re: Iron Islands 11/7 B2BC Fed Com #1H and Iron Islands 11/7 B2GF Fed Com #1H
820' FNL & 2010' FWL (Section 11) 850' FNL & 2010' FWL (Section 11)
660' FNL & 2540' FWL (Section 7) 1980' FNL & 2540' FWL (Section 7)

Iron Islands 11/7 B2JI Fed Com #1H and Iron Islands 11/7 B2OP Fed Com #1H
850' FSL & 2550' FEL (Section 11) 820' FSL & 2550' FEL (Section 11)
1980' FSL & 100' FEL (Section 7) 660' FSL & 100' FEL (Section 7)

Section 7, T18S, R32E, Lea County, New Mexico
Sections 11 & 12, T18S, R31E, Eddy County, New Mexico

Ladies and Gentlemen,

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1443.84 acre Working Interest Unit ("WIU") covering the E/2 of Section 11, All of Section 12, and the NW/4 & S/2 of Section 7 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation.

In addition, Mewbourne as Operator hereby proposes to drill the captioned Iron Islands 11/7 B2BC Fed Com #1H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 8,705 feet subsurface to evaluate the Second Bone Spring Sand Formation. The proposed well will have a measured depth (MD) of approximately 19,580 feet. The N/2NE/4 of Section 11, the N/2N/2 of Section 12, and the N/2NW/4 of Section 7 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned Iron Islands 11/7 B2GF Fed Com #1H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 8,800 feet subsurface to evaluate the Second Bone Spring Sand Formation. The proposed well will have a measured depth (MD) of approximately 19,631 feet. The S/2NE/4 of Section 11, the S/2N/2 of Section 12, and the S/2NW/4 of Section 7 will be dedicated to the well as the proration unit.

Mewbourne as Operator hereby proposes to drill the captioned Iron Islands 11/7 B2JI Fed Com #1H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 8,850 feet subsurface to evaluate the Second Bone Spring Sand Formation. The proposed well will have a measured depth (MD) of approximately 21,550 feet. The N/2S/2 of the captioned Sections 7 & 12 and the N/2SE/4 of the captioned Section 11 will be dedicated to the well as the proration unit.

Finally, Mewbourne as Operator hereby proposes to drill the captioned Iron Islands 11/7 B2OP Fed Com #1H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 8,890 feet subsurface to evaluate the Second Bone Spring Sand Formation. The proposed well will have a measured depth (MD) of approximately 21,510 feet. The S/2S/2 of the captioned Sections 7 & 12 and the S/2SE/4 of the captioned Section 11 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our Operating Agreement dated September 1, 2021, along with an extra set of signature pages and our AFEs dated August 17, 2021, for the captioned proposed wells. Please sign and return said AFEs and extra set of signature pages at your earliest convenience if you elect to participate in the captioned wells and WIU and return to me within thirty (30) days.

If you have any questions regarding the above, please email me at bblandford@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Braxton Blandford
Landman

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: **IRON ISLANDS 11/7 B2OP FED COM #1H** Prospect: **2ND BSS (2.5 Mile Lateral)**
 Location: **SL: 820 FSL & 2550 FEL (11) ; BHL: 660 FSL & 100 FEL (7)** County: **Eddy** ST: **NM**
 Sec. **11** Blk: Survey: TWP: **18S** RNG: **31E** Prop. TVD: **8890** TMD: **21510**

| INTANGIBLE COSTS 0180 | | CODE | TCP | CODE | CC |
|--------------------------------------|---|-----------|--------------------|-----------|--------------------|
| Regulatory Permits & Surveys | | 0180-0100 | \$20,000 | 0180-0200 | |
| Location / Road / Site / Preparation | | 0180-0105 | \$35,000 | 0180-0205 | \$35,000 |
| Location / Restoration | | 0180-0106 | \$200,000 | 0180-0206 | \$35,000 |
| Daywork / Turnkey / Footage Drilling | 35 days drlg / 4 days comp @ \$19500/d | 0180-0110 | \$729,000 | 0180-0210 | \$83,300 |
| Fuel | 1700 gal/day @ \$3/gal | 0180-0114 | \$190,700 | 0180-0214 | \$461,250 |
| Mud, Chemical & Additives | | 0180-0120 | \$160,000 | 0180-0220 | |
| Horizontal Drillout Services | | | | 0180-0222 | \$230,000 |
| Cementing | | 0180-0125 | \$80,000 | 0180-0225 | \$35,000 |
| Logging & Wireline Services | | 0180-0130 | \$2,300 | 0180-0230 | \$300,000 |
| Casing / Tubing / Snubbing Service | | 0180-0134 | \$18,000 | 0180-0234 | \$50,000 |
| Mud Logging | | 0180-0137 | \$35,000 | | |
| Stimulation | 63 Stg 25.0 MM gal / 25.0 MM lb | | | 0180-0241 | \$1,700,000 |
| Stimulation Rentals & Other | | | | 0180-0242 | \$200,000 |
| Water & Other | | 0180-0145 | \$40,000 | 0180-0245 | \$380,000 |
| Bits | | 0180-0148 | \$130,000 | 0180-0248 | \$5,000 |
| Inspection & Repair Services | | 0180-0150 | \$50,000 | 0180-0250 | \$5,000 |
| Misc. Air & Pumping Services | | 0180-0154 | | 0180-0254 | \$10,000 |
| Testing & Flowback Services | | 0180-0158 | \$12,000 | 0180-0258 | \$24,000 |
| Completion / Workover Rig | | | | 0180-0260 | \$10,500 |
| Rig Mobilization | | 0180-0164 | \$120,000 | | |
| Transportation | | 0180-0165 | \$30,000 | 0180-0265 | \$30,000 |
| Welding Services | | 0180-0168 | \$4,000 | 0180-0268 | \$15,000 |
| Contract Services & Supervision | | 0180-0170 | | 0180-0270 | |
| Directional Services | Includes Vertical Control | 0180-0175 | \$491,700 | | |
| Equipment Rental | | 0180-0180 | \$268,200 | 0180-0280 | \$30,000 |
| Well / Lease Legal | | 0180-0184 | \$5,000 | 0180-0284 | |
| Well / Lease Insurance | | 0180-0185 | \$800 | 0180-0285 | |
| Intangible Supplies | | 0180-0188 | \$7,000 | 0180-0288 | \$10,000 |
| Damages | | 0180-0190 | \$10,000 | 0180-0290 | \$10,000 |
| ROW & Easements | | 0180-0192 | | 0180-0292 | \$5,000 |
| Pipeline Interconnect | | | | 0180-0293 | |
| Company Supervision | | 0180-0195 | \$534,200 | 0180-0295 | \$160,000 |
| Overhead Fixed Rate | | 0180-0196 | \$10,000 | 0180-0296 | \$25,000 |
| Well Abandonment | | 0180-0198 | | 0180-0298 | |
| Contingencies | 2% (TCP) 2% (CC) | 0180-0199 | \$63,658 | 0180-0299 | \$76,981 |
| TOTAL | | | \$3,246,558 | | \$3,926,031 |
| TANGIBLE COSTS 0181 | | | | | |
| Casing (19.1" - 30") | | 0181-0793 | | | |
| Casing (10.1" - 19.0") | 1050' - 13 3/8" 54.5# J-55 ST&C @ \$36.5/ft | 0181-0794 | \$40,950 | | |
| Casing (8.1" - 10.0") | 2600' - 9 5/8" 36# J-55 LT&C @ \$20.5/ft | 0181-0795 | \$56,950 | | |
| Casing (6.1" - 8.0") | 8900' - 7" 29# HCP-110 LT&C @ \$27/ft | 0181-0796 | \$256,700 | | |
| Casing (4.1" - 6.0") | 13300' - 4 1/2" 13.5# P-110 BPN @ \$14.5/ft | | | 0181-0797 | \$206,000 |
| Tubing | 8025' - 2 7/8" 6.5# L-80 Tbg @ \$8.75/ft | | | 0181-0798 | \$75,000 |
| Drilling Head | | 0181-0860 | \$35,000 | | |
| Tubing Head & Upper Section | | | | 0181-0870 | \$30,000 |
| Horizontal Completion Tools | Completion Liner Hanger | | | 0181-0871 | \$45,000 |
| Sucker Rods | | | | 0181-0875 | |
| Subsurface Equipment | | | | 0181-0880 | \$10,000 |
| Artificial Lift Systems | ESP | | | 0181-0884 | \$100,000 |
| Pumping Unit | | | | 0181-0885 | |
| Surface Pumps & Prime Movers | 1/2 VRU/SWD TP | | | 0181-0886 | \$55,000 |
| Tanks - Oil | 1/2 of 6 - 750 bbl | | | 0181-0890 | \$60,000 |
| Tanks - Water | 1/2 of 5 - 750 bbl coated | | | 0181-0891 | \$50,000 |
| Separation / Treating Equipment | 1/2(GB,VRT/Flare) / 30"x10"x1k 3 ph/48"x15"x1k# Hor 3 | | | 0181-0895 | \$154,000 |
| Heater Treaters, Line Heaters | 8'x20'x75# HT | | | 0181-0897 | \$27,000 |
| Metering Equipment | | | | 0181-0898 | \$15,000 |
| Line Pipe & Valves - Gathering | | | | 0181-0900 | \$40,000 |
| Fittings / Valves & Accessories | | | | 0181-0906 | \$150,000 |
| Cathodic Protection | Automation | | | 0181-0908 | \$57,500 |
| Electrical Installation | | | | 0181-0909 | \$75,000 |
| Equipment Installation | | | | 0181-0910 | \$75,000 |
| Pipeline Construction | | | | 0181-0920 | \$100,000 |
| TOTAL | | | \$389,600 | | \$1,324,500 |
| SUBTOTAL | | | \$3,636,158 | | \$5,250,531 |
| TOTAL WELL COST | | | | | \$8,886,689 |

