

CASE NO. 23693

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

EXHIBIT LIST

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

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING AND APPROVAL OF
A NON-STANDARD SPACING AND PRORATION
UNIT, LEA COUNTY, NEW MEXICO.**

Case No. 23693

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 Lots 1-4 and the S/2N/2 (the N/2) of Section 2 and Lots 1-4 and the S/2N/2 (the N/2) of Section 1, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and approval of a non-standard spacing and proration unit, and in support thereof, states:

1. Applicant is an interest owner in the N/2 of Section 2 and the N/2 of Section 1 (containing 641.56 acres), and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells to a depth sufficient to test the Bone Spring formation: (a) the Night Watch 2/1 B2DA Fed. Com. Well No. 1H, with a first take point in Lot 4 of Section 2 and a last take point in Lot 1 of Section 1; and (b) the Night Watch 2/1 B2EH Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4NW/4 of Section 2 and a last take point in the SE/4NE/4 of Section 1. The producing interval of each well will be orthodox.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2 of Section 2 and the N/2 of Section 1 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to

EXHIBIT /

the wells, 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 Spring formation underlying the N/2 of Section 2 and the N/2 of Section 1, pursuant to NMSA 1978 §70-2-17.

5. Applicant requests that the wells be dedicated to a non-standard spacing and proration unit in the Young; Bone Spring, North Pool (Pool Code 63350).

6. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying the N/2 of Section 2 and the N/2 of Section 1, and approval of the non-standard spacing and proration unit, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing. The Division enters its order:

- A. Pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the N/2 of Section 2 and the N/2 of Section 1;
- B. Approving the non-standard spacing and proration unit;
- C. Designating applicant as operator of the proposed wells;
- D. Considering the cost of drilling, completing, testing, and equipping the wells, and allocating the cost among the wells' working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. 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 and approval of a non-standard spacing and proration unit, Lea County, New Mexico. Mewbourne Oil Company seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of Lots 1-4 and the S/2N/2 (the N/2) of Section 2 and Lots 1-4 and the S/2N/2 (the N/2) of Section 1, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Applicant proposes to drill the following wells to a depth sufficient to test the Bone Spring formation: (a) the Night Watch 2/1 B2DA Fed. Com. Well No. 1H, with a first take point in Lot 4 of Section 2 and a last take point in Lot 1 of Section 1; and (b) the Night Watch 2/1 B2EH Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4NW/4 of Section 2 and a last take point in the SE/4NE/4 of Section 1. The producing interval of each well will be orthodox Applicant also requests that the wells be dedicated to a non-standard spacing and proration unit in the Young; Bone Spring, North Pool. 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 well unit is located approximately 5-1/2 miles south-southeast of Maljamar, 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 AND APPROVAL
OF A NON-STANDARD SPACING AND PRORATION
UNIT, LEA COUNTY, NEW MEXICO.

Case No. 23693

SELF-AFFIRMED STATEMENT OF BRAD DUNN

Brad Dunn, being duly sworn upon his oath, deposes and states:

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

2. Pursuant to Division Rules, the following information is submitted in support of this application.

3. The purpose of this application is (a) to force pool working interest owners into the Bone Spring horizontal spacing unit described below, and in wells to be drilled in the unit, and (b) to approve a non-standard horizontal spacing and proration unit.

4. In this case Mewbourne seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a non-standard horizontal spacing unit comprised of Lots 1-4 and the S/2N/2 (the N/2) of Section 2 and Lots 1-4 and the S/2N/2 (the N/2) of Section 1, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Applicant proposes to drill the following wells to a depth sufficient to test the Bone Spring formation: (a) the Night Watch 2/1 B2DA Fed. Com. Well No. 1H, with a first take point in Lot 4 of Section 2 and a last take point in Lot 1 of Section 1; and (b) the Night Watch 2/1 B2EH Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4NW/4 of Section 2 and a last take point in the SE/4NE/4 of Section 1. The producing interval of each well will be orthodox Applicant also requests that the wells be dedicated to a non-standard spacing and proration unit in the Young; Bone Spring, North Pool (Pool Code 63350), containing 641.56 acres.

The non-standard unit is requested in order to (a) to minimize surface use, and (b) to reduce the cost of surface facilities.

EXHIBIT

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5. There is no depth severance in the Bone Spring formation.
6. A plat outlining the unit being pooled is submitted as Attachment A. Forms C-102 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 well, but have failed or refused to voluntarily commit their interests to the well.
9. In order to locate the interest owners, Mewbourne examined the county, federal, and state records, performed internet searches, checked telephone records, and searched Accurint and Whitepages.
10. Attachment C contains is a summary of communications with the parties being pooled. It also contains a sample copy of the proposal letter sent to the interest owners being pooled.

A proposal letter was also sent months earlier, when lot 1 of Section 1 was unleased federal land, and that acreage was being excluded from the unit, and it is attached hereto as Attachment C-1.

Mewbourne has made a good faith effort to 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 Lea County.
12. Mewbourne requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Eddy County. They are also the rates set forth in the Joint Operating Agreement for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
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. Attachment E is a plat indicating offsetting tracts for the non-standard unit portion of the applications, and listing the working interest owners in each tract.
16. Mewbourne's attorney sent separate notice to (a) the parties to be pooled and notified of the non-standard unit, and (b) the parties to be notified of the non-standard unit

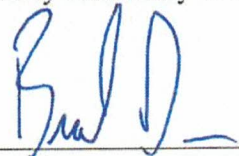
portion of the application. This is shown on the attorneys notice letters submitted as exhibits herein.

