

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

**APPLICATION OF MEWBOURNE OIL
COMPANY TO POOL ADDITIONAL
INTERESTS UNDER ORDER NO. R-22067,
LEA COUNTY, NEW MEXICO**

**CASE NO. 23576
ORDER NO. R-22067**

HEARING EXHIBITS

Exhibit A	Self-Affirmed Statement of Brad Dunn
A-1	Application and Proposed Notice of Hearing
A-2	Order No. R-22067
A-3	Plat of Tracts, Tract Ownership, Additional Pooled Parties
A-4	Sample Well Proposal Letter and AFE
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Dana S. Hardy
B-1	Sample Notice Letter to All Interested Parties
B-2	Chart of Notice to All Interested Parties
B-3	Copies of Certified Mail Receipts and Returns
B-4	Affidavit of Publication for June 13, 2023

**STATE OF NEW MEXICO
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OIL CONSERVATION DIVISION**

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COMPANY TO POOL ADDITIONAL
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**SELF-AFFIRMED STATEMENT
OF BRAD DUNN**

1. I am a Senior Landman with Mewbourne Oil Company (“Mewbourne”). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”), and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in this case. Copies of the application and proposed hearing notice are attached as **Exhibit A-1**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

4. On March 9, 2022, the Division entered Order No. R-22067 (“Order”) in Case No. 22366, which pooled uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 W/2 of Section 11 and the E/2 SW/4 of Section 2, Township 18 South, Range 32 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Dragonstone 11/2 B2NK Fed Com #1 well (“Well”) and designated Applicant as operator of the Unit and Well.

5. A copy of the Order is attached as **Exhibit A-2**.

**Mewbourne Oil Company
Case No. 23576
Exhibit A**

6. Since the Order was entered, Mewbourne has identified additional uncommitted interests in the Unit that have not been pooled under the terms of the Order.

7. **Exhibit A-3** provides a plat of the tracts included in the Unit, identifies the interests in each tract, and identifies the additional uncommitted interests to be pooled under the terms of the Order, which are highlighted in yellow.

8. **Exhibit A-4** is a sample well proposal letter and AFE that I sent to the additional parties to be pooled under the terms of the Order.

9. In my opinion, Mewbourne made a good-faith effort to reach voluntary joinder as indicated by the chronology of contact described in **Exhibit A-5**.


10. Mewbourne requests the additional uncommitted interests be pooled under the terms of the Order.

11. In my opinion, the granting of Mewbourne’s application would serve the interests of conservation and prevention of waste.

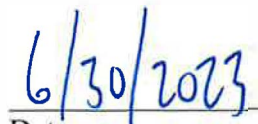
12. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

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

signature below.



Brad Dunn



Date

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

**APPLICATION OF MEWBOURNE OIL
COMPANY TO POOL ADDITIONAL
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LEA COUNTY, NEW MEXICO.**

**CASE NO. 23576
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APPLICATION

Pursuant to NMSA 1978, § 70-2-17, Mewbourne Oil Company (“Applicant”) (OGRID No. 14744) files this application with the Oil Conservation Division (“Division”) for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22067. Applicant states the following in support of its application.

1. On March 9, 2022, the Division entered Order No. R-22067 (“Order”) in Case No. 22366, which pooled uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 W/2 of Section 11 and the E/2 SW/4 of Section 2, Township 18 South, Range 32 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Dragonstone 11/2 B2NK Fed Com #1 well (“Well”) and designated Applicant as operator of the Unit and Well.
2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.
3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.
4. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of the Order.

**Mewbourne Oil Company
Case No. 23576
Exhibit A-1**

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on July 6, 2023, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22067.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Yarithza Peña

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

ypena@hinklelawfirm.com

Counsel for Mewbourne Oil Company

Application of Mewbourne Oil Company to Pool Additional Interests Under Order No. R-22067, Lea County, New Mexico. Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22067. Order No. R-22067 (“Order”) pooled uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 W/2 of Section 11 and the E/2 SW/4 of Section 2, Township 18 South, Range 32 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Dragonstone 11/2 B2NK Fed Com #1 well (“Well”) and designated Applicant as operator of the Unit and Well. Since the Order was issued, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 25 miles southwest of Carlsbad, New Mexico.

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
MEWBOURNE OIL COMPANY**

**CASE NO. 22366
ORDER NO. R-22067**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on February 17, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Mewbourne Oil Company (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

**Mewbourne Oil Company
Case No. 23576
Exhibit A-2**

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22366
ORDER NO. R-22067


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- well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**


ADRIENNE SANDOVAL
DIRECTOR
AES/jag

Date: 3/09/2022

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Exhibit A

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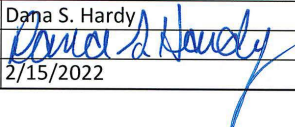
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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case No.:	22366
Hearing Date:	1/6/2022
Applicant	Mewbourne Oil Company
Designated Operator & OGRID	OGRID # 14744
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors	COG Operating LLC; Concho Oil & Gas LLC; MRC permian Company
Well Family	Dragonstone
Formation/Pool	
Formation Name(s) or Vertical Extent	Bone Spring
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Bone Spring
Pool Name and Pool Code	Young; Bone Spring-North Pool (63350)
Well Location Setback Rules	Statewide
Spacing Unit Size	240-acre
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240-acre
Building Blocks	quarter-quarter
Orientation	Standup
Description: TRS/County	E/2W/2 of Section 11 and E/2SW/4 of Section 2, Township 18 South, Range 32 East, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), if No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
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	Dragonstone 11/2 B2NK Fed Com #1 (API # pending) SHL: 300' FSL & 1180' FWL (Unit M), Section 11, T18S-R32E BHL: 2540' FSL & 1815' FWL (Unit K), Section 2, T18S-R32E Completion Target: Bone Spring formation (Approx. 9117' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	8000
Production Supervision/Month \$	800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit A-6
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit A-7

