

CASE NO. 23547

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

EXHIBITS

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

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 23541

APPLICATION

Mewbourne Oil Company applies for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 25 and the S/2SE/4 of Section 26, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the S/2S/2 of Section 25 and the S/2SE/4 of Section 26, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the Deep Ellum 25/26 Fed. Com. Well No. 518H and the Deep Ellum 25/26 Fed. Com. Well No. 618H to depths sufficient to test the Bone Spring formation, and to dedicate the S/2S/2 of Section 25 and the S/2SE/4 of Section 26 to the wells. The wells have first take points in the SE/4SE/4 of Section 25 and last take points in the SW/4SE/4 of Section 26.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2S/2 of Section 25 and the S/2SE/4 of Section 26 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all uncommitted mineral interest owners in the Bone

EXHIBIT /


Spring formation underlying S/2S/2 of Section 25 and the S/2SE/4 of Section 26, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying the S/2S/2 of Section 25 and the S/2SE/4 of Section 26 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the S/2S/2 of Section 25 and the S/2SE/4 of Section 26;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, testing, and equipping the wells, and allocating the cost among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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

Attorney for Mewbourne Oil Company

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

Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation in a horizontal spacing unit comprised of the S/2S/2 of Section 25 and the S/2SE/4 of Section 26, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Deep Ellum 25/26 Fed. Com. Well No. 518H and the Deep Ellum 25/26 Fed. Com. Well No. 618H, horizontal wells with first take points in the SE/4SE/4 of Section 25 and last take points in the SW/4SE/4 of Section 26. Also to be considered will be the cost of drilling, completing, testing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells. The unit is located approximately 12 miles southeast of Loco Hills, New Mexico.

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

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

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

Case No. 23547

SELF-AFFIRMED STATEMENT OF ARIANA RODRIGUES

Ariana Rodrigues deposes and states:

1. I am a landman for Mewbourne Oil Company (“Mewbourne”), and I have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.
2. Pursuant to Division Rules, the following information is submitted in support of this application.
3. The purpose of this application is to pool working interest owners into the Bone Spring horizontal spacing unit described below, and in wells to be drilled in the unit. No opposition is expected.
4. In this case Mewbourne seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation in a horizontal spacing unit comprised of the S/2S/2 of Section 25 and the S/2SE/4 of Section 26, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Deep Ellum 25/26 Fed. Com. Well No. 518H and the Deep Ellum 25/26 Fed. Com. Well No. 618H, horizontal wells with first take points in the SE/4SE/4 of Section 25 and last take points in the SW/4SE/4 of Section 26.
5. There is no depth severance in the Bone Spring formation.
6. A plat outlining the unit being pooled is submitted as Attachment A. Form C-102s for the wells are part of Attachment A.
7. The tracts in the unit, the leases, and the parties being pooled and their interests, are set forth in Attachment B. The persons noted with an asterisk are being pooled.
8. The interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests to the wells.

EXHIBIT

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9. In order to locate the interest owners, Mewbourne examined the county and federal records, performed internet searches, checked telephone records, and searched Accurint and Whitepages. The names and addresses were supplied to Mewbourne's attorney for notice purposes.

10. Attachment C contains a sample copy of the proposal letter sent to the interest owners being pooled. It also contains a summary of communications with the locatable parties. Mewbourne has made a good faith effort to locate and obtain the voluntary joinder of the working interest owners in the proposed wells.

11. Attachment D contains the Authorizations for Expenditure for the proposed wells. The estimated costs of the wells set forth therein are fair and reasonable, and comparable to the cost of other wells of similar depth and length drilled in this area of Eddy County.

12. Mewbourne requests overhead and administrative rates of \$9000/month for a drilling well and \$900/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Eddy County. They are also the rates set forth in the proposed Joint Operating Agreement for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

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

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

15. The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.

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

I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 16 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.

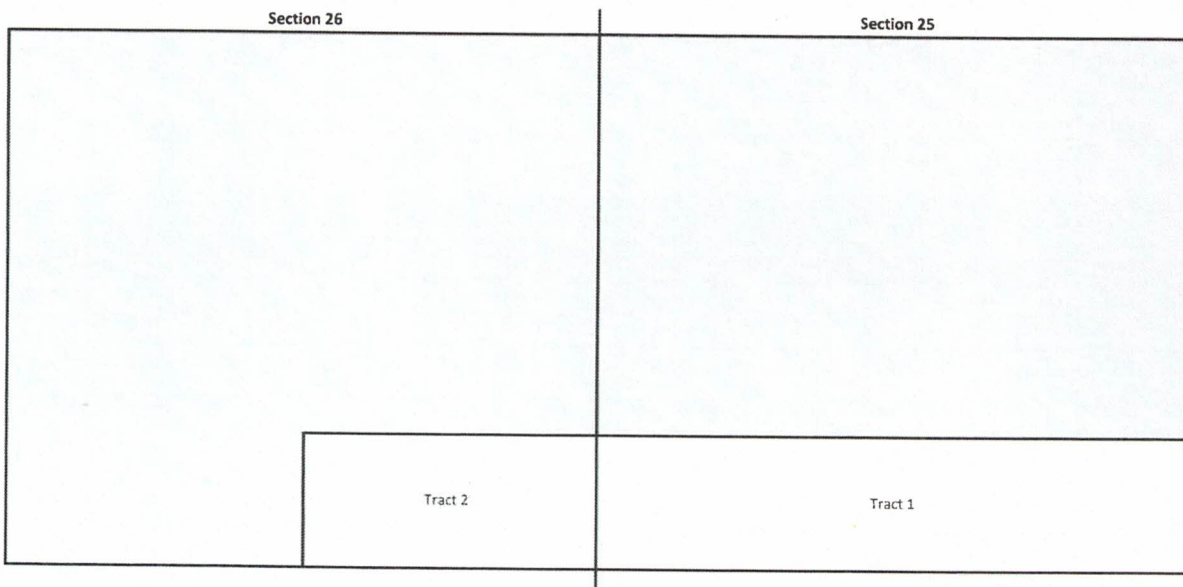
Date: 5/25/2023


Ariana Rodriguez

Section Plat
Deep Ellum 25/26 Fed Com #518H
Deep Ellum 25/26 Fed Com #618H
S2S2 of Section 25 & S2SE4 of Section 26

T18S, 31E, Eddy County, New Mexico

T18S, 31E, Eddy County, New Mexico



RECAPITULATION

Tract Number	Number of Acres Committeed	Percentage of Interest in Communitized Area
1	160.00	66.666667%
2	80.00	33.333333%
TOTAL	240.00	100.000000%

ATTACHMENT B

TRACT OWNERSHIP
 Deep Ellum 25/26 Fed Com #518H
 Deep Ellum 25/26 Fed Com #618H
 S2S2 of Section 25 & S2SE4 of Section 26
 T18S-R31E, Eddy County, NM

Ownership by Tract

Tract 1: S2S2 of Section 25 - Federal Lease NMLC 065680

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company, et. al.	93.750000%	160.00	150.000000000
Occidental Permian Limited Partnership	6.250000%	160.00	10.000000000
Total	100.000000000%		160.000000000

Tract 2: S2SE4 of Section 26 - Federal Lease NMLC 029392-B

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company, et. al.	51.000000%	80.00	40.800000000
Chevron USA Inc.	49.000000%	80.00	39.200000000
Total	100.000000000%		80.000000000

Spacing Unit Ownership

Deep Ellum 25/26 Fed Com #518H Deep Ellum 25/26 Fed Com #618H	Percentage	
Mewbourne Oil Company, et. al.	79.500000%	190.800000
Chevron USA Inc.*	16.333333%	39.200000
Occidental Permian Limited Partnership*	4.166667%	10.000000
Total	100.000000%	240.000000000

*Parties highlighted in Red are being pooled

Total Interest Being Pooled:

20.500000%

Summary of Communications
Deep Ellum 25/26 Fed Com #518H
Deep Ellum 25/26 Fed Com #618H
S2S2 of Section 25 & S2SE4 of Section 26
T18S-R31E, Eddy County, NM

Chevron USA, Inc.:

2/23/2023: Mailed Well Proposal to the above listed party.