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

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

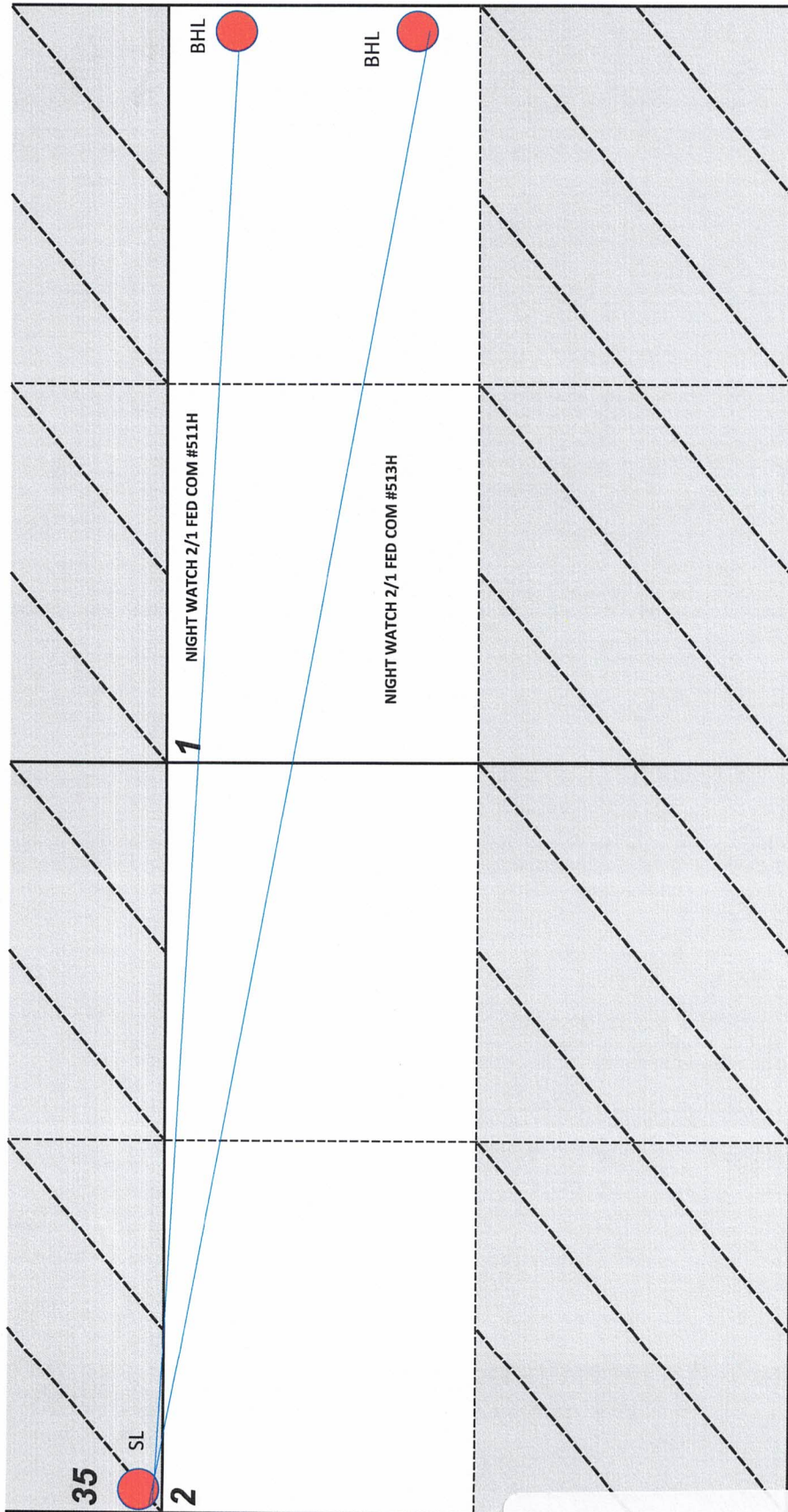
I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 18 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 8/1/2023



Brad Dunn

NIGHT WATCH 2/1 FED COM #511H
NIGHT WATCH 2/1 FED COM #513H
N/2 of Sections 2 & 1, T18S, R32E
Lea COUNTY, NM



ATTACHMENT *A*

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

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

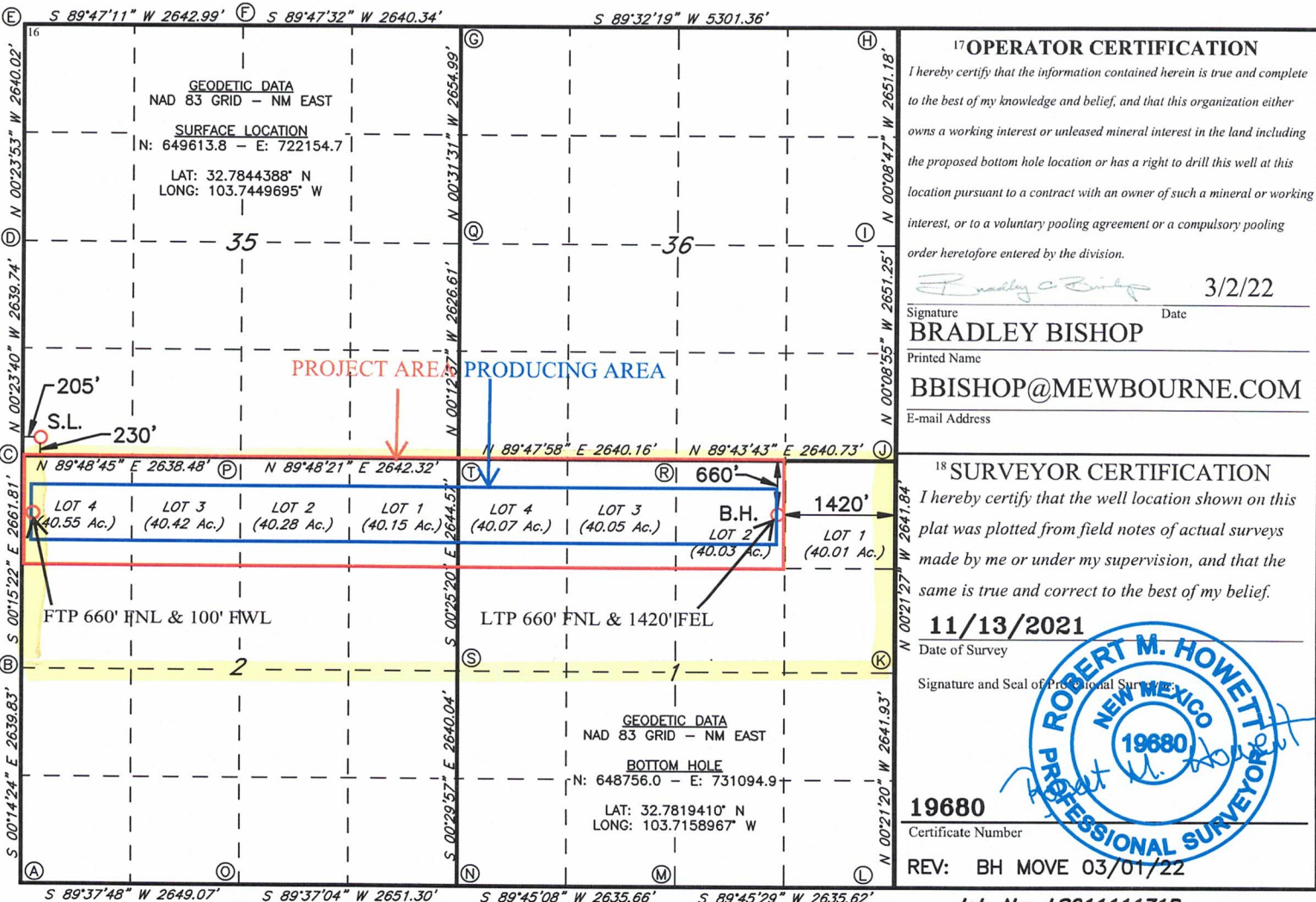
Form C-102
 Revised August 1, 2011
 Submit one copy to appropriate
 District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-51643		² Pool Code 65350		³ Pool Name YOUNG; BONE SPRING, NORTH					
⁴ Property Code 334173		⁵ Property Name NIGHT WATCH 2/1 B2DA FED COM						⁶ Well Number 1H	
⁷ OGRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY						⁹ Elevation 3913'	
¹⁰ Surface Location									
UL or lot no. M	Section 35	Township 17S	Range 32E	Lot Idn	Feet from the 230	North/South line SOUTH	Feet From the 205	East/West line WEST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. 2	Section 1	Township 18S	Range 32E	Lot Idn	Feet from the 660	North/South line NORTH	Feet from the 1420	East/West line EAST	County LEA
¹² Dedicated Acres 280		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