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Ownership Determination	
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-3
Ownership Depth Severance	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	
Date:	2/15/2022

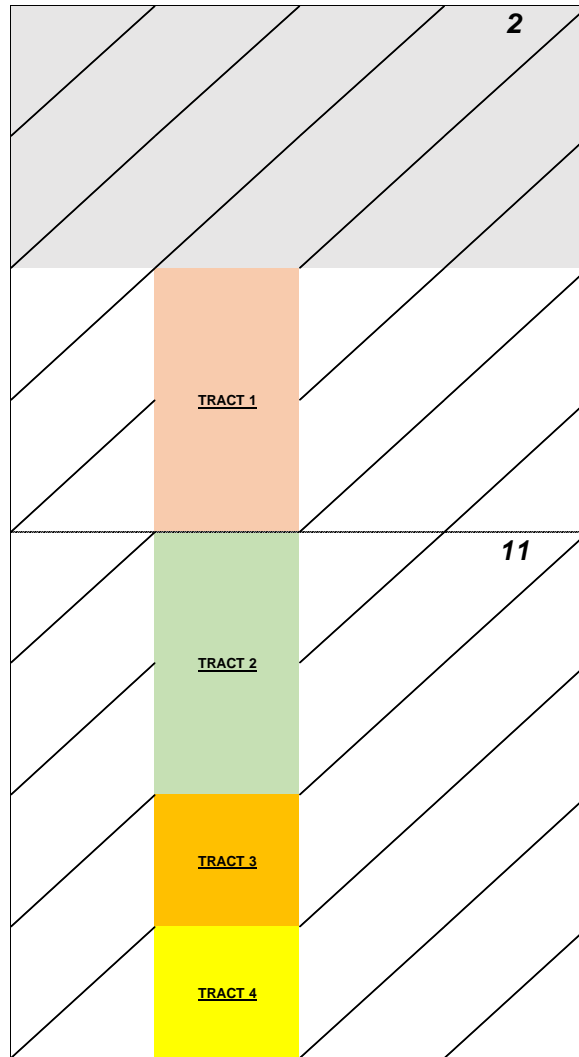
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SECTION PLAT

East Half of the West Half (E/2W/2) of Section 11, Township 18 South, Range 32 East
East Half of the Southwest Quarter (E/2SW/4) of Section 2, Township 18 South, Range 32 East
County of Lea, State of New Mexico



Tract 1: E2SW4 SEC. 2—STATE OF NEW MEXICO LEASE NO. LG-1784

Mewbourne Oil Company, et al

LDY Corporation

Rhodes Interests Ltd.