3/1/2023: Mailed JOA to the above listed party.

3/1/2023: Emailed JOA to the above listed party.

3/1/2023: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

Occidental Permian Limited Partnership:

2/23/2023: Mailed Well Proposal to the above listed party.

3/1/2023: Mailed JOA to the above listed party.

3/3/2023: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

ATTACHMENT 

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

February 22, 2023

Certified Mail

«Owners»
«Attn»
«Address_Line_1»
«Address_Line_2»
«City», «State» «Zip_Code»

Re: Well Proposals
Sections 25 & 26, T18S, R31E
Eddy County, New Mexico

Deep Ellum 25/26 Fed Com #511H
1400' FNL & 205' FEL (SL) (Sec 25)
450' FNL & 2540' FEL (BHL) (Sec 26)

Deep Ellum 25/26 Fed Com #611H
1420' FNL & 205' FEL (SL) (Sec 25)
450' FNL & 2540' FEL (BHL) (Sec 26)

Deep Ellum 25/26 Fed Com #513H
1460' FNL & 205' FEL (SL) (Sec 25)
1900' FNL & 2540' FEL (BHL) (Sec 26)

Deep Ellum 25/26 Fed Com #613H
1440' FNL & 205' FEL (SL) (Sec 25)
1900' FNL & 2540' FEL (BHL) (Sec 26)

Deep Ellum 25/26 Fed Com #516H
1460' FSL & 205' FEL (SL) (Sec 25)
1900' FSL & 2540' FEL (BHL) (Sec 26)

Deep Ellum 25/26 Fed Com #616H
1440' FSL & 205' FEL (SL) (Sec 25)
1900' FSL & 2540' FEL (BHL) (Sec 26)

Deep Ellum 25/26 Fed Com #518H
1400' FSL & 205' FEL (SL) (Sec 25)
450' FSL & 2540' FEL (BHL) (Sec 26)

Deep Ellum 25/26 Fed Com #618H
1420' FSL & 205' FEL (SL) (Sec 25)
450' FSL & 2540' FEL (BHL) (Sec 26)

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 960.00 acre Working Interest Unit ("WIU") covering the E/2 of the captioned Section 26 and All of the captioned Section 25 for oil and gas production.

Mewbourne as Operator hereby proposes to drill the captioned **Deep Ellum 25/26 Fed Com #511H** 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 8,927 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,554 feet. The N/2N/2 of the captioned Section 25 and the N/2NE/4 of the captioned Section 26 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned **Deep Ellum 25/26 Fed Com #513H** 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 8,936 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,472 feet. The S/2N/2 of the captioned Section 25 and the S/2NE/4 of the captioned Section 26 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned **Deep Ellum 25/26 Fed Com #516H** 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 8,953.50 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,490 feet. The N/2S/2 of the captioned Section 25 and the N/2SE/4 of the captioned Section 26 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned **Deep Ellum 25/26 Fed Com #518H** 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 8,971 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 16,507 feet. The S/2S/2 of the captioned Section 25 and the S/2SE/4 of the captioned Section 26 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned **Deep Ellum 25/26 Fed Com #611H** 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 9,629 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 17,213 feet. The N/2N/2 of the captioned Section 25 and the N/2NE/4 of the captioned Section 26 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned **Deep Ellum 25/26 Fed Com #613H** 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 9,651 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 17,196 feet. The S/2N/2 of the captioned Section 25 and the S/2NE/4 of the captioned Section 26 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned **Deep Ellum 25/26 Fed Com #616H** 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 9,668.50 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 17,214 feet. The N/2S/2 of the captioned Section 25 and the N/2SE/4 of the captioned Section 26 will be dedicated to the well as the proration unit.

Finally, Mewbourne as Operator hereby proposes to drill the captioned **Deep Ellum 25/26 Fed Com #618H** 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 9,686 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 17,231 feet. The S/2S/2 of the captioned Section 25 and the S/2SE/4 of the captioned Section 26 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling our AFEs dated February 9, 2023 for the captioned proposed wells. Please sign and return said AFEs at your earliest convenience if you elect to participate in the captioned wells and WIU and return to me within thirty (30) days.

Should you elect to participate, I will send a copy of our Joint Operating Agreement ("JOA") under a separate cover letter. Our proposed Operating Agreement will have COPAS rates of \$10,000/month while drilling, \$1000/month for a producing well.

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

Sincerely,

MEWBOURNE OIL COMPANY

Ariana Rodrigues
Landman



March 8, 2023

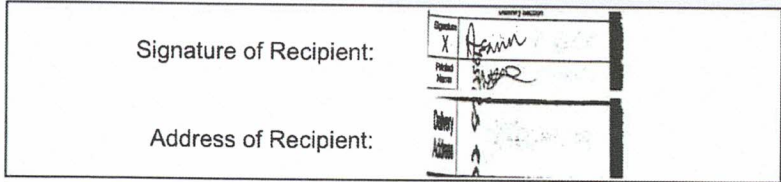
Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number: **9414 8361 0426 2482 2072 12.**

Item Details

Status: Delivered, Individual Picked Up at Postal Facility
Status Date / Time: March 8, 2023, 2:50 pm
Location: HOUSTON, TX 77002
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
 Return Receipt Electronic
Recipient Name: Scott Sabrsula

Recipient Signature



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

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

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

Scott Sabrsula
 Chevron USA Inc.
 1400 Smith Street
 Houston, TX 77002
 Reference #: Deep Ellum



February 27, 2023

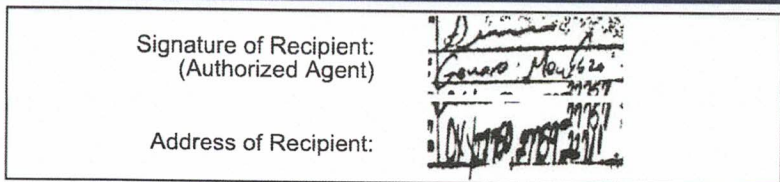
Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number: **9414 8361 0426 2482 2246 84.**

Item Details

Status:	Delivered to Agent for Final Delivery
Status Date / Time:	February 27, 2023, 11:05 am
Location:	HOUSTON, TX 77046
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Jonathan Gonzales

Recipient Signature



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

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

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

Jonathan Gonzales Occidental Permian Limited Partnership 5 Greenway Plaza suite 110 Houston, TX 77046 Reference #: Deep Ellum
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MEWBORNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: DEEP ELLUM 25/26 FED COM #518H		Prospect: 2BSS	
Location: SL: 1400 FSL & 205 FEL (25); BHL: 450 FSL & 2540 FEL (26)		County: EDDY ST: NM	
Sec: 25	Blk:	Survey:	TWP: 18S RNG: 31E Prop. TVD: 8971 TMD: 16507