ATTACHMENT D

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: G. Edington Date: 8/17/2021
 Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____
 Joint Owner Name: _____ Signature: _____

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

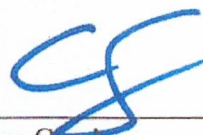
5. Attachment A shows other Second Bone Spring Sand wells drilled in this area. There is a substantial preference for laydown wells.

6. Attachment C contains horizontal drilling plans for the proposed wells. The producing intervals of the wells will be orthodox.

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

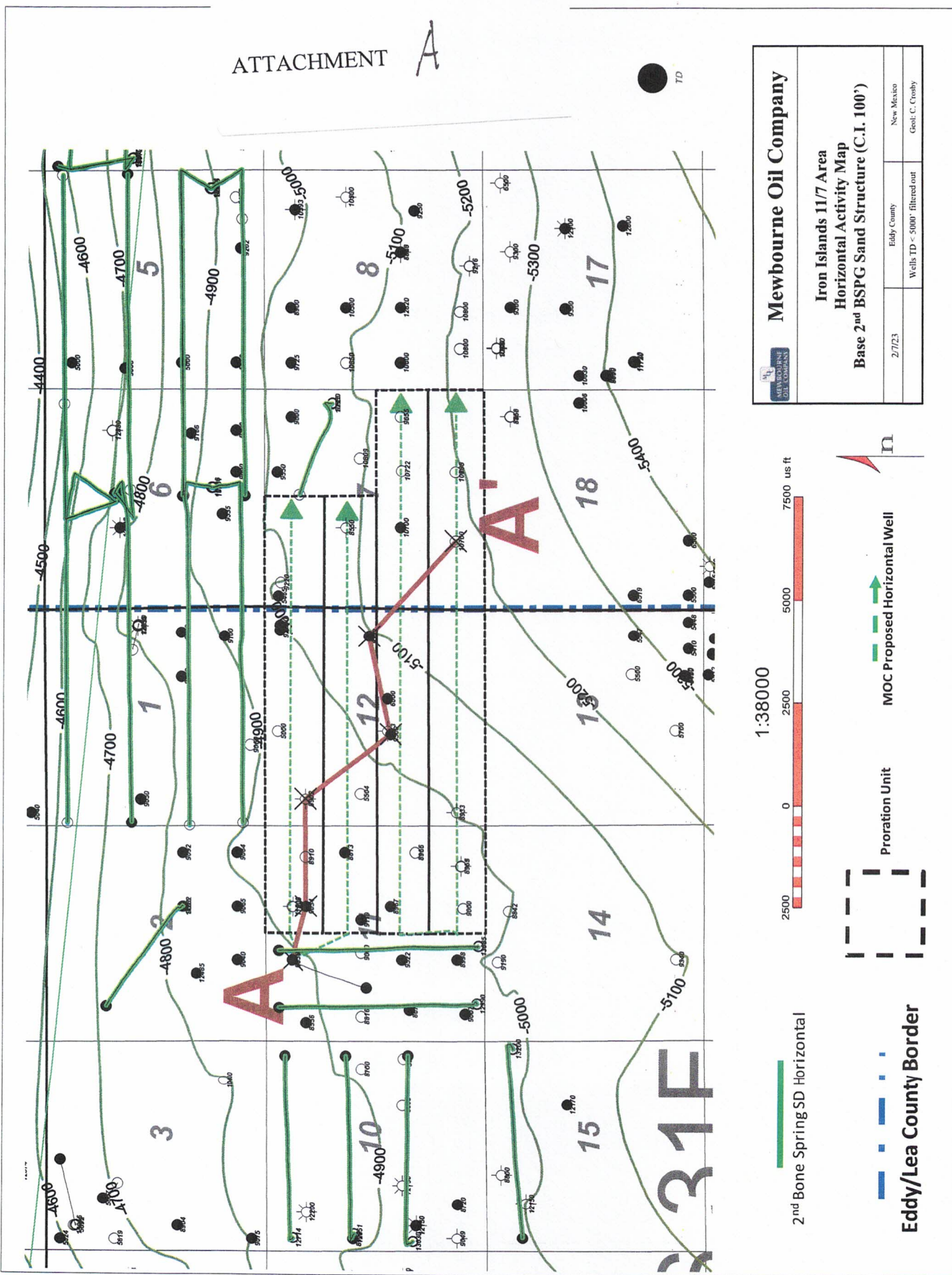
Date:

4/3/23



Charles Crosby

ATTACHMENT A



Mewbourne Oil Company

Iron Islands 11/7 Area
Horizontal Activity Map
Base 2nd BSPG Sand Structure (C.I. 100')

| | | |
|--------|-------------------------------|-----------------|
| 2/7/23 | Eddy County | New Mexico |
| | Wells TD < 5000' Filtered out | |
| | | Geol: C. Crosby |

1:38000

2500 0 2500 5000 7500 us ft

Proration Unit

Eddy/Lea County Border

MOC Proposed Horizontal Well

A' E

MANHATTAN AND
HARRISON CO
SECTION 11
TWP. 35 S. RANGE 18 E. SEC. 17

MANHATTAN AND
HARRISON CO
SECTION 11
TWP. 35 S. RANGE 18 E. SEC. 17

MANHATTAN AND
HARRISON CO
SECTION 11
TWP. 35 S. RANGE 18 E. SEC. 17

MANHATTAN AND
HARRISON CO
SECTION 11
TWP. 35 S. RANGE 18 E. SEC. 17

MANHATTAN AND
HARRISON CO
SECTION 11
TWP. 35 S. RANGE 18 E. SEC. 17

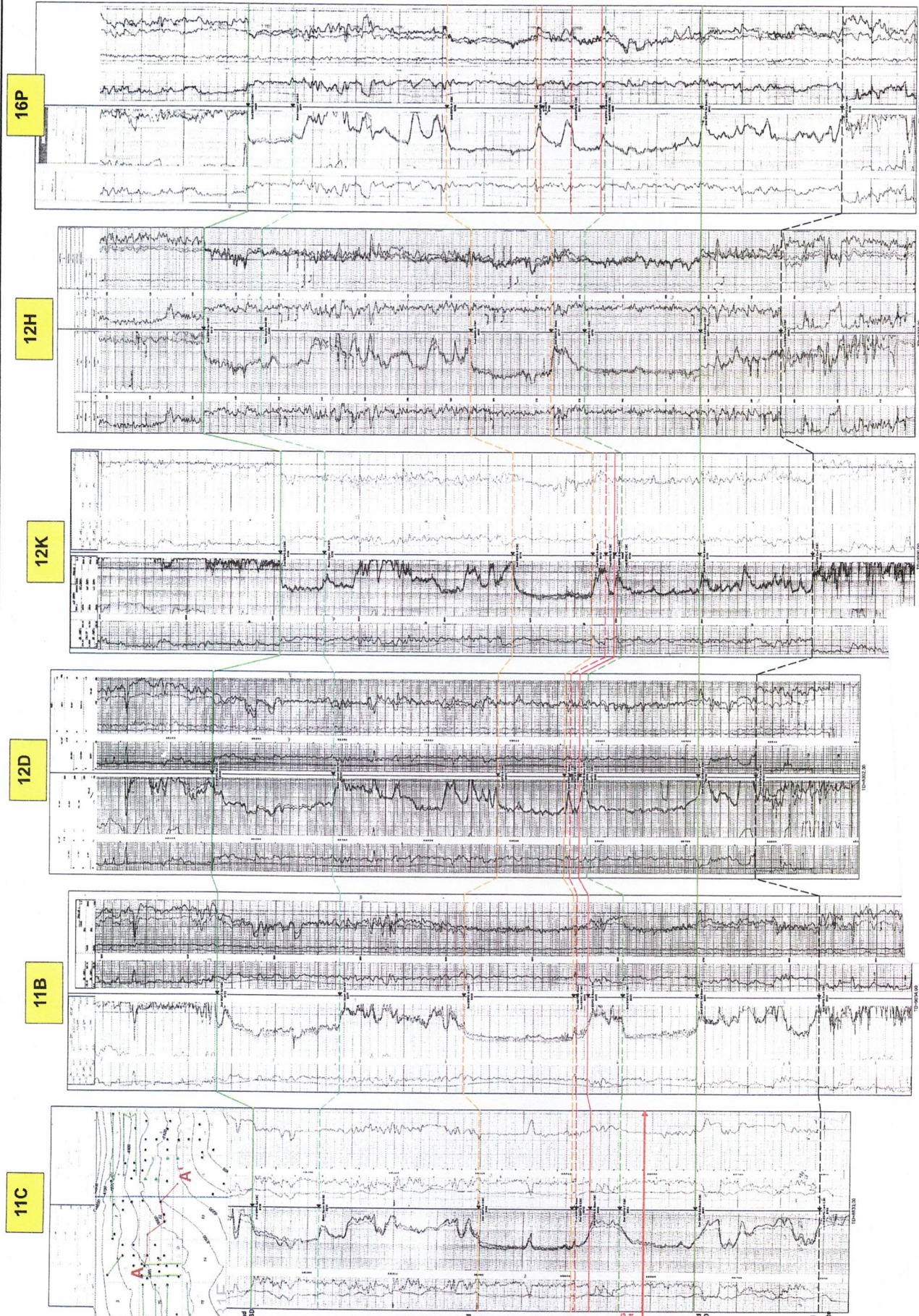
MANHATTAN AND
HARRISON CO
SECTION 11
TWP. 35 S. RANGE 18 E. SEC. 17

MANHATTAN AND
HARRISON CO
SECTION 11
TWP. 35 S. RANGE 18 E. SEC. 17

MANHATTAN AND
HARRISON CO
SECTION 11
TWP. 35 S. RANGE 18 E. SEC. 17

MANHATTAN AND
HARRISON CO
SECTION 11
TWP. 35 S. RANGE 18 E. SEC. 17

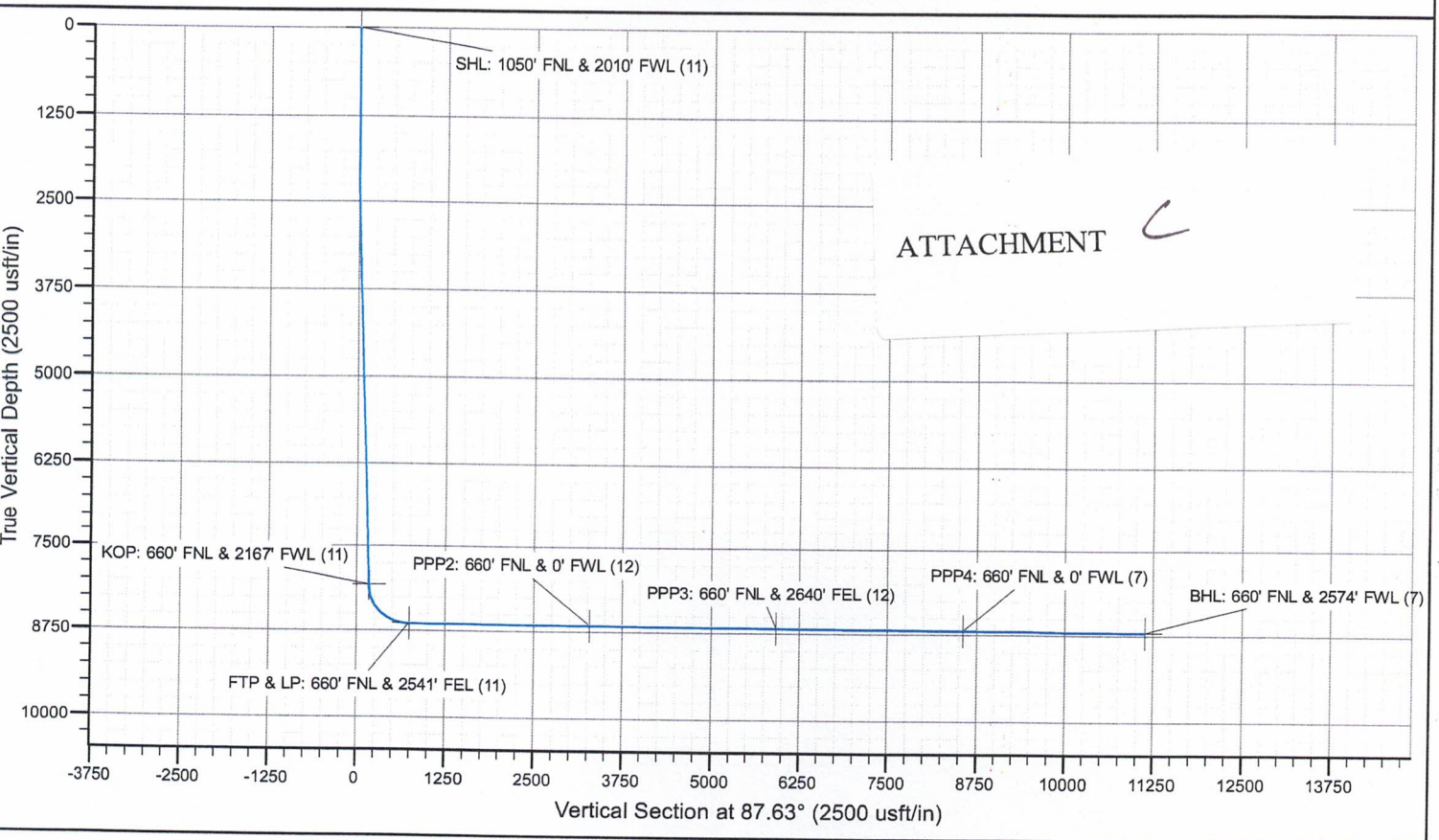
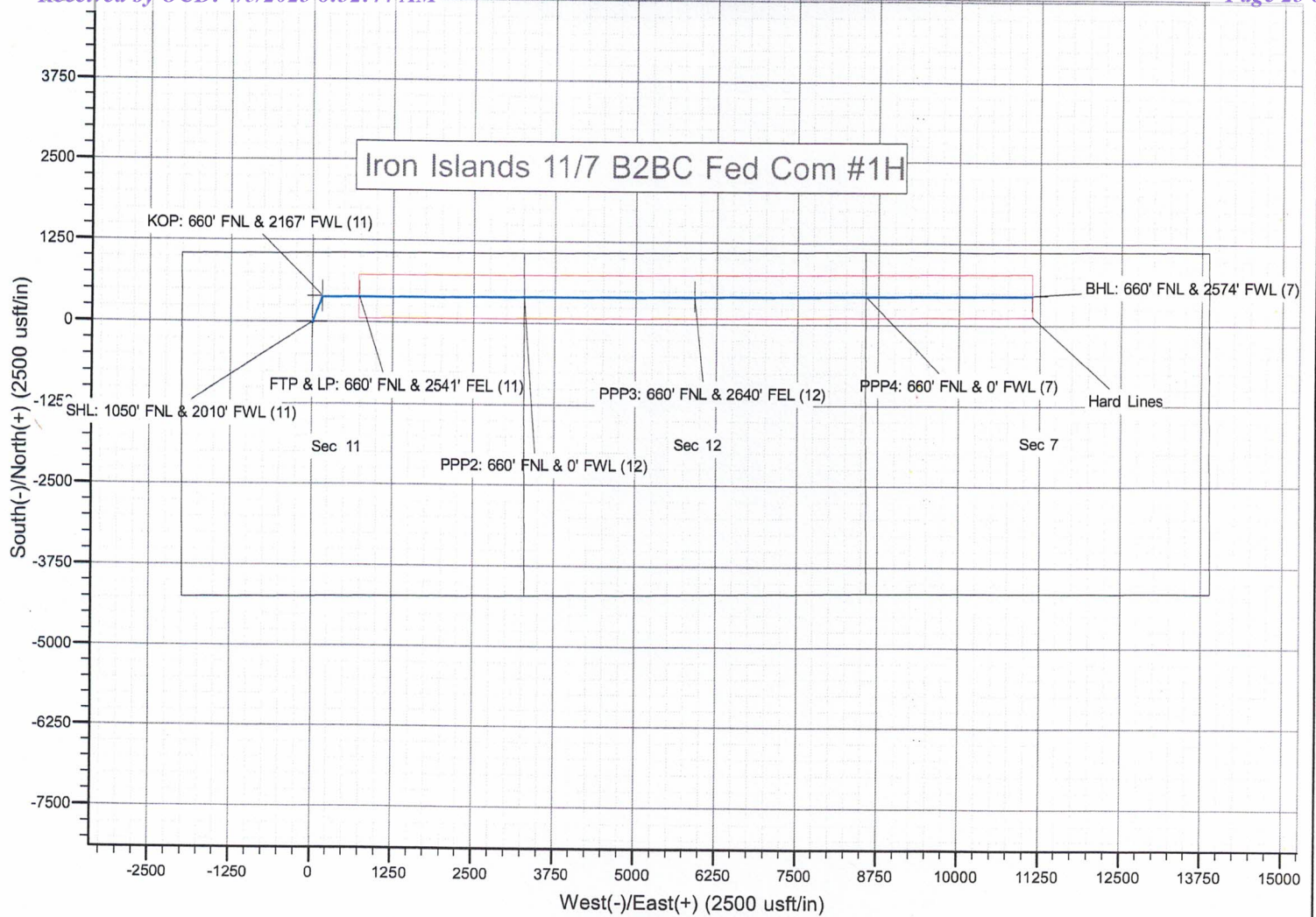
A W