Chel-Trand Holdings, LLC

**Mewbourne Oil Company
Case No. 23576
Exhibit A-3**

Tract 2: E2NW4 SEC. 11—FEDERAL LEASE NO. NMNM-40450

Mewbourne Oil Company, et al

Tract 3: NE4SW4 SEC. 11—FEDERAL LEASE NO. NMNM-94191

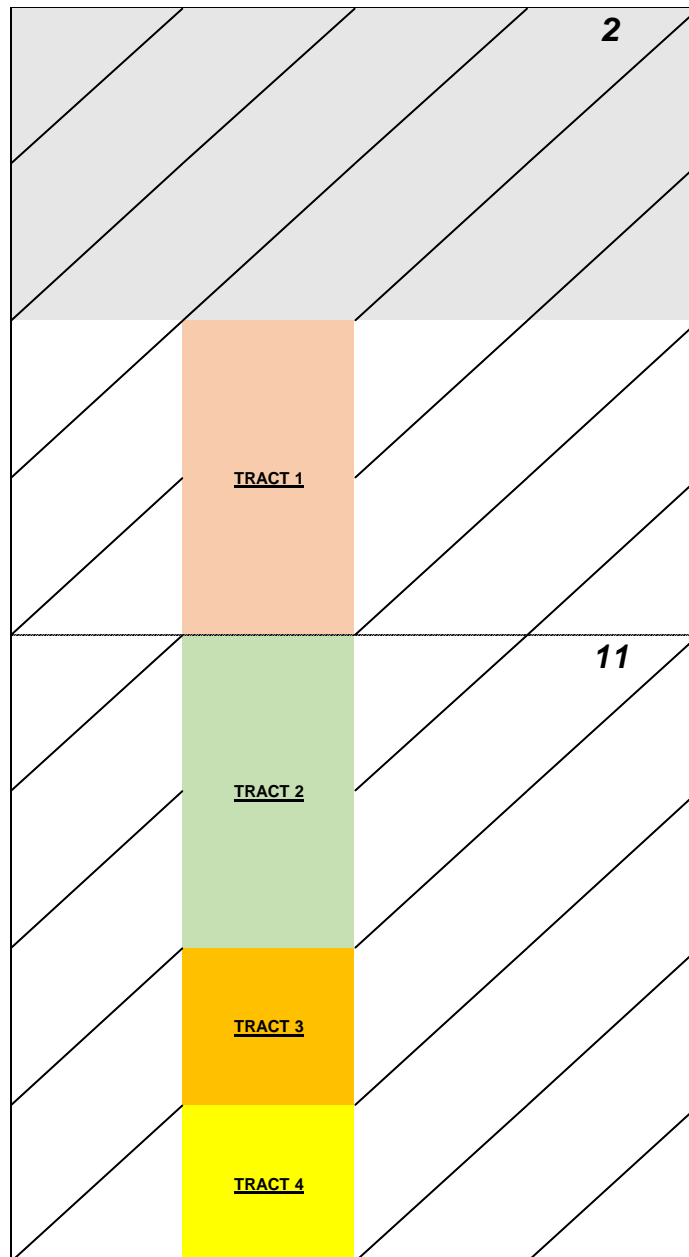
Mewbourne Oil Company, et al

Tract 4: SE4SW4 SEC. 11—FEDERAL LEASE NO. NMNM-126064

Mewbourne Oil Company, et al

RECAPITULATION FOR DRAGONSTONE 11-2 B2NK FED COM #1H

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
1	80.00	33.333334%
2	80.00	33.333333%
3	40.00	16.666667%
4	40.00	16.666666%
TOTAL	240.00	100.000000%



TRACT OWNERSHIP (Additional parties)
DRAGONSTONE 11/2 B2NK FED COM #1H
Sections 11 (E/2W/2) & 2 (E/2SW/4), T18S, R32E
Lea County, New Mexico

Sections 11 (E/2W/2) & 2 (E/2SW/4)

Bone Spring formation:

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	99.833913%
* LDY Corporation	0.156564%
LDY Corporation	
1010 Sunwest Centre	
Roswell, New Mexico 88201	
* Rhodes Interests Ltd.	0.005923%
110 W. Louisiana Ave., STE 200	
Midland, TX 79701	
* Chel-Trand Holdings, LLC	0.003600%
110 W. Louisiana Ave., STE 200	
Midland, TX 79701-3414	
	<hr/> 100.000000%

*** Total interest being pooled: 0.166087%**

OWNERSHIP BY TRACT

NE/4SW/4 Section 2 (40 Acres):

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	99.003480%
* LDY Corporation	0.939384%
LDY Corporation	
1010 Sunwest Centre	
Roswell, New Mexico 88201	
* Rhodes Interests Ltd.	0.035536%
110 W. Louisiana Ave., STE 200	
Midland, TX 79701	

* Chel-Trand Holdings, LLC
110 W. Louisiana Ave., STE 200
Midland, TX 79701-3414

0.021600%

100.000000%

SE/4SW/4 Section 2 (40 Acres):

Mewbourne Oil Company, et al
500 West Texas, Ste. 1020
Midland, Texas 79701

% Leasehold Interest

100.000000%

100.000000%

E/2NW/4 Section 11 (80 Acres):

Mewbourne Oil Company, et al
500 West Texas, Ste. 1020
Midland, Texas 79701

% Leasehold Interest

100.000000%

100.000000%

SE/4SW/4 Section 11 (40 Acres):

Mewbourne Oil Company, et al
500 West Texas, Ste. 1020
Midland, Texas 79701

% Leasehold Interest

100.000000%

100.000000%

NE/4SW/4 Section 11 (40 Acres):

Mewbourne Oil Company, et al
500 West Texas, Ste. 1020
Midland, Texas 79701

% Leasehold Interest

100.000000%

100.000000%

***Parties to be pooled are highlighted in yellow.**

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

March 16, 2022

Via Certified Mail

Rhodes Interests Ltd.
110 W. Louisiana Ave., STE 200
Midland, TX 79701
Attn: Permian Land Manager

Re:

1. Dragonstone 11/2 B2PI Fed Com #1H AFE, E2E2 Section 11 & E2SE4 Sec. 2, T18S, R32E, Lea County, New Mexico
2. Dragonstone 11/2 B2OJ Fed Com #1H AFE, W2E2 Section 11 & W2SE4 Sec. 2, T18S, R32E, Lea County, New Mexico
3. Dragonstone 11/2 B2NK Fed Com #1H AFE, E2W2 Section 11 & E2SW4 Sec. 2, T18S, R32E, Lea County, New Mexico
4. Dragonstone 11/2 B2ML Fed Com #1H AFE, W2W2 Section 11 & W2SW4 Sec. 2, T18S, R32E, Lea County, New Mexico
5. Dragonstone 11/2 Joint Operating Agreement dated August 15, 2021
All of Sec. 11, T18S, R32E
S2 of Sec. 2, T18S, R32E
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 960.00 acre Working Interest Unit ("WIU") covering All of the above captioned Section 11 and the S/2 of the above captioned Section 2 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring Formation. Mewbourne as Operator hereby proposes to drill the following horizontal Bone Spring wells:

1. Dragonstone 11/2 B2PI Fed Com #1H will have a surface location 405' FNL & 630' FEL of Section 14 and a bottom hole location approximately 2540' FSL & 495' FEL of the above captioned Section 2. We anticipate drilling to an approximate total vertical depth of 9,277' and an approximate total measured depth of 17,274'. The E2E2 of Section 11 & E2SE4 of Sec. 2 will be dedicated to the well as the proration unit.
2. Dragonstone 11/2 B2OJ Fed Com #1H will have a surface location 405' FNL & 660' FEL of Section 14 and a bottom hole location approximately 2540' FSL & 1815' FEL of the above captioned Section 2. We anticipate drilling to an approximate total vertical depth of 9,279' and an approximate total measured depth of 17,359'. The W2E2 of Section 11 & W2SE4 of Sec. 2 will be dedicated to the well as the proration unit.