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$75,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$45,000
Daywork / Turnkey / Footage Drilling	22 days drlg / 3 days comp @ \$30,000/d	0180-0110	\$704,900	0180-0210	\$96,100
Fuel	1700 gal/day @ \$3.90/gal	0180-0114	\$155,800	0180-0214	\$254,500
Alternate Fuels		0180-0115		0180-0215	\$72,000
Mud, Chemical & Additives		0180-0120	\$30,000	0180-0220	
Mud - Specialized		0180-0121	\$250,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$150,000
Stimulation Toe Preparation				0180-0223	\$40,000
Cementing		0180-0125	\$100,000	0180-0225	\$55,000
Logging & Wireline Services		0180-0130	\$31,000	0180-0230	\$269,700
Casing / Tubing / Snubbing Service		0180-0134	\$30,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$15,000		
Stimulation	37 Stg 14.9 MMgal & 14.9 MMlbs			0180-0241	\$2,300,000
Stimulation Rentals & Other				0180-0242	\$235,000
Water & Other		0180-0145	\$40,000	0180-0245	\$322,100
Bits		0180-0148	\$93,700	0180-0248	\$5,000
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$30,000
Welding, Construction, & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision		0180-0170	\$141,000	0180-0270	\$64,100
Directional Services	Includes vertical control	0180-0175	\$324,700		
Equipment Rental		0180-0180	\$153,500	0180-0280	\$20,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,900	0180-0285	
Intangible Supplies		0180-0188	\$14,000	0180-0288	\$1,000
Damages		0180-0190	\$5,000	0180-0290	\$10,000
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$82,800	0180-0295	\$36,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$136,600	0180-0299	\$207,300
TOTAL			\$2,868,900		\$4,353,800

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	965' - 13 3/8" 54.5# J-55 ST&C @ \$76.30/ft	0181-0794	\$78,600		
Casing (8.1" - 10.0")	1350' - 9 5/8" 36# J-55 LT&C @ \$51.16/ft	0181-0795	\$73,800		
Casing (6.1" - 8.0")	9465' - 7" 29# HPP110 BT&C @ \$59.83/ft	0181-0796	\$604,800		
Casing (4.1" - 6.0")	7195' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33.47/ft			0181-0797	\$257,200
Tubing	8550' - 2 7/8" 6.5# L-80 IPC Tbg @ \$19.89/ft			0181-0798	\$181,600
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools				0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Service Pumps	(1/4) TP/CP/Circ pump			0181-0886	\$17,000
Storage Tanks	(1/4) 6 OT/ 5 WT/ 1 GB			0181-0890	\$73,000
Emissions Control Equipment	(1/4) 2 VRT/2 VRU/Flare/3 KOs/AIR			0181-0892	\$66,000
Separation / Treating Equipment	(1/4) 2 H Sep/2 V Sep/2 VHT/HHT			0181-0895	\$57,000
Automation Metering Equipment				0181-0898	\$68,000
Oil/Gas Pipeline-Pipe/Valves&Misc	(1/4) Gas Line & GL Injection			0181-0900	\$22,000
Water Pipeline-Pipe/Valves & Misc	(1/4) SWDL Pipe / Fittings			0181-0901	\$28,000
On-site Valves/Fittings/Lines&Misc				0181-0906	\$183,000
Wellhead Flowlines - Construction				0181-0907	\$48,000
Cathodic Protection				0181-0908	\$0
Electrical Installation				0181-0909	\$90,000
Equipment Installation				0181-0910	\$56,000
Oil/Gas Pipeline - Construction				0181-0920	\$17,000
Water Pipeline - Construction				0181-0921	\$8,000
TOTAL			\$792,200		\$1,276,800
SUBTOTAL			\$3,661,100		\$5,630,600
TOTAL WELL COST			\$9,291,700		

Extra Expense Insurance

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

I elect to purchase my own well control insurance policy.

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

Prepared by: <u>H. Buckley</u>	Date: <u>02/09/2023</u>
Company Approval: _____	Date: _____
Joint Owner Interest: _____ Amount: _____	
Joint Owner Name: _____	Signature: _____

ATTACHMENT D

MEWBORNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: DEEP ELLUM 25/26 FED COM #618H		Prospect: 3BSS	
Location: SL: 1420 FSL & 205 FEL (25); BHL: 450 FSL & 2540 FEL (26)		County: EDDY ST: NM	
Sec. 25	Blk:	Survey:	TWP: 18S RNG: 31E Prop. TVD: 9686 TMD: 17231

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$75,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$45,000
Daywork / Turnkey / Footage Drilling 23 days drlg / 3 days comp @ \$30,000/d		0180-0110	\$736,900	0180-0210	\$96,100
Fuel 1700 gal/day @ \$3.90/gal		0180-0114	\$162,900	0180-0214	\$254,500
Alternate Fuels		0180-0115		0180-0215	\$72,000
Mud, Chemical & Additives		0180-0120	\$30,000	0180-0220	
Mud - Specialized		0180-0121	\$250,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$150,000
Stimulation Toe Preparation				0180-0223	\$40,000
Cementing		0180-0125	\$100,000	0180-0225	\$55,000
Logging & Wireline Services		0180-0130	\$31,000	0180-0230	\$269,700
Casing / Tubing / Snubbing Service		0180-0134	\$30,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$15,000		
Stimulation 37 Stg 14.9 MMgal & 18.6 MMlbs				0180-0241	\$2,425,000
Stimulation Rentals & Other				0180-0242	\$235,000
Water & Other					
Bits		0180-0145	\$40,000	0180-0245	\$322,100
Inspection & Repair Services		0180-0148	\$93,700	0180-0248	\$5,000
Misc. Air & Pumping Services		0180-0150	\$50,000	0180-0250	\$5,000
Testing & Flowback Services		0180-0154		0180-0254	\$10,000
Completion / Workover Rig		0180-0158	\$12,000	0180-0258	\$24,000
Rig Mobilization				0180-0260	\$10,500
Transportation		0180-0164	\$150,000		
Welding, Construction, & Maint. Services		0180-0165	\$30,000	0180-0265	\$30,000
Contract Services & Supervision		0180-0168	\$4,000	0180-0268	\$16,500
Directional Services Includes vertical control		0180-0170	\$147,400	0180-0270	\$64,100
Equipment Rental		0180-0175	\$341,800		
Well / Lease Legal		0180-0180	\$160,200	0180-0280	\$20,000
Well / Lease Insurance		0180-0184	\$5,000	0180-0284	
Intangible Supplies		0180-0185	\$4,900	0180-0285	
Damages		0180-0188	\$14,000	0180-0288	\$1,000
Pipeline Interconnect & ROW Easements		0180-0190	\$5,000	0180-0290	\$10,000
Company Supervision		0180-0192		0180-0292	\$5,000
Overhead Fixed Rate		0180-0195	\$86,400	0180-0295	\$36,000
Contingencies 5% (TCP) 5% (CC)		0180-0196	\$10,000	0180-0296	\$20,000
		0180-0199	\$140,300	0180-0299	\$213,600
TOTAL			\$2,945,500		\$4,485,100