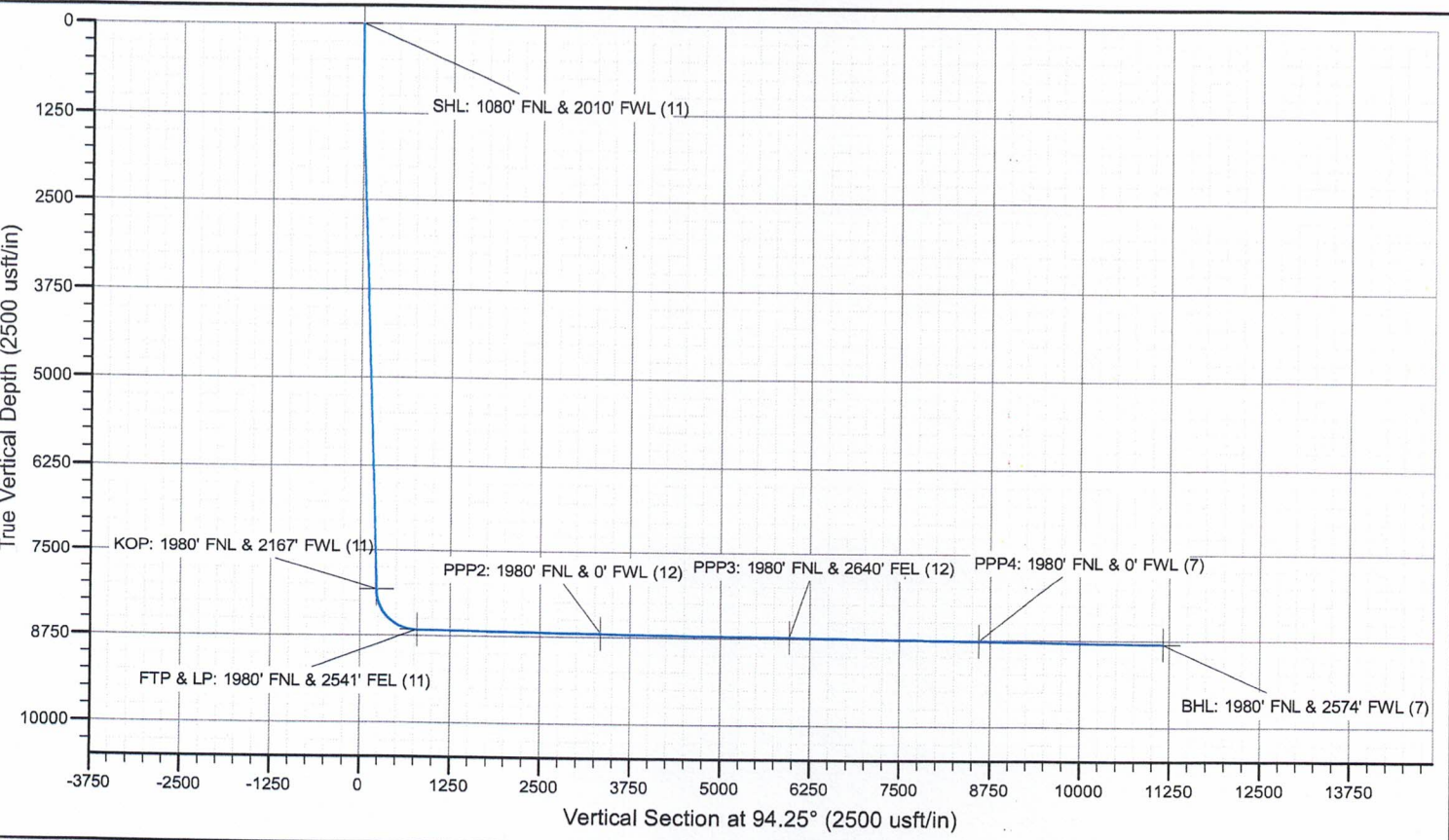
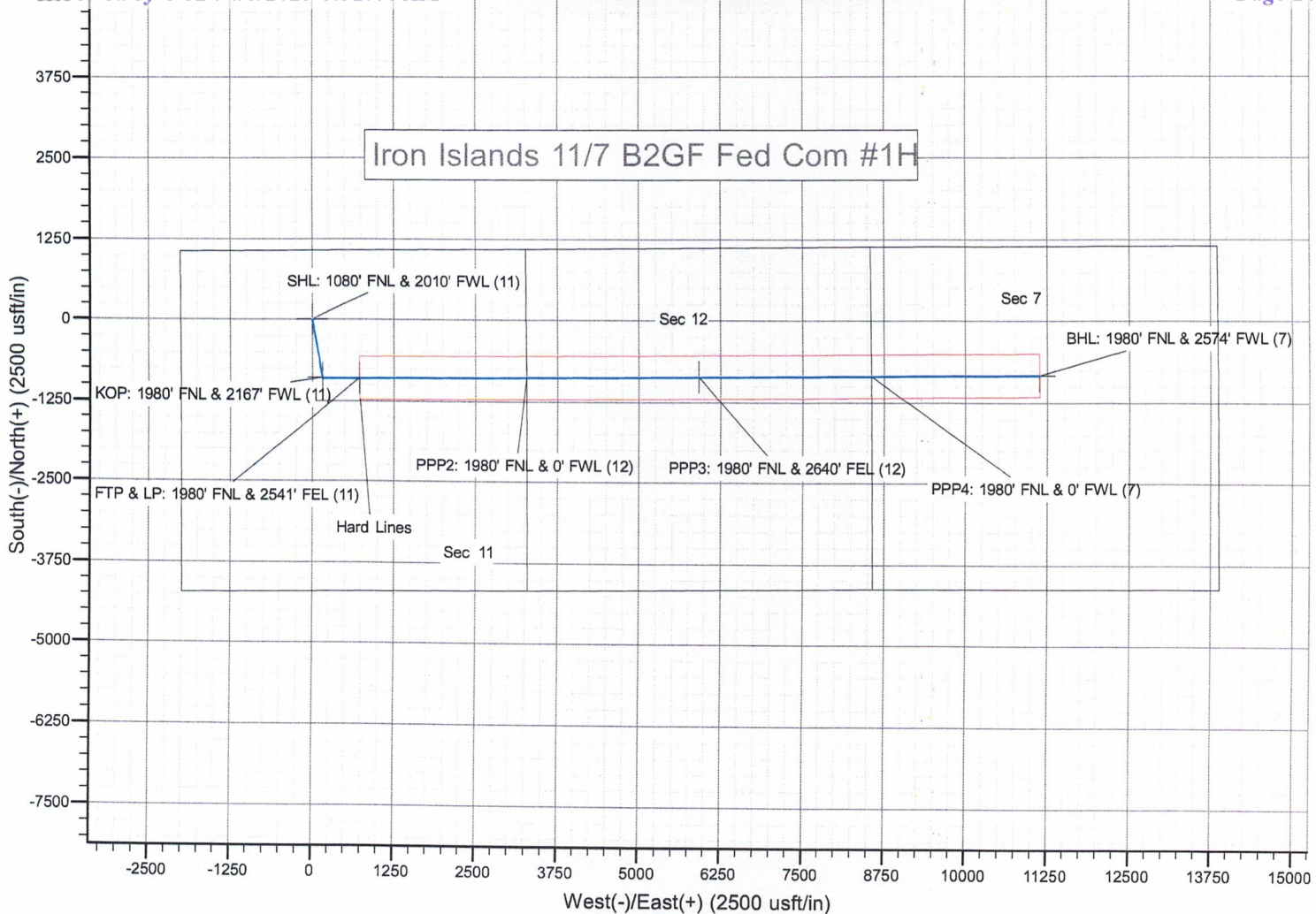
Iron Islands 2nd BSPG Sand
Cross Section Exhibit (A-A')