Mewbourne Oil Company
Case No. 23576
Exhibit A-4

3. Dragonstone 11/2 B2NK Fed Com #1H will have a surface location 300' FSL & 1180' FWL of the above captioned Section 11 and a bottom hole location approximately 2540' FSL & 1815' FWL of the above captioned Section 2. We anticipate drilling to an approximate total vertical depth of 9,117' and an approximate total measured depth of 16,438'. The E2W2 of Section 11 & E2SW4 of Sec. 2 will be dedicated to the well as the proration unit.
4. Dragonstone 11/2 B2ML Fed Com #1H will have a surface location 300' FSL & 1150' FWL of the above captioned Section 11 and a bottom hole location approximately 2540' FSL & 495' FWL of the above captioned Section 2. We anticipate drilling to an approximate total vertical depth of 9,102' and an approximate total measured depth of 16,425'. The W2W2 of Section 11 & W2SW4 of Sec. 2 will be dedicated to the well as the proration unit.

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

Our proposed Operating Agreement will have COPAS rates of \$8,000/month while drilling, \$800/month for a producing well, and a non-consent penalty of 100%/300%. Should you wish to participate, please email me at bdunn@mewbourne.com and I will promptly email you a copy of the Dragonstone 11/2 Operating Agreement dated August 15, 2021, for your review.

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

Sincerely,

MEWBOURNE OIL COMPANY



Brad Dunn
Petroleum Landman

MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

Well Name:	DRAGONSTONE 11/2 B2NK FED COM #1H	Prospect:	CASTLE BLACK
Location:	SL: 300 FSL & 1180 FWL (11); BHL: 2540 FSL & 1815 FWL (2)	County:	Lea
ST:	NM		
Sec.:	11	Blk.:	
Survey:		TWP:	18S
RNG:	32E	Prop. TVD:	9120
TMD:	16735		

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$10,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$50,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$200,000	0180-0206	\$62,500
Daywork / Turnkey / Footage Drilling 18 days drlg / 3 days comp @ \$29000/d	0180-0110	\$557,500	0180-0210	\$92,900
Fuel 1700 gal/day @ \$3.9/gal	0180-0114	\$127,500	0180-0214	\$235,000
Alternate Fuels	0180-0115		0180-0215	\$71,200
Mud, Chemical & Additives	0180-0120	\$40,000	0180-0220	
Mud - Specialized	0180-0121	\$180,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$150,000
Stimulation Toe Preparation			0180-0223	\$40,000
Cementing	0180-0125	\$120,000	0180-0225	\$40,000
Logging & Wireline Services	0180-0130	\$2,300	0180-0230	\$281,700
Casing / Tubing / Snubbing Services	0180-0134	\$25,000	0180-0234	\$15,000
Mud Logging	0180-0137	\$35,000		
Stimulation 37 Stg 14.9 MM gal / 18.7 MM lb			0180-0241	\$2,193,000
Stimulation Rentals & Other			0180-0242	\$235,000
Water & Other 355,000 bbls FW @ \$0.90/bbls	0180-0145	\$35,000	0180-0245	\$327,500
Bits	0180-0148	\$82,200	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	\$75,000
Welding, Construction & Maint. Services	0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision	0180-0170	\$46,000	0180-0270	\$43,500
Directional Services Includes Vertical Control	0180-0175	\$255,000		
Equipment Rental	0180-0180	\$138,800	0180-0280	\$35,000
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$4,300	0180-0285	
Intangible Supplies	0180-0188	\$8,000	0180-0288	\$1,000
Damages	0180-0190	\$30,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements	0180-0192		0180-0292	\$5,000
Company Supervision	0180-0195	\$110,400	0180-0295	\$44,400
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)	0180-0199	\$114,400	0180-0299	\$204,100
TOTAL		\$2,402,400		\$4,286,300