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 965' - 13 3/8" 54.5# J-55 ST&C @ \$76.30/ft		0181-0794	\$78,600		
Casing (8.1" - 10.0") 1350' - 9 5/8" 36# J-55 LT&C @ \$51.16/ft		0181-0795	\$73,800		
Casing (6.1" - 8.0") 10185' - 7" 29# HPP110 BT&C @ \$59.83/ft		0181-0796	\$650,800		
Casing (4.1" - 6.0") 7195' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33.47/ft				0181-0797	\$257,200
Tubing 9270' - 2 7/8" 6.5# L-80 IPC Tbg @ \$19.89/ft				0181-0798	\$196,900
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools				0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Service Pumps (1/4) TP/CP/Circ pump				0181-0886	\$17,000
Storage Tanks (1/4) 6 OT/ 5 WT/ 1 GB				0181-0890	\$73,000
Emissions Control Equipment (1/4) 2 VRT/2 VRU/Flare/3 KOs/AIR				0181-0892	\$66,000
Separation / Treating Equipment (1/4) 2 H Sep/2 V Sep/2 VHT/HHT				0181-0895	\$57,000
Automation Metering Equipment				0181-0898	\$68,000
Oil/Gas Pipeline-Pipe/Valves&Misc (1/4) Gas Line & GL Injection				0181-0900	\$22,000
Water Pipeline-Pipe/Valves & Misc (1/4) SWDL Pipe / Fittings				0181-0901	\$28,000
On-site Valves/Fittings/Lines&Misc				0181-0906	\$183,000
Wellhead Flowlines - Construction				0181-0907	\$48,000
Cathodic Protection				0181-0908	\$0
Electrical Installation				0181-0909	\$90,000
Equipment Installation				0181-0910	\$56,000
Oil/Gas Pipeline - Construction				0181-0920	\$17,000
Water Pipeline - Construction				0181-0921	\$8,000
TOTAL			\$838,200		\$1,292,100
SUBTOTAL			\$3,783,700		\$5,777,200

TOTAL WELL COST \$9,560,900

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: H. Buckley Date: 02/09/2023

Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

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

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

Case No. 23547

SELF-AFFIRMED STATEMENT OF CHARLES CROSBY

COUNTY OF MIDLAND)
) ss.
STATE OF TEXAS)

Charles Crosby deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in these cases. I have been qualified by the Division as an expert petroleum geologist.
3. The following geological plats are attached hereto:
 - (a) Attachment A is a structure map of the area around Sections 25 and 26, Township 18 South Range 31 East, NMPM, on top of the Second Bone Spring, the target zone for the proposed 500 series Deep Ellum wells. It shows that structure dips gently to the southeast. It also shows Second Bone Spring wells in the area, and a line of cross-section.
 - (b) Attachment B is a cross section showing the Second Bone Spring Sand. The well logs on the cross-section give a representative sample of the Second Bone Spring Sand in this area. The sand is continuous and uniformly thick across the well units.
 - (c) Attachment C is a structure map of the area around Sections 25 and 26, Township 18 South Range 31 East, NMPM, on the base of the Third Bone Spring, the target zone for the proposed 600 series Deep Ellum wells. It shows that structure dips gently to the southeast. It also shows Third Bone Spring wells in the area, and a line of cross-section.
 - (d) Attachment D is a cross section showing the Third Bone Spring Sand. The well logs on the cross-section give a representative sample of the Third Bone Spring Sand in this area. The sand is continuous and uniformly thick across the well units.
4. I conclude from the maps that:

EXHIBIT 3

- (a) The horizontal spacing unit is justified from a geologic standpoint.
- (b) The target zones are continuous and of relatively uniform thickness across the well unit in both proposed completion zones.
- (c) Each quarter-quarter section in the well unit will contribute more or less equally to production in both proposed completion zones.
- (d) There is no faulting or other geologic impediment in the area which will affect the drilling of the subject wells.

5. Attachment E contains Survey Calculation Reports for the proposed wells. The producing intervals of the wells will be orthodox.

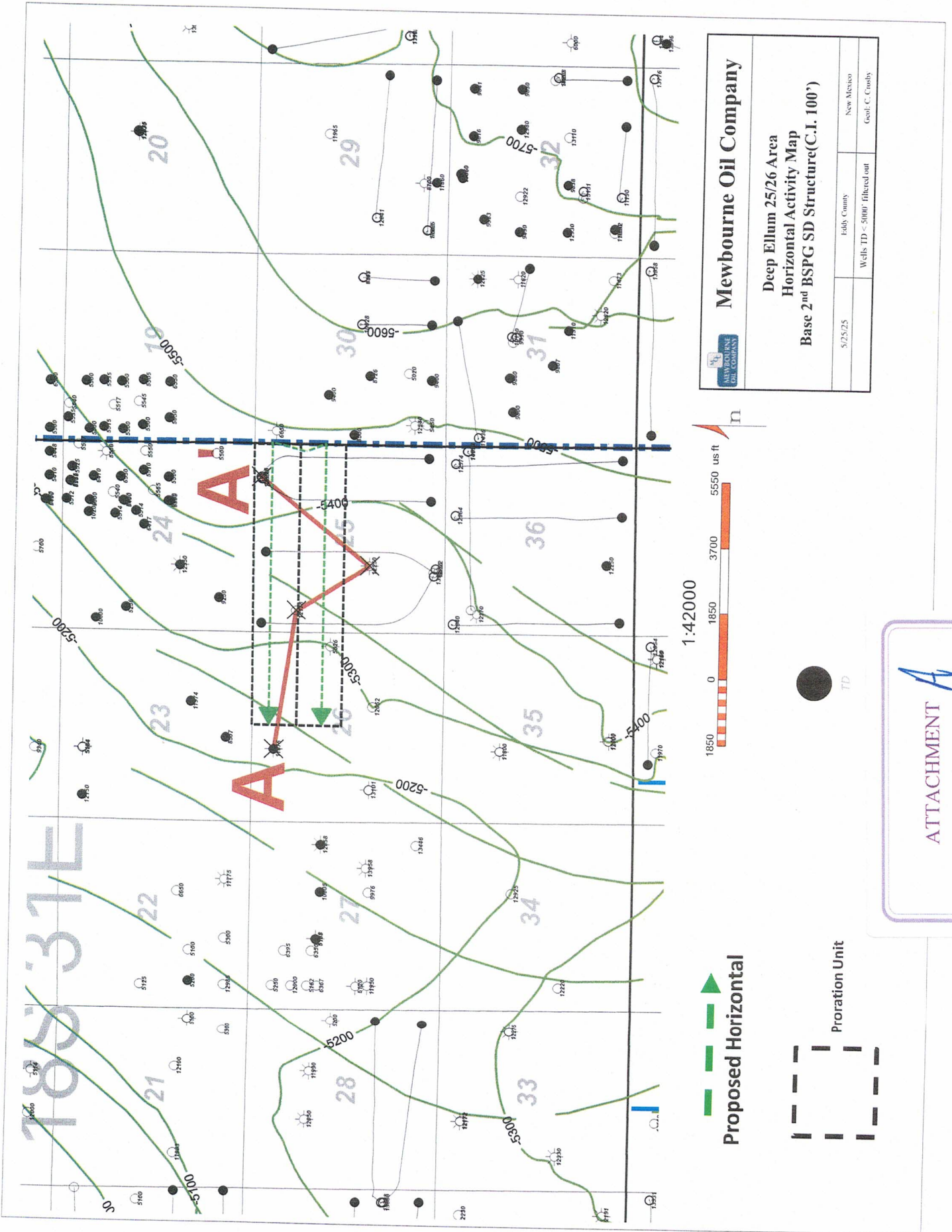
I understand that this Self-Affirmed Statement will be used as written testimony in these cases. I affirm that my testimony in paragraphs 1 through 6 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten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