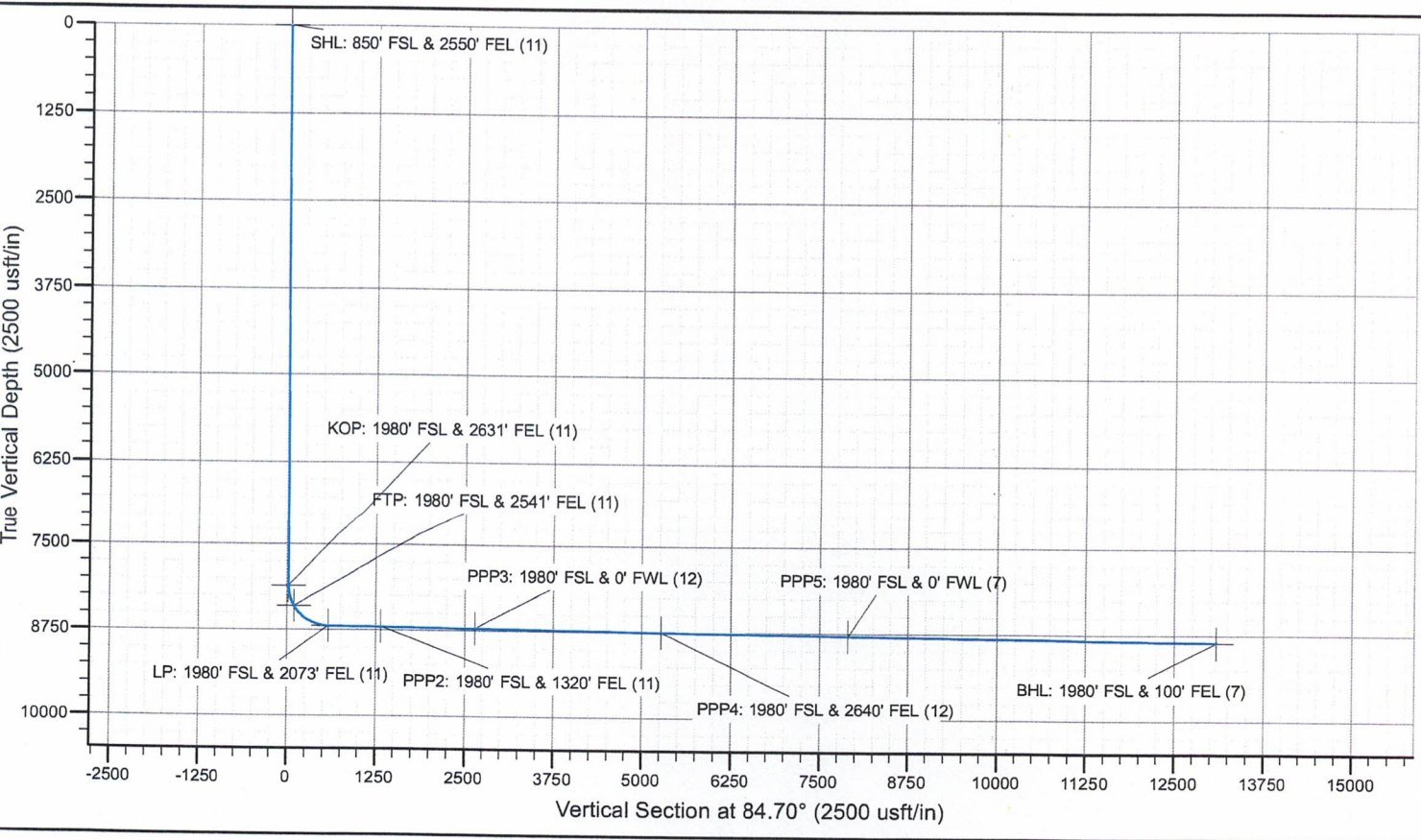
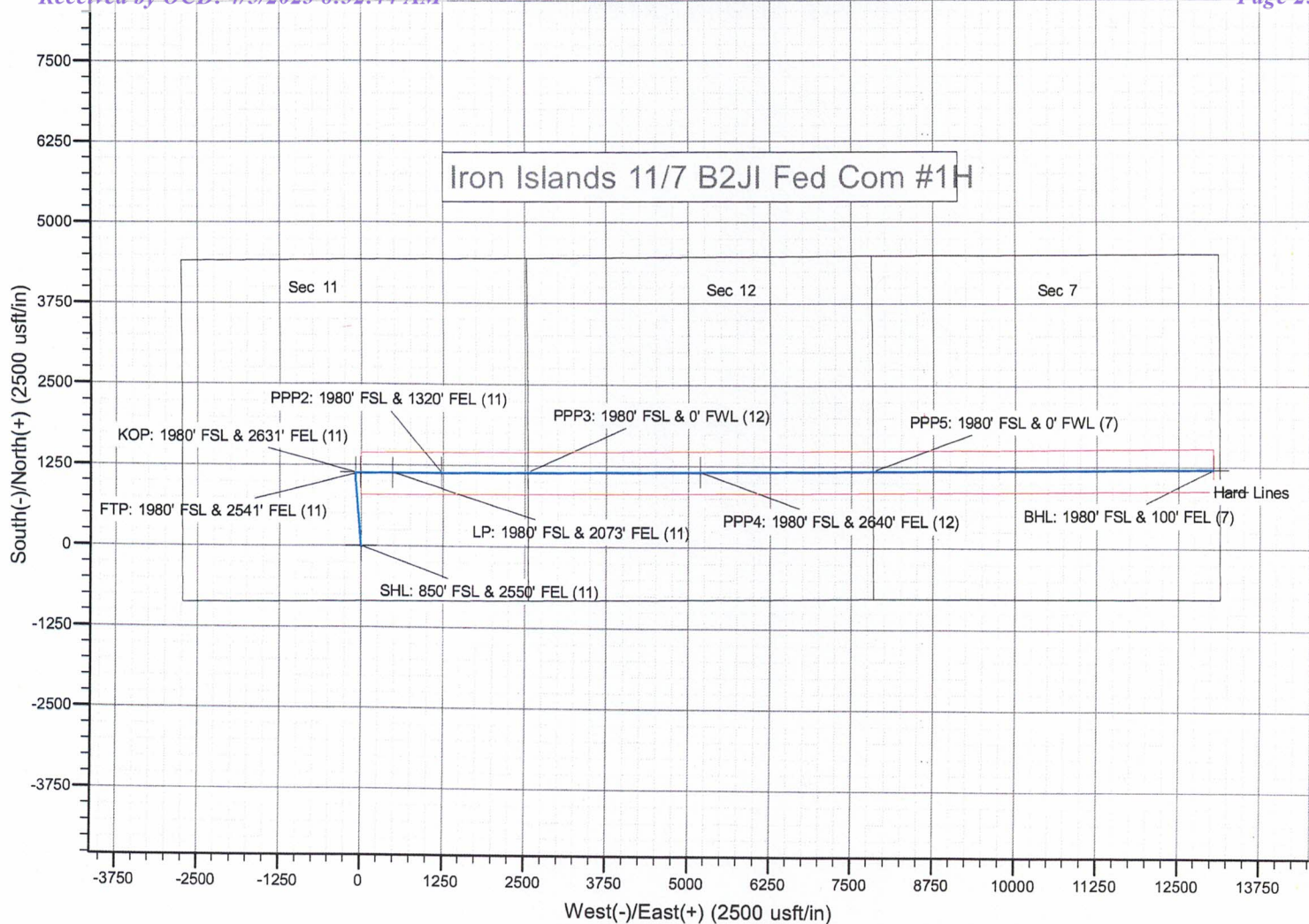
B
ATTACHMENT