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
Casing (19.1" - 30")	0181-0793			
Casing (10.1" - 19.0") 1300' - 13 3/8" 54.5# J-55 ST&C @ \$76.3/ft	0181-0794	\$105,900		
Casing (8.1" - 10.0") 2850' - 9 5/8" 40# HCL80 LT&C @ \$60.83/ft	0181-0795	\$185,200		
Casing (6.1" - 8.0") 9476' - 7" 29# HPP110 BT&C @ \$59.83/ft	0181-0796	\$605,500		
Casing (4.1" - 6.0") 8160' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33.47/ft			0181-0797	\$291,700
Tubing 8500' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.6/ft			0181-0798	\$123,500
Drilling Head	0181-0860	\$35,000		
Tubing Head & Upper Section			0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger			0181-0871	\$50,000
Subsurface Equip. & Artificial Lift			0181-0880	\$25,000
Pumping Unit Systems			0181-0885	
Service Pumps TP/CP/Circ pump			0181-0886	\$24,000
Storage Tanks (1/2) 6 OT/5 WT/1 GB			0181-0890	\$203,000
Emissions Control Equipment (1/2) 2 VRT's/1 VRU/1 Flare/3 KO/1 AIR			0181-0892	\$137,700
Separation / Treating Equipment (1/2) 2 H sep/1 V sep/2 VHT			0181-0895	\$98,700
Automation Metering Equipment Automation/Fiber/Meters			0181-0898	\$89,300
Oil/Gas Pipeline-Pipe/Valves&Misc 0.75mi SWDL + Facility Gas Work + GL Injection			0181-0900	\$45,100
Water Pipeline-Pipe/Valves & Misc			0181-0901	
On-site Valves/Fittings/Lines&Misc Flowline & parts			0181-0906	\$225,200
Cathodic Protection			0181-0908	
Electrical Installation			0181-0909	\$166,800
Equipment Installation			0181-0910	\$125,000
Oil/Gas Pipeline - Construction 0.75mi SWDL + Facility Gas Work + GL Injection			0181-0920	\$28,400
Water Pipeline - Construction			0181-0921	
TOTAL		\$931,600		\$1,663,400
SUBTOTAL		\$3,334,000		\$5,949,700

TOTAL WELL COST \$9,283,700

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.

Joint owner agrees that item 0180-0245 will be provided by operator, if available, at the specified rate. Operator reserves the right to adjust the rate due to a change in market conditions.

Prepared by: Ryan McDaniel Date: 11/1/2022

Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

Summary of Communications (Additional Parties)
DRAGONSTONE 11/2 B2NK FED COM #1H

LDY Corporation

- 1) 4/19/2023: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 5/3/2023: Certified mail returned due to unlocatable/undeliverable address.
- 3) 6/15/2023: Detailed search on the internet for a new address of this company/current contact information. Company unlocatable.

Rhodes Interests Ltd.

- 4) 3/16/2022: Well proposal letter with AFEs & JOA are sent via certified mail.
- 5) 4/23/2022: Certified mail returned due to unlocatable/undeliverable address.
- 6) 5/16/2022: Detailed search on the internet for a new address of this company/current contact information. Company unlocatable.
- 7) 10/19/2022: Detailed search on the internet for a new address of this company/current contact information. Company unlocatable.

Chel-Trand Holdings, LLC

- 1) 3/16/2022: Well proposal letter with AFEs & JOA are sent via certified mail.
- 2) 4/18/2022: Certified mail returned due to unlocatable/undeliverable address.
- 3) 5/16/2022: Detailed search on the internet for a new address of this company/current contact information. Company unlocatable.
- 4) 10/19/2022: Detailed search on the internet for a new address of this company/current contact information. Company unlocatable.

Mewbourne Oil Company
Case No. 23576
Exhibit A-5

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

**APPLICATION OF MEWBOURNE OIL
COMPANY TO POOL ADDITIONAL
INTERESTS UNDER ORDER NO. R-22067,
LEA COUNTY, NEW MEXICO**

**CASE NO. 23576
ORDER NO. R-22067**

**SELF-AFFIRMED STATEMENT
OF DANA S. HARDY**

1. I am attorney in fact and authorized representative of Mewbourne Oil Company, the Applicant herein.

2. I am familiar with the Notice Letters attached as **Exhibit B-1** and caused the Notice Letters, along with the Application in this case, to be sent to the parties set out in the charts attached as **Exhibit B-2**.

3. Exhibit B-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit B-3** as supporting documentation for proof of mailing and the information provided on Exhibit B-2.

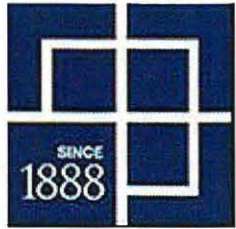
5. On June 13, 2023, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as **Exhibit B-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it 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.

/s/ Dana S. Hardy
Dana S. Hardy

June 30, 2023
Date

**Mewbourne Oil Company
Case No. 23576
Exhibit B**



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

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

June 8, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 23576 & 23579 – Applications of Mewbourne Oil Company to Pool Additional Interests Under Order Nos. R-22067 and R-22069, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **July 6, 2023**, beginning at 8:15 a.m.

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

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

Please contact Brad Dunn of Mewbourne Oil Company, at (432) 682-3715, if you have any questions.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

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

7601 JEFFERSON ST NE · SUITE 180
ALBUQUERQUE, NEW MEXICO 87109
505-858-8320
(FAX) 505-858-8321

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

Mewbourne Oil Company
Case No. 23576
Exhibit B-1

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

**APPLICATION OF MEWBOURNE OIL
COMPANY TO POOL ADDITIONAL
INTERESTS UNDER ORDER NO. R-22067,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23576
ORDER NO. R-22067**

**APPLICATION OF MEWBOURNE OIL
COMPANY TO POOL ADDITIONAL
INTERESTS UNDER ORDER NO. R-22069,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23579
ORDER NO. R-22069**