Date:

5/25/27



Charles Crosby



Mewbourne Oil Company

AMERICAN OIL COMPANY

Deep Ellum 25/26 Area
Horizontal Activity Map
Base 2nd BSPG SD Structure(C.I. 100')

5/25/25	Felby County	New Mexico
Wells TD < 5000' Filtered out		Geol. C. Crosby

ATTACHMENT A

A
W

A'
E

30015231887000 3943 ft 30015217786000 2374 ft 30015214440000 3877 ft 30015282142033

AMOCO PROD CO GREENWOOD PRE-GRAYS 14 Date=1387.00 640 FNL 1983 FVL TWP. 18 S - Range 31 E - Sec. 26

DEVON SFS OPER INC SHUGART 25 FEDERA 2 Date=13693.00 1200 FNL 660 FVL TWP. 18 S - Range 31 E - Sec. 25

DEVON SFS OPER INC SHUGART 25 FEDERA 1 Date=13688.00 1980 FNL 1180 FVL TWP. 18 S - Range 31 E - Sec. 25

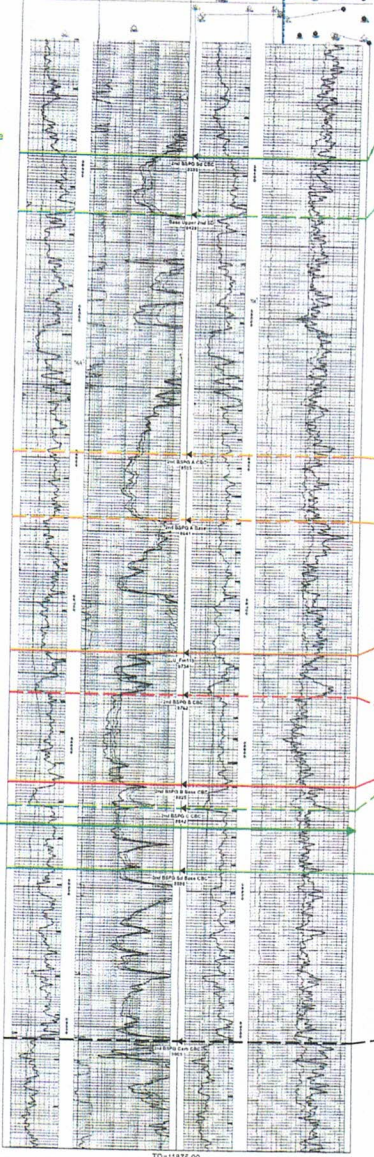
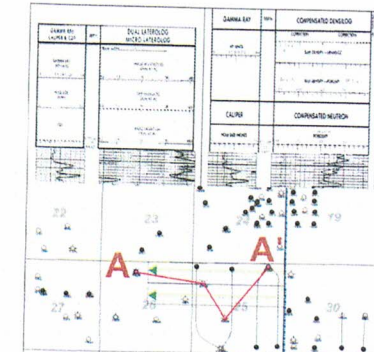
DEVON ENERGY PRODUCT SERENE SISTERS 25 1M Date=13726.00 524 FNL 953 FVL TWP. 18 S - Range 31 E - Sec. 25

26C

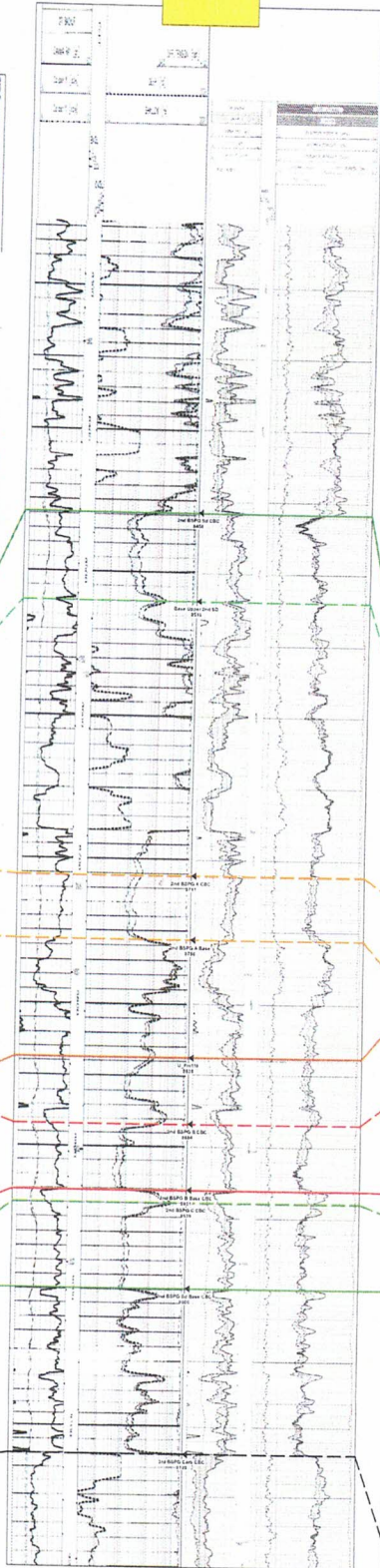
25D

25K

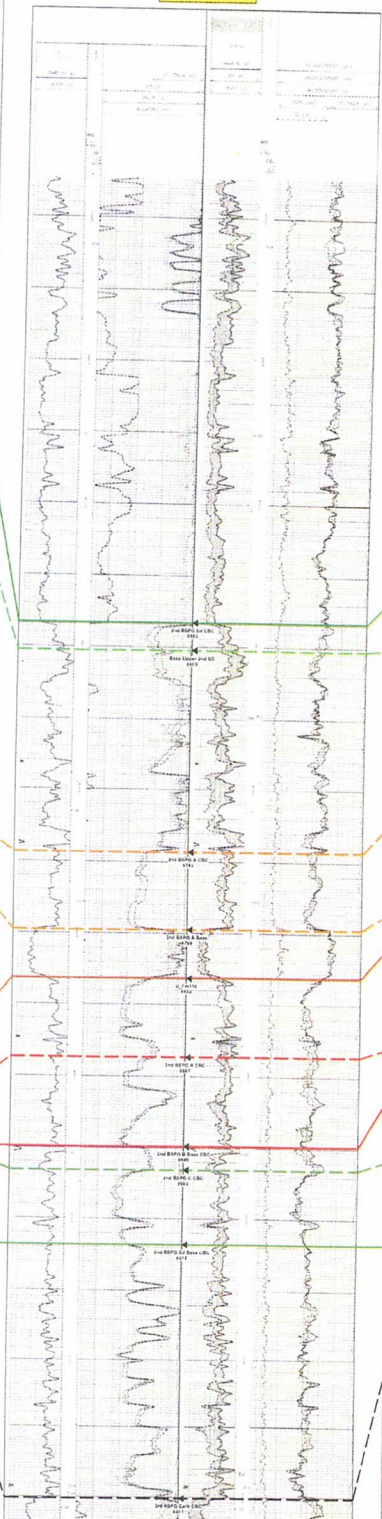
25A



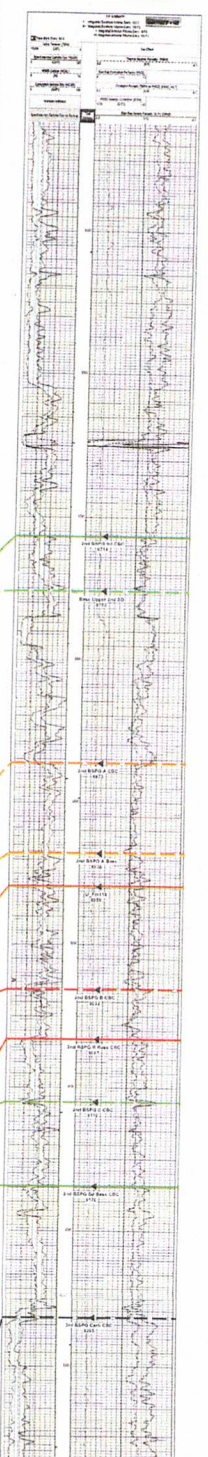
TD=11875.00
Cum Oil All Zones: 65729 bbls
Cum Gas All Zones: 647642 MCF
Cum Water All Zones: 25700 bbls