District I
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 Phone: (575) 393-6161 Fax: (575) 393-0720
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 811 S. First St., Artesia, NM 88210
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 OIL CONSERVATION DIVISION
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 Santa Fe, NM 87505

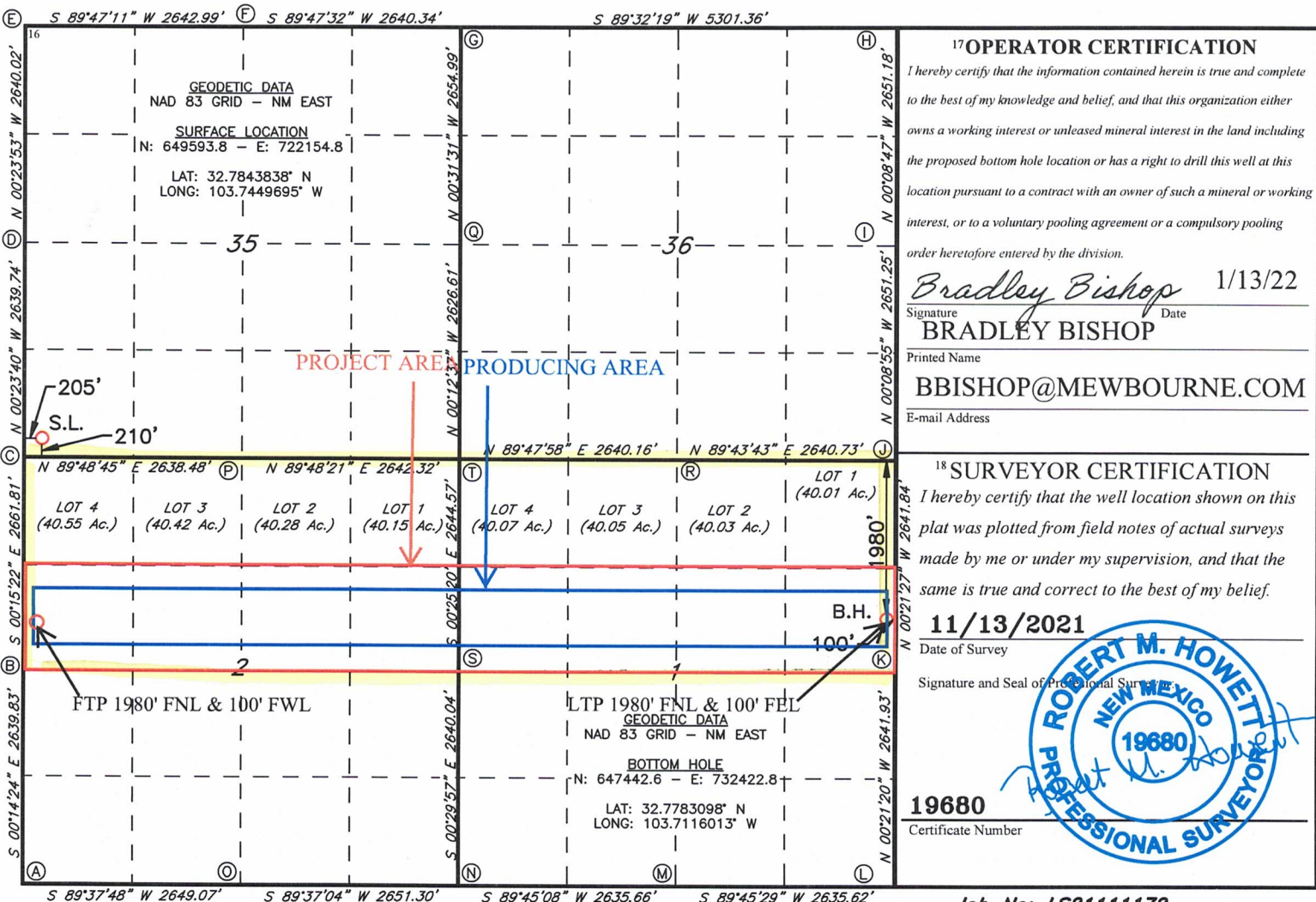
Form C-102
 Revised August 1, 2011
 Submit one copy to appropriate
 District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