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Chel-Trand Holdings, LLC 110 W. Louisiana Ave., Ste. 200 Midland, TX 79701-3414	06/08/23	Per USPS Tracking (Last Checked 06/28/23): 06/26/23 – Item in transit to next facility.
Kellie Halabrin 56 Sabinas Ridge Road Boerne, TX 78006	06/08/23	Per USPS Tracking (Last Checked 06/28/23): 06/12/23 – Delivered to agent for final delivery.
James L. Harden III R-276 SP 44N. 13 th Artesia, NM 88210	06/08/23	Per USPS Tracking (Last Checked 06/28/23): 06/17/23 – Delivery attempted.
KMK Energy, LLC 4506 N. Walbaum Road Geary, OK 73040	06/08/23	06/23/23
LDY Corporation 1010 Sunwest Centre Roswell, NM 88201	06/08/23	06/26/23 Return to sender.
Nadel and Gussman Captain, LLC 15 East Fifth Street, Ste. 3200 Tulsa, OK 74103	06/08/23	06/15/23
Rhodes Interests Ltd. 110 W. Louisiana Ave., Ste. 200 Midland, TX 79701	06/08/23	Per USPS Tracking (Last Checked 06/28/23): 06/27/23 – Item in transit to next facility.

**Mewbourne Oil Company
Case No. 23576
Exhibit B-2**

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

**APPLICATION OF MEWBOURNE OIL
COMPANY TO POOL ADDITIONAL
INTERESTS UNDER ORDER NO. R-22067,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23576
ORDER NO. R-22067**

**APPLICATION OF MEWBOURNE OIL
COMPANY TO POOL ADDITIONAL
INTERESTS UNDER ORDER NO. R-22069,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23579
ORDER NO. R-22069**

NOTICE LETTER CHART

Carolyn L. Shogrin, indiv. and as PR 4614 590 th Road Hay Springs, NE 69347	06/08/23	06/16/23
Word B. Wilson Investments LLC P.O. Box 51790 Midland, TX 79710	06/08/23	06/22/23

U.S. Postal Service™
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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 _____

Street and Apt. # _____ KMK Energy, LLC
 4506 N. Walbaum Road
 Geary, OK 73040

City, State, ZIP+4 _____ MOC-Dragonstone-23576 & 79

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for instructions



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>Hinkle Shanor LLC</u></p> <p>C. Date of Delivery <u>JUN 20 2023</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below. <input checked="" type="checkbox"/> No</p> <p>RECEIVED JUN 23 2023</p>
<p>1. Article Addressed to:</p> <p>KMK Energy, LLC 4506 N. Walbaum Road Geary, OK 73040 MOC-Dragonstone-23576 & 79</p> <p>9590 9402 8299 3094 9826 09</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> <p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>2. Article Number (Transfer from service label)</p> <p>9589 0710 5270 0496 9550 10</p>	<p>Hinkle Shanor LLC Santa Fe NM 87507</p>
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>

Mewbourne Oil Company
 Case No. 23576
 Exhibit B-3

9589 0710 5270 0496 9550 27

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Certified Mail Fee \$ _____

Extra Services & Fees (check box and 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 Nadel and Gussman Captain, LLC
 Street and Ap 15 East Fifth Street, Ste. 3200
 Tulsa, OK 74103
 City, State, Zi MOC-Dragonstone-23576 & 79

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> <i>PL Stanmore</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to: Nadel and Gussman Captain, LLC 15 East Fifth Street, Ste. 3200 Tulsa, OK 74103 MOC-Dragonstone-23576 & 79</p> <p>9590 9402 8299 3094 9826 23</p>	<p>B. Received by (Printed Name) <i>PL Stanmore</i></p>	<p>C. Date of Delivery <i>6-12-23</i></p>
	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>RECEIVED JUN 15 2023</p>	
<p>2. Article Number (Transfer from service label) 9589 0710 5270 0496 9550 27</p>	<p>3. Service Type Hinkle Shanor H.E. Santa Fe NM 87501</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>	
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>

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SANTA FE, NM 87501

Postmark Here
JUN 18 2023

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 Carolyn L. Shogrin, indiv. and as PR
Street and Apt. No. 4614 590th Road
Hay Springs, NE 69347
City, State, ZIP+4® MOC-Dragonstone-23576 & 79

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

9589 0710 5270 0496 9550 41

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. <p>1. Article Addressed to:</p> <p>Carolyn L. Shogrin, indiv. and as PR 4614 590th Road Hay Springs, NE 69347 MOC-Dragonstone-23576 & 79</p> <div style="text-align: center;">  9590 9402 8299 3094 9826 47 </div> <p>2. Article Number (Transfer from service label) 9589 0710 5270 0496 9550 41</p>	<p>A. Signature X Rodney Scherlab <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) Rodney A Scherlab C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <div style="text-align: center; border: 2px solid black; padding: 5px;"> RECEIVED JUN 18 2023 </div> <p>3. Service Type Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail (over \$500)</p>
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

U.S. Postal Service™
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For delivery information, visit our website at www.usps.com

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Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To Word B. Wilson Investments LLC
 P.O. Box 51790
 Street and Apt. N Midland, TX 79710
 City, State, ZIP+4 MOC-Dragonstone-23576 & 79

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

Stamp: SANTA FE, NM 87500 JUN 08 2023

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 Word B. Wilson Investments LLC
 P.O. Box 51790
 Midland, TX 79710
 MOC-Dragonstone-23576 & 79