TD=12178.00
Cum Oil All Zones: 3655 bbls
Cum Gas All Zones: 284322 MCF
Cum Water All Zones: 68741 bbls



TD=12250.00
Cum Oil All Zones: 3409 bbls
Cum Gas All Zones: 694564 MCF
Cum Water All Zones: 20270 bbls



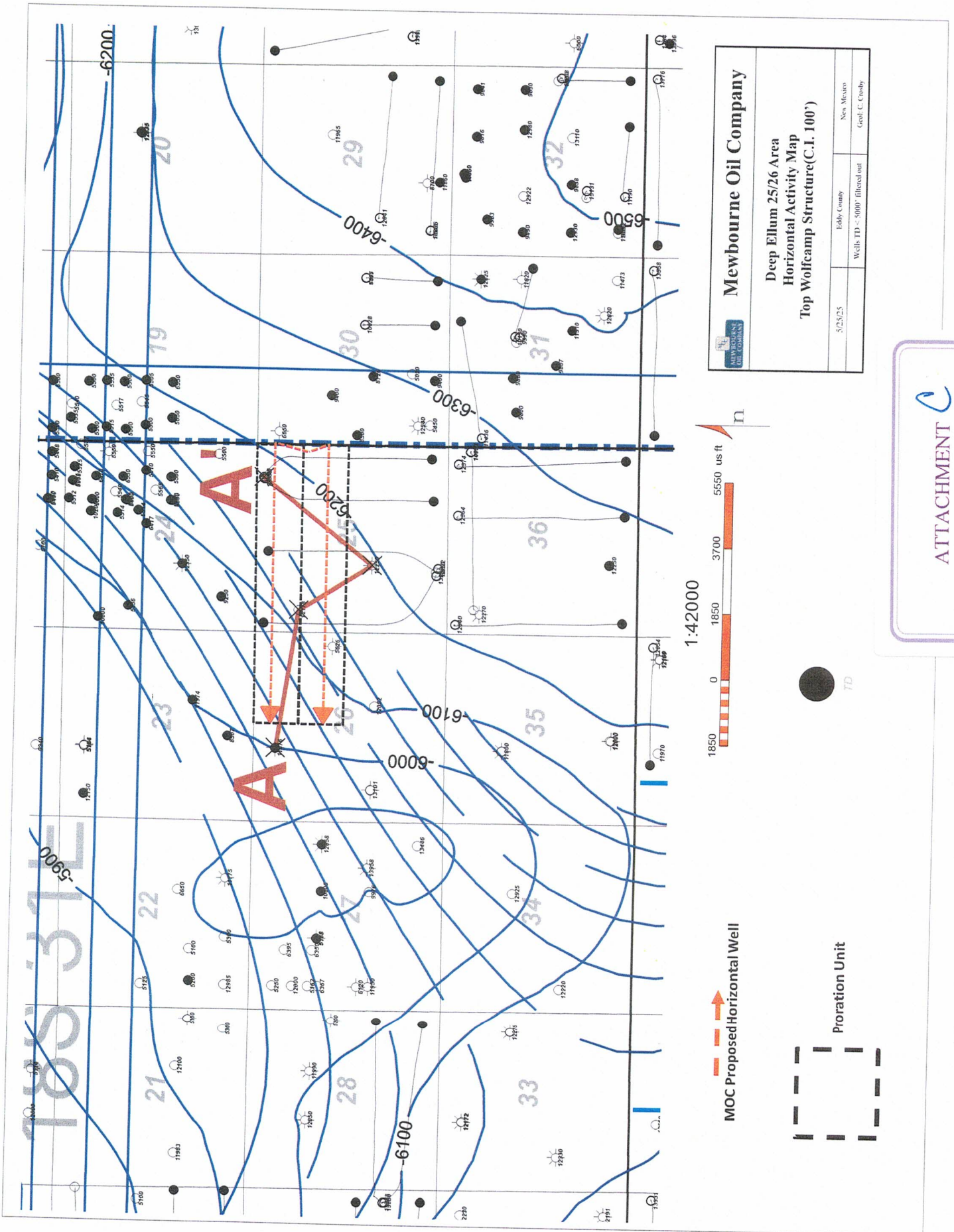
TD=100175.00

500

0

Deep Ellum 25/26 2nd BSPG SD Cross Section Exhibit

ATTACHMENT B



ATTACHMENT

A
N

A'
E

3001523485000
AMOCO PROD CO
GREENWOOD-PHE-GRAYS 14
Datum=1367.00
660 FNL 1980 FWL
TWP: 18 S - Range 31 E - Sec 26

3001531756000
DEVON SFS OPER INC
SHUGART 25 FEDERA 2
Datum=3693.20
1200 FNL 660 FWL
TWP: 18 S - Range 31 E - Sec 25

3001531454000
DEVON SFS OPER INC
SHUGART 25 FEDERA 1
Datum=3726.00
1980 FNL 1980 FWL
TWP: 18 S - Range 31 E - Sec 25

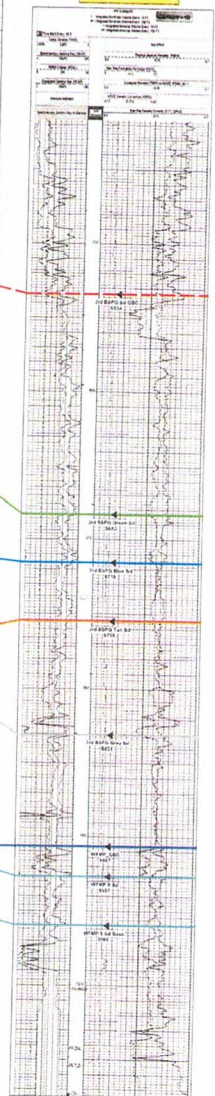
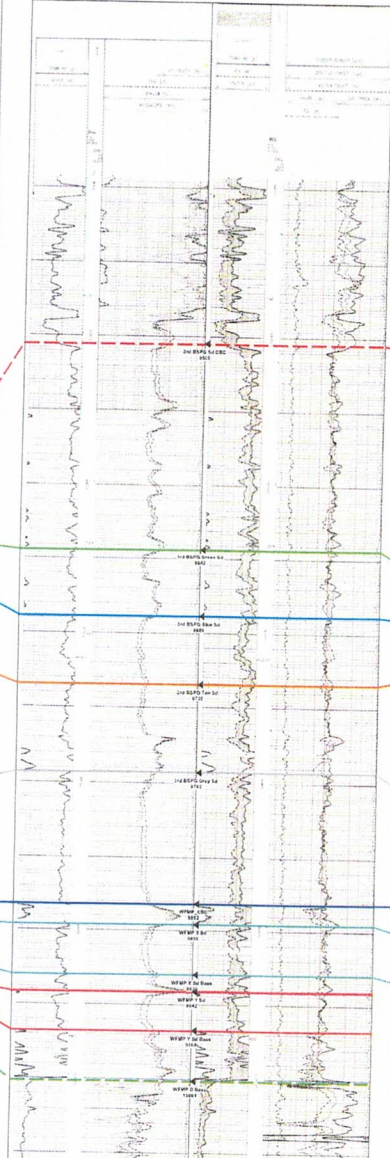
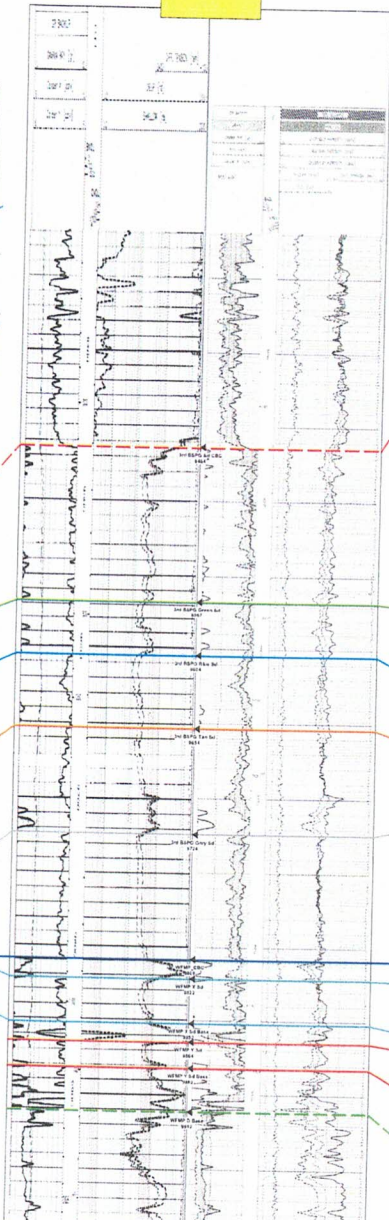
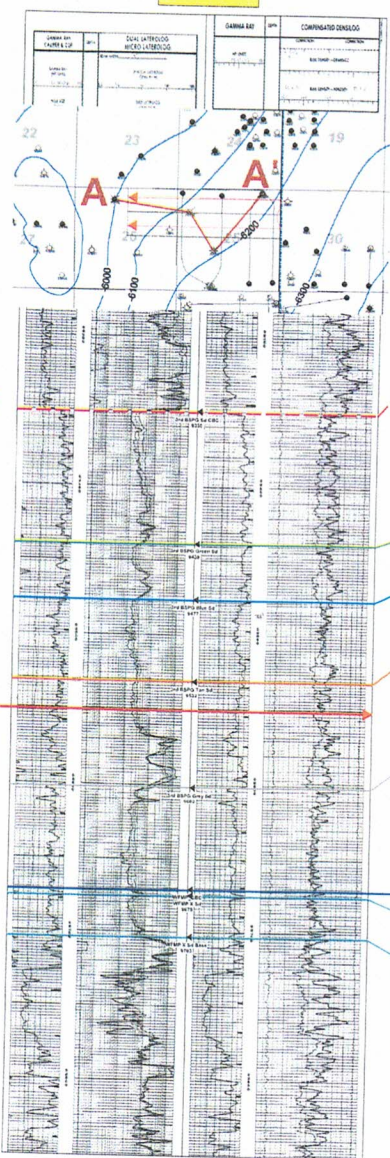
3001538314000
DEVON ENERGY PRODUCT
SERREAF SISTERS 25 1H
Datum=3726.00
354 FNL 953 FWL
TWP: 18 S - Range 31 E - Sec 25

25D

25K

25A

26C



Top 3rd Bone
Spring Sand

3rd BSPG
and Target

Wolfcamp

Deep Ellum 25/26 3rd BSPG SD
Cross Section Exhibit

ATTACHMENT D

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

May 9, 2023

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of four applications for compulsory pooling, filed by Mewbourne Oil Company with the Oil Conservation Division, seeking to pool the Bone Spring formation underlying the following horizontal spacing units:

(i) Case 23544: the N/2N/2 of Section 25 and the N/2NE/4 of Section 26, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Deep Ellum 25/26 Fed. Com. Well No. 511H (f/k/a the Deep Ellum 25/26 B2AB Fed. Com. Well No. 1H) and the tthe Deep Ellum 25/26 Fed. Com. Well No. 611H;

(ii) Case 23545: the S/2N/2 of Section 25 and the S/2NE/4 of Section 26, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Deep Ellum 25/26 Fed. Com. Well No. 513H (f/k/a the Deep Ellum 25/26 B2HG Fed. Com. Well No. 1H) and the tthe Deep Ellum 25/26 Fed. Com. Well No. 613H;

(iii) Case 23546: the N/2S/2 of Section 25 and the N/2SE/4 of Section 26, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Deep Ellum 25/26 Fed. Com. Well No. 516H and the Deep Ellum 25/26 Fed. Com. Well No. 616H; and

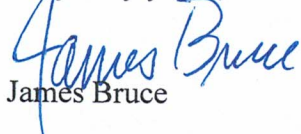