Top 2nd Target SDs
Iron Islands 2nd BSPG SD target
Blue 2nd BSPG SD
Top 3rd Carbonate

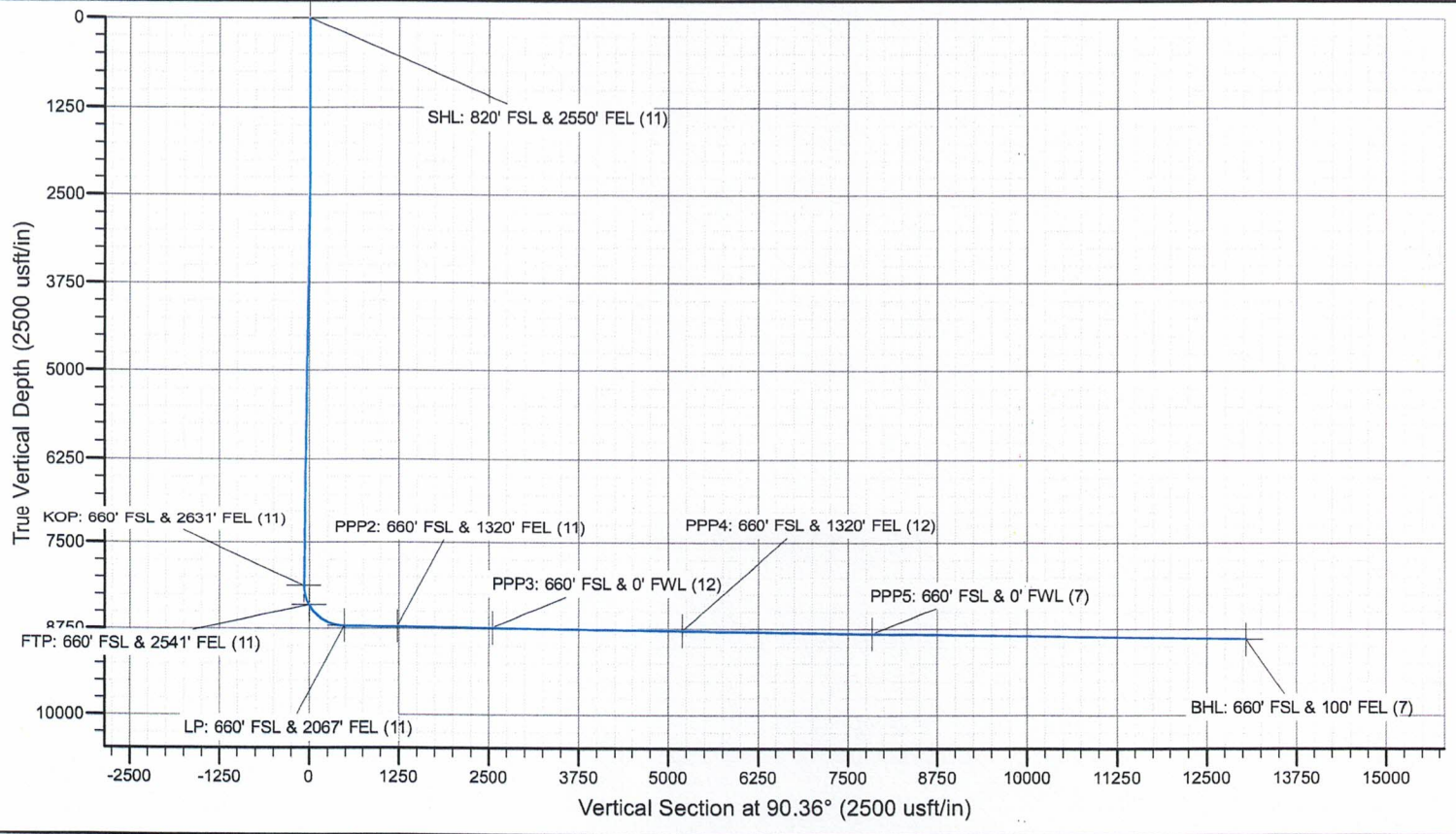
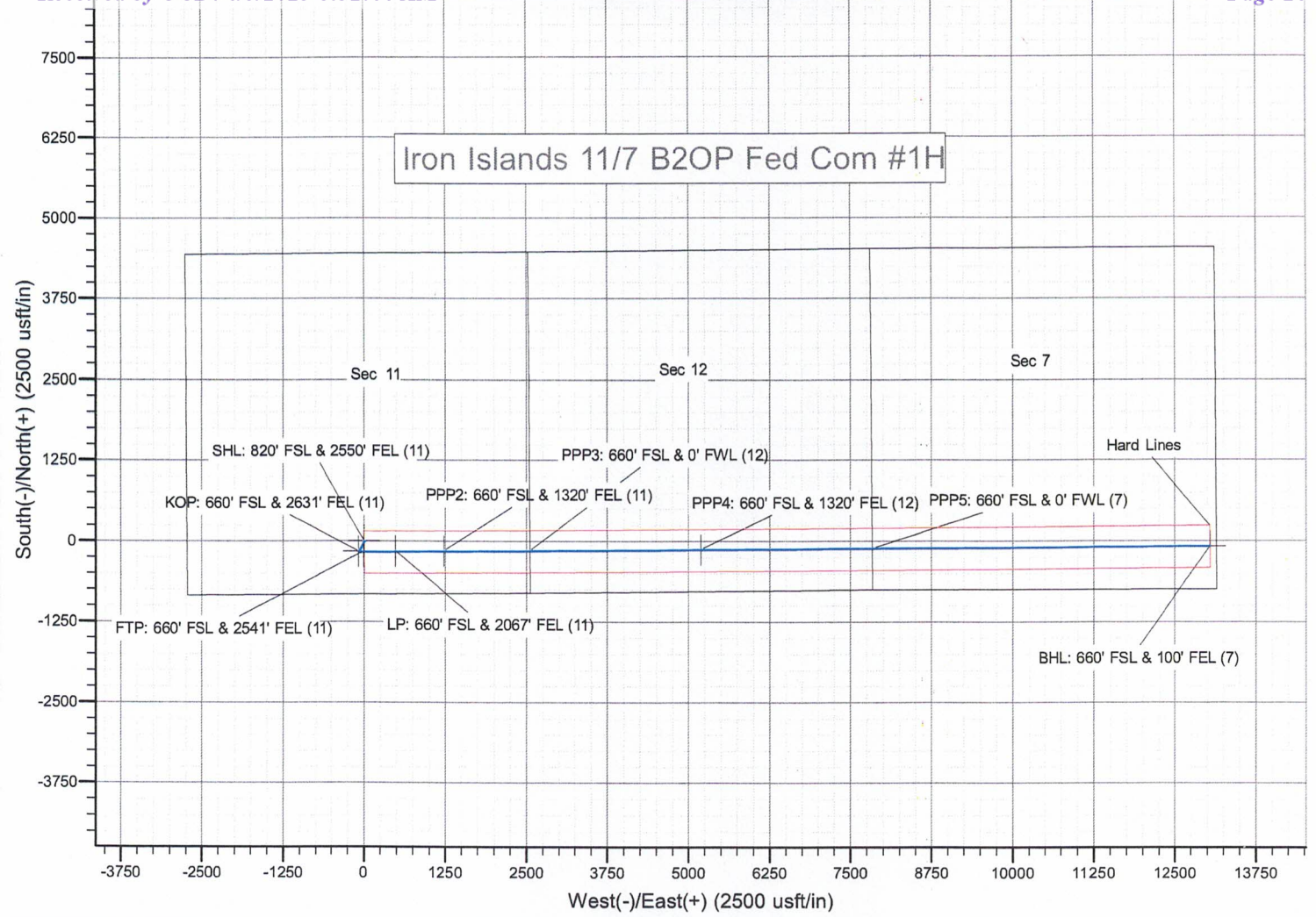