2. Article Number (Transfer from service label)
 9590 9402 8299 3094 9826 85

9589 0710 5270 0496 9551 40

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) Chloe Pichotta

C. Date of Delivery 06/16/23

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

RECEIVED
 JUN 22 2023

3. Service Type Hinkle Shanor LLP
 Santa Fe NM 87500

Adult Signature

Adult Signature Restricted Delivery

Certified Mail®

Certified Mail Restricted Delivery

Collect on Delivery

Collect on Delivery Restricted Delivery

Priority Mail Express®

Registered Mail™

Registered Mail Restricted Delivery

Signature Confirmation™

Signature Confirmation Restricted Delivery

Mail Restricted Delivery

Domestic Return Receipt

9589 0710 5270 0496 9554 09

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

OFFICE

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 LDY Corporation

Street and Apt. 1010 Sunwest Centre

City, State, ZIP+4 Roswell, NM 88201

MOC-Dragonstone-23576 & 79

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions



CERTIFIED MAIL®

HINKLE SHANOR LLP
 ATTORNEYS AT LAW
 POST OFFICE BOX 2068
 SANTA FE, NEW MEXICO 87504



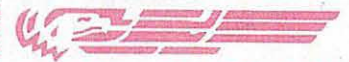
ALBUQUERQUE NM 870

JUN 08 2023 PM 4 L

FIRST-CLASS



US POSTAGE™ IMPITNEY BOWES



ZIP 87501 \$ 008.34⁰
 02 7H
 0006052409 JUN 08 2023

RECEIVED

9589 0710 5270 0496 9554 09

JUN 26 2023

Hinkle Shanor LLP
 Santa Fe NM 87504

LDY Corporation
 1010 Sunwest Centre
 Roswell, NM 88201
 MOC-Dragonstone-23576 & 79

4

NIXIE 750 DE 1 0000/15/23

RETURN TO SENDER
 ATTEMPTED - NOT KNOWN
 UNABLE TO FORWARD

ANK

87504-2068

0006052409

9589 0710 5270 0496 9550 72

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)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage	\$
Total Postage and Fees	\$

Sent To	Chel-Trand Holdings, LLC	_____
Street and	110 W. Louisiana Ave., Ste. 200	_____
	Midland, TX 79701-3414	_____
City, State,	MOC-Dragonstone-23576 & 79	_____

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions



USPS Tracking®

FAQs >

Tracking Number:

Remove X

9589071052700496955072

Copy

Add to Informed Delivery (<https://informedelivery.usps.com/>)

Latest Update

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Feedback

Moving Through Network In Transit to Next Facility

June 26, 2023

Arrived at USPS Regional Facility

EL PASO TX DISTRIBUTION CENTER
June 21, 2023, 1:14 pm

Departed USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER
June 16, 2023, 2:22 am

Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER
June 15, 2023, 5:19 pm

Departed USPS Regional Facility

EL PASO TX DISTRIBUTION CENTER
June 14, 2023, 11:48 pm

Arrived at USPS Regional Facility

EL PASO TX DISTRIBUTION CENTER
June 14, 2023, 1:08 pm

Forwarded

MIDLAND, TX
June 12, 2023, 11:43 am

Departed USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER
June 11, 2023, 10:13 pm

Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER
June 10, 2023, 4:52 pm

Departed USPS Facility

ALBUQUERQUE, NM 87101
June 8, 2023, 11:38 pm

Arrived at USPS Facility

ALBUQUERQUE, NM 87101
June 8, 2023, 9:08 pm

Hide Tracking History

Text & Email Updates



USPS Tracking Plus®



Product Information



See Less ^

Track Another Package

Enter tracking or barcode numbers

9589 0710 5270 0496 9550 58

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 \$ _____

SANTANA, TX 75077

JUN 08 2023

Postmark Here

USPS

Postage \$ _____

Total Postage and Fees \$ _____

Sent To

Street and Apt. No., Kellie Halabrin
56 Sabinas Ridge Road

City, State, ZIP+4® Boerne, TX 78006 MOC-Dragonstone-23576 & 79

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

USPS Tracking®

FAQs >

Tracking Number:

Remove X

9589071052700496955058

Copy

Add to Informed Delivery (<https://informedelivery.usps.com/>)

Latest Update

Your item has been delivered to an agent for final delivery in BOERNE, TX 78006 on June 12, 2023 at 12:06 pm.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Feedback

Delivered to Agent

Delivered to Agent for Final Delivery

BOERNE, TX 78006

June 12, 2023, 12:06 pm

Notice Left (No Authorized Recipient Available)

BOERNE, TX 78006

June 12, 2023, 11:51 am

Departed USPS Regional Facility

SAN ANTONIO TX DISTRIBUTION CENTER

June 11, 2023, 10:32 pm

In Transit to Next Facility

June 11, 2023

Arrived at USPS Regional Facility

SAN ANTONIO TX DISTRIBUTION CENTER

June 10, 2023, 10:45 am

Departed USPS Facility

ALBUQUERQUE, NM 87101
June 9, 2023, 7:53 am

Arrived at USPS Facility

ALBUQUERQUE, NM 87101
June 8, 2023, 9:24 pm

Hide Tracking History

Text & Email Updates



USPS Tracking Plus®



Product Information



See Less

Track Another Package

Enter tracking or barcode numbers

Need More Help?

Contact USPS Tracking support for further assistance.