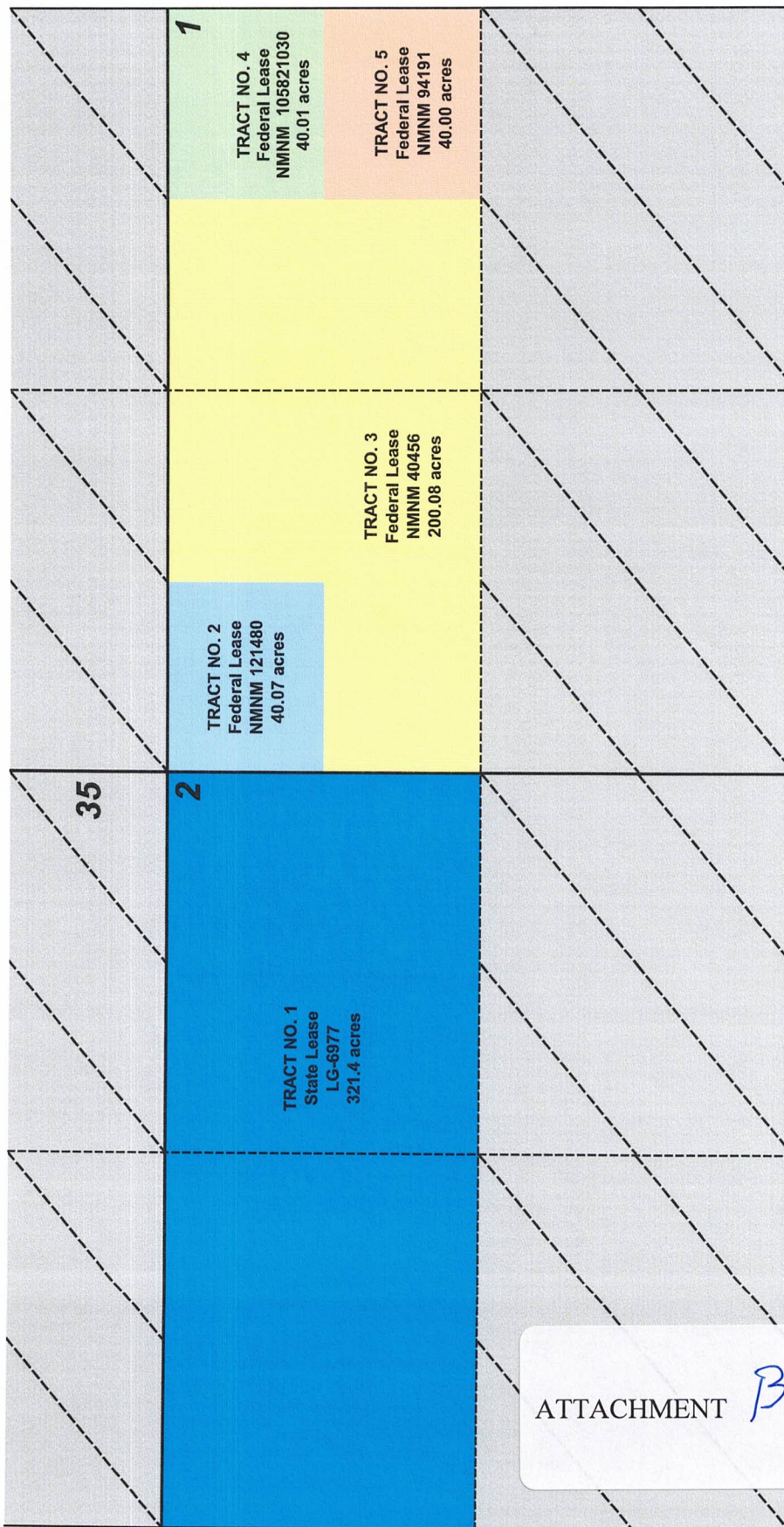
1 API Number 30-025-51644		2 Pool Code 65350		3 Pool Name YOUNG; BONE SPRING, NORTH					
4 Property Code 334174		5 Property Name NIGHT WATCH 2/1 B2EH FED COM						6 Well Number 1H	
7 OGRID NO. 14744		8 Operator Name MEWBOURNE OIL COMPANY						9 Elevation 3913'	
10 Surface Location									
UL or lot no. M	Section 35	Township 17S	Range 32E	Lot Idn	Feet from the 210	North/South line SOUTH	Feet From the 205	East/West line WEST	County LEA
11 Bottom Hole Location If Different From Surface									
UL or lot no. H	Section 1	Township 18S	Range 32E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 100	East/West line EAST	County LEA
12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.						

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



Job No: LS21111172

Section Plat
NIGHT WATCH 2/1 FED COM #511H & NIGHT WATCH 2/1 FED COM #513H
N/2 of Sections 2 & 1, T18S, R32E
LEA COUNTY, NEW MEXICO



ATTACHMENT *B*

Tract No. 1: N2 Section 2— STATE LEASE LG-6977

Mewbourne Oil Company, et al

MRC Delaware Resources LLC

Yates Energy Corporation

Yates-US Inc.

NexGen Capital Resources, LLC

Carolyn L. Shogrin, individually and as separate property and as Personal Representative of the Estate of

Frank L. Shogrin, deceased

KMK Energy, LLC

Horseshoe Operating, Inc.

SWAWBW, LLC

Rhodes Interests Ltd.

O.H.B. Inc.

Jack Huff Energy Ltd.

Chel-Trand Holdings LLC

MEC Development, Ltd.

Tract No. 2: NW4NW4 Sec. 1— FEDERAL LEASE NMNM 121410

Mewbourne Oil Company, et al

BEXP II OMEGA, LLC

Tract No. 3: LOTS 1, 2, 3, & SW4NE4 SEC. 1 – FEDERAL LEASE NMNM 40456

Mewbourne Oil Company

Tract No. 4: NE4NE4 SEC. 1— FEDERAL LEASE NMNM 105821030

Mewbourne Oil Company, et al

Tract No. 5: SE4NE4 SEC. 1— FEDERAL LEASE NMNM 94191

Mewbourne Oil Company, et al

Devon Energy Production Company, LP

SWAWBW, LLC

Horseshoe Operating, Inc.

O.H.B. Inc.

Jack Huff Energy Ltd.