Iron Islands 11/7 B2GF Fed Com #1H





Iron Islands 11/7 B2OP Fed Com #1H



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

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

Case No. 22426

SELF-AFFIRMED STATEMENT OF NOTICE

James Bruce deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Mewbourne Oil Company.
3. Mewbourne Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest 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: 4/4/23

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

December 16, 2021

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, seeking an order pooling all uncommitted mineral interest owners in the Bone Spring formation in the horizontal spacing unit described below:

Case **22426**: The S/2SE/4 of Section 11 and the S/2S/2 of Section 12, Township 18 South, Range 31 East, NMPM (Eddy County), and Lot 4, SE/4SW/4, and the S/2SE/4 (the S/2S/2) of Section 7, Township 18 South, Range 32 East, NMPM (Lea County). The unit will be dedicated to the Iron Islands 11/7 B2OP Fed. Com. Well No. 1H.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, January 6, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, <http://emnrd.state.nm.us/OCD/announcements.html>. You are not required to attend this hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, December 30, 2021. 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.

ATTACHMENT

A

Very truly yours,

A handwritten signature in blue ink that reads "James Bruce". The signature is written in a cursive style with a large initial "J".

James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT A

MRC Delaware Resources, LLC
MRC Spiral Resources, LLC
MRC Explorers Resources, LLC
One Lincoln Centre, 5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240
Attn: Land Department

Colkelan Corporation
PO Box 25663
Albuquerque, New Mexico 87125
Attn: Land Department

Frost Bank trustee of the Josephine T. Hudson
Testamentary Trust u/t/a dated July 8, 1994
PO Box 1600
San Antonio, Texas 78296

Francis H Hudson, trustee of the
Trustee of Lindy's Living Trust
4200 S. Hulen, Suite 302
Fort Worth, Texas 76109

J.R. Norton Co.
5210 E Palo Verde Place
Paradise Valley, Arizona 85252

HEYCO Employees Ltd
PO Box 1933
Roswell, New Mexico 88202-1933

James H Yates, Inc
PO Box 189
Roswell, New Mexico 88202-0189
Attn: Land Department

Bank of America, N.A., Successor trustee
Of the Delmar H Lewis Living Trust
PO Box 830308
Dallas, Texas 75283-0308

Vivian Ann Brunson
4205 Lankford Avenue
Springdale, AR 72762

Mystique Management Corporation
6528 E 101st Street, Suite D1 #425
Tulsa, Oklahoma
Attn: Mark Snead

Charlesworth Enterprises
PO Box 1
Amarillo, Texas 79105
Attn: Michael Pirtle

The Tommye G Ewing Limited Partnership
PO Box 1
Amarillo, Texas 79105
Attn: Michael Pirtle

Yates Energy Corporation
PO Box 2323
Roswell, New Mexico 88202
Attn: Becky Pemberton

Marathon Oil Permian, LLC
990 Town and Country Blvd.
Houston, Texas 77024
Attn: Land Department

Pear Resources
PO Box 11044
Midland, Texas 79702
Attn: Jerry Gahr

Patricia Ann Brunson
4205 Lankford Avenue
Springdale, AR 72762

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005058518

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:

12/26/2021



Legal Clerk

Subscribed and sworn before me this December 26, 2021:



State of WI, County of Brown
NOTARY PUBLIC

1-7-25

My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005058518
PO #: 5058518
of Affidavits 1

This is not an invoice

NOTICE

To: MRC Delaware Resources, LLC, MRC Spiral Resources, LLC, MRC Explorers Resources, LLC, Colkelan Corporation, Frost Bank as Trustee of the Josephine T. Hudson Testamentary Trust, Bank of America, N.A. as Trustee of the Delmar H. Lewis Living Trust, Vivian Ann Brinson, Mystique Management Corporation, Charlesworth Enterprises, The Tommye G. Ewing Limited Partnership, Yates Energy Corporation, Marathon Oil Permian LLC, Pear Resources, Patricia Ann Brunson, Francis H. Hudson, Trustee of Lindy's Living Trust, J.R. Norton Co., HEYCO Employees Ltd., and James H. Yates, Inc., or your heirs, devisees, successors, or assigns: Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division seeking an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2SE/4 of Section 11 and the S/2S/2 of Section 12, Township 18 South, Range 31 East, NMPM (Eddy County), and Lot 4, SE/4SW/4, and the S/2SE/4 (the S/2S/2) of Section 7, Township 18 South, Range 32 East, NMPM (Lea County). The unit will be dedicated to the Iron Islands 11/7 B2OP Fed. Com. Well No. 1H (Case No. 22426). Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. This matter is scheduled for hearing at 8:15 a.m. on Thursday, January 6, 2022. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnr.d.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, <http://emnr.d.state.nm.us/OCD/announcements.html>. You are not required to attend this hearing, but as an owner of an interest that may be affected by the application, you may appear and present testimony. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, December 30, 2021. This statement may be filed online with the Division at ocd.hearings@state.nm.us. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, jamesbruc@aol.com. The unit is located approximately 10-1/2 miles southeast of Loco Hills, New Mexico.
#5058518, Current Argus,
Dec.26, 2021

EXHIBIT 5