(iv) Case 23547: the S/2S/2 of Section 25 and the S/2SE/4 of Section 26, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Deep Ellum 25/26 Fed. Com. Well No. 518H and the Deep Ellum 25/26 Fed. Com. Well No. 618H.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, June 1, 2023. During the current circumstances, state buildings are closed to the public and the hearing will be conducted remotely. To view the hearing docket and to determine how to participate in an electronic hearing, go to <https://www.emnrd.nm.gov/ocd/hearing-info/>, or contact Marlene Salvidrez at

ATTACHMENT *A*

Marlene.Salvidrez@emnrd.nm.gov. 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 this matter at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than five business days before the hearing date. This statement may be filed online with the Division at ocd.hearings@emnrd.nm.gov, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT A

Chevron U.S.A. Inc.
6301 Deauville Boulevard
Midland, Texas 79706

Attention: Permitting Team

ConocoPhillips Company
600 West Illinois Avenue
Midland, Texas 79701

Occidental Permian Limited Partnership
5 Greenway Plaza
Houston, Texas 77046

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

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

OFFICIAL USE

Certified Mail Fee \$
 Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$
 Postage \$
 Total Postage and Fees \$

Sent To ConocoPhillips Company
 600 West Illinois Avenue
 Midland, Texas 79701

Street and Apt. No., or PO
 City, State, Zip+4®
 PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7022 1670 0002 1187 8314

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Agent
 Addressee

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

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

3. Service Type
 Adult Signature
 Registered Mail™
 Certified Mail®
 Certified Mail Restricted Delivery
 Signature Confirmation™
 Signature Confirmation Restricted Delivery
 Collect on Delivery Restricted Delivery

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

1. Article Addressed to:
 Article Addressed to:
 ConocoPhillips Company
 600 West Illinois Avenue
 Midland, Texas 79701

2. Article No. 7022 1670 0002 1187 8314

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

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

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

OFFICIAL USE

Certified Mail Fee \$
 Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$
 Postage \$
 Total Postage and Fees \$