TRACT OWNERSHIP
NIGHT WATCH 2/1 FED COM #511H
NIGHT WATCH 2/1 FED COM #513H
N/2 of Sections 2 & 1, T18S, R32E
Lea COUNTY, NM

Sections 1 (N/2) & 2 (N/2)
Bone Spring formation:

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	72.363815%
* BEXP II Omega, LLC	6.265171%
* Cross Timbers Energy, LLC	6.234803%
* Devon Energy Production Company, LP	3.896752%
* MRC Delaware Resources LLC	3.678098%
* MEC Development, Ltd.	3.117401%
* BEXP II Alpha, LLC	1.993578%
* Yates Energy Corporation	0.949297%
* SWAWBW, LLC	0.694875%
* Yates-US Inc.	0.264119%
* Horseshoe Operating, Inc.	0.243157%
* O.H.B. Inc.	0.082501%
* Jack Huff Energy Ltd.	0.082501%
* NexGen Capital Resources, LLC	0.060861%
* KMK Energy, LLC	0.034754%
* Carolyn L. Shogrin, individually and as separate property and as Personal Representative of the Estate of Frank L. Shogrin, deceased	0.034754%
* Rhodes Interests Ltd.	0.002216%
* Chel-Trand Holdings LLC	0.001347%
	<hr/> 100.000000%

* **Total interest being pooled: 27.636185%**

OWNERSHIP BY TRACT**LOTS 1-4, SE4NW4, & SW4NE4 SEC. 2 (241.4 Acres):**

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	100.000000%
	<u>100.000000%</u>

SW4NW4 SEC. 2:

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	18.917942
* MRC Delaware Resources LLC	58.993014%
* Yates Energy Corporation	15.225777%
* Yates-US Inc.	4.236207%
* NexGen Capital Resources, LLC	0.976147%
* Carolyn L. Shogrin, individually and as separate property and as Personal Representative of the Estate of Frank L. Shogrin, deceased	0.557426%
* KMK Energy, LLC	0.551643%
* Horseshoe Operating, Inc.	0.243157%
* SWAWBW, LLC	0.195099%
* Rhodes Interests Ltd.	0.035536%
* O.H.B. Inc.	0.023226%
* Jack Huff Energy Ltd.	0.023226%
* Chel-Trand Holdings LLC	0.021600%
	<u>100.000000%</u>

SE4NE4 SEC. 2 (40 Acres):

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	50.000000%
* MEC Development, Ltd.	50.000000%
	<u>100.000000%</u>

LOTS 1, 2, 3, & SW4NE4 SEC. 1 (160.09 Acres):

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	100.000000%
	<hr/> 100.000000%

SE4NE4 SEC. 1 (40 Acres):

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	20.050000%
* Devon Energy Production Company, LP	62.500000%
* SWAWBW, LLC	10.950000%
* Horseshoe Operating, Inc.	3.900000%
* O.H.B. Inc.	1.300000%
* Jack Huff Energy Ltd.	1.300000%
	<hr/> 100.000000%

SE4NW4 SEC. 1 (40 Acres):

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	25.000000%
* BEXP II OMEGA, LLC	43.025000%
* BEXP II ALPHA, LLC	31.975000%
	<hr/> 100.000000%

NW4NW4 SEC. 1 (40.07 Acres):

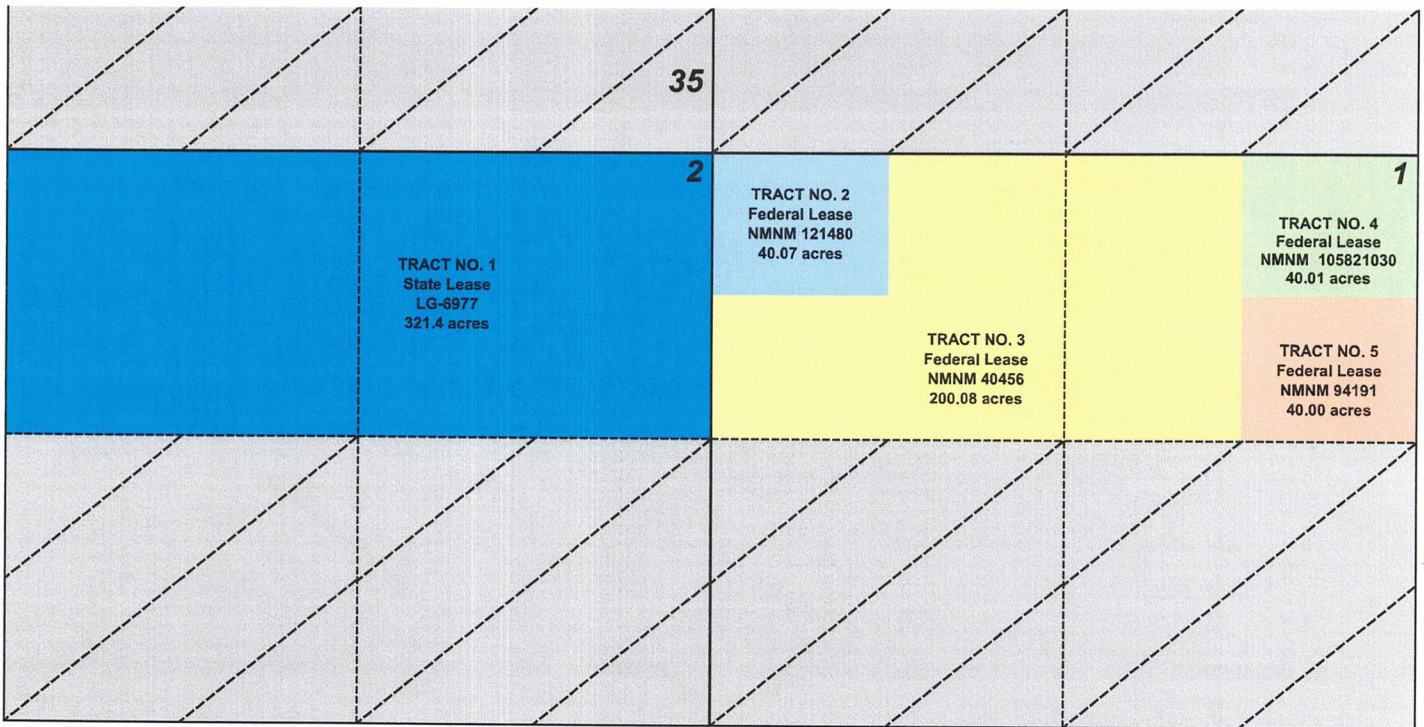
	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al	42.640000%
* BEXP II OMEGA, LLC	57.360000%
	<hr/> 100.000000%

SW4NW4 SEC. 1 (40.07 Acres):

	<u>% Leasehold Interest</u>
* Cross Timbers Energy, LLC	100.000000%
	<hr/> 100.000000%

RECAPITULATION
NIGHT WATCH 2/1 FED COM #511H & NIGHT WATCH 2/1 FED COM #513H
N/2 of Sections 2 & 1, T18S, R32E
LEA COUNTY, NEW MEXICO

Tract Number	Number of Acres Committed	Percentage of Interest In Communitized Area
1	321.4	50.096639%
2	40.07	6.245714%
3	200.08	31.186483%
4	40.01	6.236361%
5	40.00	6.234803%
TOTAL	641.56	100.000000%



Summary of Communications
NIGHT WATCH 2/1 FED COM #511H
NIGHT WATCH 2/1 FED COM #513H

MRC Delaware Resources LLC

- 1) 1/24/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 2/6/2023: Certified mail delivery confirmation to recipient.
- 3) 7/5/2023: Well re-proposal letter with AFEs are sent via certified mail.
- 4) 7/10/2023: Certified mail delivery confirmation to recipient.
- 5) 7/21/2023: No response or indication from owner on what they plan to do.