FAQs

9589 0710 5270 0496 9550 34

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CERTIFIED MAIL® RECEIPT
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OFFICIAL USE

Certified Mail Fee	\$
Extra Services & Fees (check box, add fees as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

JUN 08 2023

Postmark
Here

Postage	\$
Total Postage and Fees	\$

Sent To	
Street and Apt. N	James L. Harden III R-276 SP 44N, 13 th Artesia, NM 88210
City, State, ZIP+4	MOC-Dragonstone-23576 & 79

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

USPS Tracking®

FAQs >

Tracking Number:

Remove X

9589071052700496955034

Copy

Add to Informed Delivery (<https://informedelivery.usps.com/>)

Latest Update

This is a reminder to arrange for redelivery of your item or your item will be returned to sender.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Feedback

Delivery Attempt

Reminder to Schedule Redelivery of your item

June 17, 2023

Notice Left (No Authorized Recipient Available)

ARTESIA, NM 88210

June 12, 2023, 9:42 am

Out for Delivery

ARTESIA, NM 88210

June 12, 2023, 6:36 am

Arrived at Post Office

ARTESIA, NM 88210

June 12, 2023, 6:25 am

In Transit to Next Facility

June 11, 2023

Departed USPS Regional Facility

LUBBOCK TX DISTRIBUTION CENTER

June 10, 2023, 4:04 pm

Arrived at USPS Regional Facility

LUBBOCK TX DISTRIBUTION CENTER
June 10, 2023, 6:58 am

Departed USPS Facility

ALBUQUERQUE, NM 87101
June 8, 2023, 9:21 pm

Arrived at USPS Facility

ALBUQUERQUE, NM 87101
June 8, 2023, 9:12 pm

Hide Tracking History

Text & Email Updates



USPS Tracking Plus®



Product Information



See Less ^

Track Another Package

Enter tracking or barcode numbers

Need More Help?

Contact USPS Tracking support for further assistance.

FAQs

9589 0710 5270 0496 9550 65

U.S. Postal Service™	
CERTIFIED MAIL® RECEIPT	
<i>Domestic Mail Only</i>	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
Certified Mail Fee	
\$	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$	
<input type="checkbox"/> Return Receipt (electronic) \$	
<input type="checkbox"/> Certified Mail Restricted Delivery \$	
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
Postage	
\$	
Total Postage and Fees	
\$	
Sent To	
Rhodes Interests Ltd.	
Street and /	110 W. Louisiana Ave., Ste. 200
	Midland, TX 79701
City, State,	MOC-Dragonstone-23576 & 79
PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	

USPS Tracking®

FAQs >

Tracking Number:

Remove X

9589071052700496955065

Copy

Add to Informed Delivery (<https://informedelivery.usps.com/>)

Latest Update

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Feedback

Moving Through Network

In Transit to Next Facility

June 27, 2023

Departed USPS Facility

ALBUQUERQUE, NM 87101

June 25, 2023, 4:41 pm

Arrived at USPS Facility

ALBUQUERQUE, NM 87101

June 25, 2023, 1:10 pm

Arrived at USPS Regional Facility

EL PASO TX DISTRIBUTION CENTER

June 21, 2023, 1:14 pm

Departed USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER

June 16, 2023, 2:22 am

Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER
June 15, 2023, 5:19 pm

Departed USPS Regional Facility

EL PASO TX DISTRIBUTION CENTER
June 14, 2023, 11:48 pm

Arrived at USPS Regional Facility

EL PASO TX DISTRIBUTION CENTER
June 14, 2023, 1:08 pm

Forwarded

MIDLAND, TX
June 12, 2023, 11:43 am

Departed USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER
June 11, 2023, 10:13 pm

Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER
June 10, 2023, 4:53 pm

Departed USPS Facility

ALBUQUERQUE, NM 87101
June 8, 2023, 11:37 pm

Arrived at USPS Facility

ALBUQUERQUE, NM 87101
June 8, 2023, 9:12 pm

Hide Tracking History

Text & Email Updates



USPS Tracking Plus®



Product Information



See Less

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

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

Beginning with the issue dated
June 13, 2023
and ending with the issue dated
June 13, 2023.

LEGAL NOTICE
June 13, 2023

This is to notify all interested parties, including KMK Energy, LLC; LDY Corporation; Nadel and Gussman Capitan, LLC; James L. Harden III; Carolyn L. Shogrin, individually and as personal representative; Kellie Halabrin; Rhodes Interests Ltd.; Chel-Trand Holdings, LLC; Word B. Wilson Investments LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Mewbourne Oil Company (Case No. 23576). The hearing will be conducted remotely on July 6, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant applies for an order pooling additional uncommitted interests under the terms of Division Order No. R-22067. Order No. R-22067 ("Order") pooled uncommitted interests in the Bone Spring formation underlying a standard horizontal spacing unit comprised of the E/2 W/2 of Section 11 and the E/2 SW/4 of Section 2, Township 18 South, Range 32 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Dragonstone 11/2 B2NK Fed Com #1 well ("Well") and designated Applicant as operator of the Unit and Well. Since the Order was issued, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Well is located approximately 25 miles southwest of Carlsbad, New Mexico.
#00279503



Publisher

Sworn and subscribed to before me this
13th day of June 2023.



Business Manager

My commission expires
January 29, 2027

(Seal)
STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

02107475

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

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

Mewbourne Oil Company
Case No. 23576
Exhibit B-4