Sent To ConocoPhillips Company
 600 West Illinois Avenue
 Midland, Texas 79701

Street and Apt. No., or PO
 City, State, Zip+4®
 PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 Article Addressed to:
 ConocoPhillips Company
 600 West Illinois Avenue
 Midland, Texas 79701

2. Article Number (Transfer from carrier label)
 7022 1670 0002 1187 8321

3. Service Type
 Priority Mail Express®
 Registered Mail™
 Certified Mail Restricted Delivery
 Certified Mail®
 Certified Mail Restricted Delivery
 Signature Confirmation™
 Signature Confirmation Restricted Delivery
 Collect on Delivery Restricted Delivery

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

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

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 Article Addressed to:
 Chevron U.S.A. Inc.
 6301 Deansville Boulevard
 Midland, Texas 79706
 Attention: Permitting Team

2. Article No. 7022 1670 0002 1187 8314

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

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

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

OFFICIAL USE

Certified Mail Fee \$
 Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$
 Postage \$
 Total Postage and Fees \$

Sent To Chevron U.S.A. Inc.
 6301 Deansville Boulevard
 Midland, Texas 79706
 Attention: Permitting Team

Street and Apt. No., or PO
 City, State, Zip+4®
 PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7022 1670 0002 1187 8314

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Occidental Permian Limited Partnership
 5 Greenway Plaza
 Houston, Texas 77046



9590 9402 7635 2122 8860 95

2. Art 7022 1670 0002 1167 8338

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]* Agent Addressee

B. Received by (Printed Name) *[Signature]* C. Date of Delivery *5/15/23*

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

3. Service Type

Adult Signature Priority Mail Express®

Adult Signature Restricted Delivery Registered Mail™

Certified Mail® Registered Mail Restricted Delivery

Collect on Delivery Signature Confirmation™

Restricted Delivery Signature Confirmation Restricted Delivery

Domestic Return Receipt

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

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

OFFICIAL USE

Certified Mail Fee \$

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

Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To Occidental Permian Limited Partnership
 5 Greenway Plaza
 Houston, Texas 77046

Street and Apt. No., or P.O. Box No.

City, State, Zip+4®

PS Form 3800, April 2015 PSN 7530-02-000-9947 See Reverse for Instructions

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005705152

This is not an invoice

JAMES BRUCE ATTORNEY AT LAW
POBOX 1056

SANTA FE, NM 87504

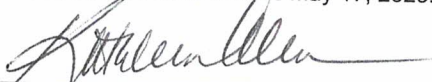
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements 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:

05/17/2023

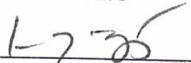


Legal Clerk

Subscribed and sworn before me this May 17, 2023:



State of WI, County of Brown
NOTARY PUBLIC



My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

EXHIBIT 5

Ad # 0005705152
PO #:
of Affidavits 1

This is not an invoice

NOTICE

To: Chevron U.S.A. Inc., ConocoPhillips Company, and Occidental Permian Limited Partnership, or your successors or assigns: Mewbourne Oil Company has filed four applications with the New Mexico Oil Conservation Division seeking orders pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the horizontal spacing units described below:

- (i) Case 23544: the N/2N/2 of Section 25 and the N/2NE/4 of Section 26, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Deep Ellum 25/26 Fed. Com. Well No. 511H (f/k/a the Deep Ellum 25/26 B2AB Fed. Com. Well No. 1H) and the the Deep Ellum 25/26 Fed. Com. Well No. 611H;
- (ii) Case 23545: the S/2N/2 of Section 25 and the S/2NE/4 of Section 26, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Deep Ellum 25/26 Fed. Com. Well No. 513H (f/k/a the Deep Ellum 25/26 B2HG Fed. Com. Well No. 1H) and the the Deep Ellum 25/26 Fed. Com. Well No. 613H;
- (iii) Case 23546: the N/2S/2 of Section 25 and the N/2SE/4 of Section 26, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Deep Ellum 25/26 Fed. Com. Well No. 516H and the Deep Ellum 25/26 Fed. Com. Well No. 616H; and
- (iv) Case 23547: the S/2S/2 of Section 25 and the S/2SE/4 of Section 26, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Deep Ellum 25/26 Fed. Com. Well No. 518H and the Deep Ellum 25/26 Fed. Com. Well No. 618H.

Also to be considered will be the cost of drilling, completing, testing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge

for the risk involved in drilling, completing, testing, and equipping the wells. These matters are scheduled for hearing on June 1, 2023 at 8:15 a.m. During the current circumstances, state buildings are closed to the public and the hearing will be conducted remotely. To view the hearing docket and to determine how to participate in an electronic hearing, go to <https://www.emnrd.nm.gov/ocd/hearing-info/>, or contact Marlene Salvidrez at Marlene.Salvidrez@emnrd.nm.gov. You are not required to attend this hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than five business days before the hearing date. This statement may be filed online with the Division at ocd.hearings@emnrd.nm.gov, 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 attorney for applicant, James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, jamesbruc@aol.com. The unit is located approximately 6-1/2 miles southeast of Lakewood, New Mexico #0005705152, Current Argus, May 17, 2023

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 23547	APPLICANT'S RESPONSE
Date: June 1, 2023	
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID 14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Deep Ellum Bone Spring wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Tonto; Bone Spring, North/Pool Code 58040
Well Location Setback Rules:	Statewide Rules for horizontal wells – 330' and 100' setbacks
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 acres
Building Blocks:	40 acres
Orientation:	East-West
Description: TRS/County	S/2S/2 §25 and S/2SE/4 §26, Township 18 South, Range 31 East, NMPM, EDDY County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes EXHIBIT 6
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N

Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Deep Ellum 25/26 Federal Com. Well No. 518H API No. 30-025-Pending SHL: 1400 FSL & 205 FEL §25 BHL: 450 FSL & 2540 FEL §26 FTP: 450 FSL & 100 FEL §25 LTP: 450 FSL & 2540 FEL §26 Second Bone Spring/TVD 8971 feet/MD 16507 feet
Well #2	Deep Ellum 25/26 Federal Com. Well No. 618H API No. 30-025-Pending SHL: 1420 FNL & 205 FEL §25 BHL: 450 FNL & 2540 FEL §26 FTP: 450 FNL & 100 FEL §25 LTP: 450 FNL & 2540 FEL §26 Third Bone Spring/TVD 9686 feet/MD 17231 feet
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9000
Production Supervision/Month \$	\$900
Justification for Supervision Costs	Exhibit 2, page 2 and Exhibit 2-C
Requested Risk Charge	Cost plus 200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 5
Ownership Determination	
Land Ownership Schematic of	Exhibit 2-A

the Spacing Unit	
Tract List (including lease numbers and owners)	Exhibit 2-B
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	
Pooled Parties (including ownership type)	Exhibit 2-B; Working Interest Owners
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	No Depth Severance
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2-B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D
Cost Estimate for Production Facilities	Exhibit 2-D
Geology	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibits 2-A and 3-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-B
Well Orientation (with rationale)	East-West; Exhibits 3 and 3-A
Target Formation	Second and Third Bone Spring Sands
HSU Cross Section	Exhibit 3-B
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 2-A
Tracts	Exhibit 2-B
Summary of Interests, Unit	Exhibits 2-B

Recapitulation (Tracts)	
General Location Map (including basin)	Exhibit 3-A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3-B
Cross Section (including Landing Zone)	Exhibit 3-C
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	<i>James Bruce</i>
Date:	May 30, 2023