BEXP II Omega, LLC

- 1) 1/24/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 2/6/2023: Certified mail delivery confirmation to recipient.
- 3) 3/15/2023: Email correspondence with owner discussing their interest.
- 4) 6/28/2023: Email correspondence with owner. I answered all their questions.
- 5) 7/5/2023: Well re-proposal letter with AFEs are sent via certified mail.
- 6) 7/7/2023: Email correspondence with owner discussing their interest.
- 7) 7/10/2023: Certified mail delivery confirmation to recipient.
- 8) 7/21/2023: Owner has still not signed up to participate but they indicate they plan to do so soon.

BEXP II Alpha, LLC

- 1) 1/24/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 2/6/2023: Certified mail delivery confirmation to recipient.
- 3) 3/15/2023: Email correspondence with owner discussing their interest.
- 4) 6/28/2023: Email correspondence with owner. I answered all their questions.
- 5) 7/5/2023: Well re-proposal letter with AFEs are sent via certified mail.
- 6) 7/7/2023: Email correspondence with owner discussing their interest.
- 7) 7/10/2023: Certified mail delivery confirmation to recipient.
- 8) 7/21/2023: Owner has still not signed up to participate but they indicate they plan to do so soon.

Cross Timbers Energy, LLC

- 1) 1/24/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 2/6/2023: Certified mail delivery confirmation to recipient.
- 3) 7/5/2023: Well re-proposal letter with AFEs are sent via certified mail.
- 4) 7/7/2023: Email correspondence with owner. I answered all their questions.
- 5) 7/10/2023: Certified mail delivery confirmation to recipient.

ATTACHMENT 

- 6) 7/21/2023: Owner has still not signed up to participate but they indicate they plan to do so soon.

Devon Energy Production Company, LP

- 1) 1/24/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 2/6/2023: Certified mail delivery confirmation to recipient.
- 3) 7/5/2023: Well re-proposal letter with AFEs are sent via certified mail.
- 4) 7/10/2023: Certified mail delivery confirmation to recipient.
- 5) 7/21/2023: No response or indication from owner on what they plan to do.

MEC Development, Ltd.

- 1) 1/24/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 2/6/2023: Certified mail returned due to unlocatable/undeliverable address.
- 3) 4/11/2023: Detailed search on the internet for a new address of this company/current contact information. Company unlocatable.
- 4) 7/5/2023: Well re-proposal letter with AFEs are sent via certified mail.
- 5) 7/20/2023: Certified mail returned due to unlocatable/undeliverable address.
- 6) 7/20/2023: Detailed search on the internet for a new address of this company/current contact information. Company unlocatable.
- 7) 7/21/2023: No response or indication from owner on what they plan to do.

Yates Energy Corporation

- 1) 1/24/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 2/6/2023: Certified mail delivery confirmation to recipient.
- 3) 7/5/2023: Well re-proposal letter with AFEs are sent via certified mail.
- 4) 7/8/2023: Certified mail delivery confirmation to recipient.
- 5) 7/21/2023: No response yet or indication from owner on what they plan to do.

SWAWBW, LLC

- 1) 1/24/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 2/6/2023: Certified mail delivery confirmation to recipient.
- 3) 7/5/2023: Well re-proposal letter with AFEs are sent via certified mail.
- 4) 7/10/2023: Certified mail delivery confirmation to recipient.
- 5) 7/14/2023: Phone correspondence with owner. Answered their questions.
- 7) 7/21/2023: Owner has still not signed up to participate but they indicate they plan to do so soon.

Yates-US Inc.

- 1) 1/24/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 2/6/2023: Certified mail delivery confirmation to recipient.
- 3) 7/5/2023: Well re-proposal letter with AFEs are sent via certified mail.

- 4) 7/7/2023: Certified mail delivery confirmation to recipient.
- 5) 7/21/2023: No response yet or indication from owner on what they plan to do.

Horseshoe Operating, Inc.

- 1) 1/24/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 2/6/2023: Certified mail delivery confirmation to recipient.
- 3) 7/5/2023: Well re-proposal letter with AFEs are sent via certified mail.
- 4) 7/18/2023: Certified mail delivery confirmation to recipient.
- 5) 7/20/2023: Email correspondence with owner. Answered her questions.
- 6) 7/21/2023: Owner has still not signed up to participate but they indicate they plan to do so soon.

O.H.B. Inc.

- 1) 1/24/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 2/6/2023: Certified mail delivery confirmation to recipient.
- 3) 7/5/2023: Well re-proposal letter with AFEs are sent via certified mail.
- 4) 7/14/2023: Certified mail delivery confirmation to recipient.
- 5) 7/21/2023: No response or indication from owner on what they plan to do.

Jack Huff Energy Ltd.

- 1) 1/24/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 2/6/2023: Certified mail delivery confirmation to recipient.
- 3) 7/5/2023: Well re-proposal letter with AFEs are sent via certified mail.
- 4) 7/10/2023: Certified mail delivery confirmation to recipient.
- 5) 7/21/2023: No response or indication from owner on what they plan to do.

NexGen Capital Resources, LLC

- 1) 1/24/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 2/6/2023: Certified mail delivery confirmation to recipient.
- 3) 7/5/2023: Well re-proposal letter with AFEs are sent via certified mail.
- 4) 7/10/2023: Certified mail delivery confirmation to recipient.
- 5) 7/20/2023: Email correspondence with owner. Answered her questions.
- 6) 7/21/2023: Owner has still not signed up to participate but they indicate they plan to do so soon.

KMK Energy, LLC

- 1) 1/24/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 2/6/2023: Certified mail delivery confirmation to recipient.
- 3) 7/5/2023: Well re-proposal letter with AFEs are sent via certified mail.
- 4) 7/10/2023: Certified mail delivery confirmation to recipient.

- 5) 7/21/2023: Emailed owner. No response or indication from owner on what they plan to do.

Rhodes Interests Ltd.

- 1) 1/24/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 2/6/2023: Certified mail returned due to unlocatable/undeliverable address.
- 3) 5/16/2023: Detailed search on the internet for a new address of this company/current contact information. Company unlocatable.
- 4) 7/5/2023: Well re-proposal letter with AFEs are sent via certified mail.
- 5) 7/15/2023: Certified mail returned due to unlocatable/undeliverable address.
- 6) 7/18/2023: Detailed search on the internet for a new address of this company/current contact information. Company unlocatable.
- 7) 7/21/2023: No response or indication from owner on what they plan to do.

Chel-Trand Holdings LLC

- 1) 1/24/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 2/6/2023: Certified mail returned due to unlocatable/undeliverable address.
- 3) 5/16/2023: Detailed search on the internet for a new address of this company/current contact information. Company unlocatable.
- 4) 7/5/2023: Well re-proposal letter with AFEs are sent via certified mail.
- 5) 7/15/2023: Certified mail returned due to unlocatable/undeliverable address.
- 6) 7/18/2023: Detailed search on the internet for a new address of this company/current contact information. Company unlocatable.
- 7) 7/21/2023: No response or indication from owner on what they plan to do.

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

July 5, 2023

Via Certified Mail

MRC DELAWARE RESOURCES LLC

One Lincoln Centre

5400 LBJ Freeway, SUITE 1500

Dallas, TX 75240

Attn: Permian Land Manager

Re:

1. NIGHT WATCH 2/1 FED COM #511H (B2DA) AFE, N2N2 Section 2 & N2N2 Sec. 1, T18S, R32E, Lea County, New Mexico
2. NIGHT WATCH 2/1 FED COM #513H (B2EH) AFE, S2N2 Section 2 & S2N2 Sec. 1, T18S, R32E, Lea County, New Mexico
3. Night Watch 2/1 Joint Operating Agreement dated January 23, 2023
N2 of Sec. 2, T18S, R32E
N2 of Sec. 1, T18S, R32E
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 641.56 acre Working Interest Unit ("WIU") covering the N/2 of the above captioned Section 2 and the N/2 of the above captioned Section 1, for oil and gas production. The targeted interval for the proposed unit is the Bone Spring Formation. Mewbourne as Operator withdraws its previous proposals to drill the Night Watch 2/1 B2DB Fed Com #1H and Night Watch 2/1 B2EH Fed Com #1H wells, and hereby proposes to drill the following horizontal Bone Spring wells:

1. NIGHT WATCH 2/1 FED COM #511H (B2DA) will have a surface location 230' FSL & 205' FWL of Section 35 (17S-32E) and a bottom hole location approximately 660' FNL & 100' FEL of the above captioned Section 1. We anticipate drilling to an approximate total vertical depth of 8,454' and an approximate total measured depth of 17,348'. The N2N2 of Section 2 & N2N2 of Sec. 1 will be dedicated to the well as the proration unit.
2. NIGHT WATCH 2/1 FED COM #513H (B2EH) will have a surface location 210' FSL & 205' FWL of Section 35 (17S-32E) and a bottom hole location approximately 1980' FNL & 100' FEL of the above captioned Section 1. We anticipate drilling to an approximate total vertical depth of 8,617' and an approximate total measured depth of 19,191'. The S2N2 of Section 2 & S2N2 of Section 1 will be dedicated to the well as the proration unit.


Regarding the above, enclosed for your further handling are our AFEs dated June 27, 2023, 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 Night Watch 2/1 Operating Agreement dated January 23, 2023, 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

A handwritten signature in blue ink, appearing to read "Brad Dunn", with a horizontal line extending from the end of the signature.

Brad Dunn
Petroleum Landman

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

January 23, 2023

Via Certified Mail

Cross Timbers Energy, LLC
400 West 7th Street
Fort Worth, TX 76102
Attn: Caylee Hicks

Re:

1. Night Watch 2/1 B2DB Fed Com #1H AFE, N2N2 Section 2 & N2N2 Sec. 1, SAVE & EXCEPT the NE4NE4, T18S, R32E, Lea County, New Mexico
2. Night Watch 2/1 B2EH Fed Com #1H AFE, S2N2 Section 2 & S2N2 Sec. 1, T18S, R32E, Lea County, New Mexico
3. Night Watch 2/1 Joint Operating Agreement dated January 23, 2023
N2 of Sec. 2, T18S, R32E
N2 of Sec. 1 S&E the NE4NE4, T18S, R32E
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 601.55 acre Working Interest Unit ("WIU") covering the N/2 of the above captioned Section 2 and the N/2 of the above captioned Section 1, **SAVE & EXCEPT** the NE4NE4 of Sec. 1, 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. Night Watch 2/1 B2DB Fed Com #1H will have a surface location 230' FSL & 205' FWL of Section 35 (17s-32e) and a bottom hole location approximately 660' FNL & 1420' FEL of the above captioned Section 1. We anticipate drilling to an approximate total vertical depth of 8,462' and an approximate total measured depth of 17,101'. The N2N2 of Section 2 & N2N2 of Sec. 1 SAVE & EXCEPT the NE4NE4 will be dedicated to the well as the proration unit.
2. Night Watch 2/1 B2EH Fed Com #1H AFE will have a surface location 210' FSL & 205' FWL of Section 35 (17s-32e) and a bottom hole location approximately 1980' FNL & 100' FEL of the above captioned Section 1. We anticipate drilling to an approximate total vertical depth of 8,617' and an approximate total measured depth of 18,816'. The S2N2 of Section 2 & S2N2 of Section 1 will be dedicated to the well as the proration unit.

ATTACHMENT

C-1

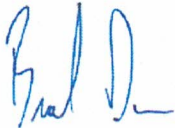
Regarding the above, enclosed for your further handling are our AFEs dated January 5, 2023, for the captioned proposed wells. In the event your firm elects to participate in the proposed wells, please execute the enclosed AFEs and return them to me within thirty (30) days.

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 Night Watch 2/1 Operating Agreement dated January 23, 2023, 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: NIGHT WATCH 2/1 FED COM #511H (B2DA)		Prospect: CASTLE BLACK	
Location: SL: 230 FSL & 205 FWL (35); BHL: 660 FNL & 100 FEL (1)		County: Lea	ST: NM
Sec. 35	Bik: 	Survey: 	TWP: 17S RNG: 32E Prop. TVD: 8454 TMD: 17348

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$50,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$55,000
Daywork / Turnkey / Footage Drilling 20 days drlg / 3 days comp @ \$28000/d		0180-0110	\$598,100	0180-0210	\$89,700
Fuel 1700 gal/day @ \$3.9/gal		0180-0114	\$141,600	0180-0214	\$241,000
Alternate Fuels		0180-0115		0180-0215	\$63,000
Mud, Chemical & Additives		0180-0120	\$35,000	0180-0220	
Mud - Specialized		0180-0121	\$225,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$40,000
Cementing		0180-0125	\$140,000	0180-0225	\$50,000
Logging & Wireline Services		0180-0130	\$34,000	0180-0230	\$376,000
Casing / Tubing / Snubbing Services		0180-0134	\$30,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$15,000		
Stimulation 51 Stg 20.2 MM gal / 25.3 MM lb				0180-0241	\$2,977,000
Stimulation Rentals & Other				0180-0242	\$225,000
Water & Other 100% FW fl/ Buckeye @ \$0.75/bbl		0180-0145	\$35,000	0180-0245	\$384,000
Bits		0180-0148	\$74,800	0180-0248	
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$20,000
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	\$131,100	0180-0270	\$66,000
Directional Services Includes Vertical Control		0180-0175	\$375,000		
Equipment Rental		0180-0180	\$141,600	0180-0280	\$20,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,500	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$82,800	0180-0295	\$36,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)		0180-0199	\$130,600	0180-0299	\$250,000
TOTAL			\$2,742,100		\$5,250,700

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 1340' - 13 3/8" 54.5# J-55 ST&C @ \$58.21/ft		0181-0794	\$83,300		
Casing (8.1" - 10.0") 2790' - 9 5/8" 40# HCL80 LT&C @ \$56.93/ft		0181-0795	\$169,600		
Casing (6.1" - 8.0") 8460' - 7" 29# HPP110 BT&C @ \$51.82/ft		0181-0796	\$468,200		
Casing (4.1" - 6.0") 11020' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$29.55/ft				0181-0797	\$347,800
Tubing 8220' - 3 1/2" 9.2# L-80 IPC Tbg @ \$23.11/ft				0181-0798	\$202,900
Drilling Head		0181-0860	\$50,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger				0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Service Pumps (1/3) TP/CP/Circ pump				0181-0886	\$11,000
Storage Tanks (1/3) 4 OT/3 WT/GB				0181-0890	\$95,000
Emissions Control Equipment (1/3) 2 VRT/VRU/Flare/3 KO/AIR				0181-0892	\$108,000
Separation / Treating Equipment (1/3) 3 H Sep/V Sep/VHT/HHT				0181-0895	\$65,000
Automation Metering Equipment				0181-0898	\$65,000
Oil/Gas Pipeline-Pipe/Valves&Misc Gas Line & GL Injection				0181-0900	\$20,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	\$90,000
On-site Valves/Fittings/Lines&Misc				0181-0906	\$100,000
Wellhead Flowlines - Construction				0181-0907	\$66,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$135,000
Equipment Installation				0181-0910	\$84,000
Oil/Gas Pipeline - Construction				0181-0920	\$19,000
Water Pipeline - Construction				0181-0921	\$71,000
TOTAL			\$771,100		\$1,609,700
SUBTOTAL			\$3,513,200		\$6,860,400

TOTAL WELL COST \$10,373,600

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: 6/27/2023

Company Approval: *M. Whittier* Date: 6/27/2023

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

ATTACHMENT

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: NIGHT WATCH 2/1 FED COM #513H (B2EH)		Prospect: CASTLE BLACK	
Location: SL: 210 FSL & 205 FWL (35); BHL: 1980 FNL & 100 FEL (1)		County: Lea ST: NM	
Sec. 35	Blk: 	Survey: 	TWP: 17S RNG: 32E Prop. TVD: 8617 TMD: 19191

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$50,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$200,000	0180-0206	\$55,000
Daywork / Turnkey / Footage Drilling 20 days drlg / 3 days comp @ \$28000/d	0180-0110	\$598,100	0180-0210	\$89,700
Fuel 1700 gal/day @ \$3.9/gal	0180-0114	\$141,600	0180-0214	\$241,000
Alternate Fuels	0180-0115		0180-0215	\$63,000
Mud, Chemical & Additives	0180-0120	\$35,000	0180-0220	
Mud - Specialized	0180-0121	\$225,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$200,000
Stimulation Toe Preparation			0180-0223	\$40,000
Cementing	0180-0125	\$140,000	0180-0225	\$50,000
Logging & Wireline Services	0180-0130	\$34,000	0180-0230	\$376,000
Casing / Tubing / Snubbing Services	0180-0134	\$30,000	0180-0234	\$15,000
Mud Logging	0180-0137	\$15,000		
Stimulation 51 Stg 20.2 MM gal / 25.3 MM lb			0180-0241	\$2,977,000
Stimulation Rentals & Other			0180-0242	\$225,000
Water & Other 100% FW f/ Buckeye @ \$0.75/bbl	0180-0145	\$35,000	0180-0245	\$384,000
Bits	0180-0148	\$74,800	0180-0248	
Inspection & Repair Services	0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services	0180-0154		0180-0254	\$10,000
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Rig Mobilization	0180-0164	\$150,000		
Transportation	0180-0165	\$30,000	0180-0265	\$30,000
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Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$5,000	0180-0285	
Intangible Supplies	0180-0188	\$7,000	0180-0288	\$1,000
Damages	0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements	0180-0192		0180-0292	\$5,000
Company Supervision	0180-0195	\$82,800	0180-0295	\$36,000
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)	0180-0199	\$130,600	0180-0299	\$250,000
TOTAL		\$2,742,600		\$5,250,700

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
Casing (19.1" - 30")	0181-0793			
Casing (10.1" - 19.0") 1340' - 13 3/8" 54.5# J-55 ST&C @ \$58.21/ft	0181-0794	\$83,300		
Casing (8.1" - 10.0") 2790' - 9 5/8" 40# HCL80 LT&C @ \$56.93/ft	0181-0795	\$169,600		
Casing (6.1" - 8.0") 8460' - 7" 29# HPP110 BT&C @ \$51.82/ft	0181-0796	\$468,200		
Casing (4.1" - 6.0") 11020' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$29.55/ft			0181-0797	\$347,800
Tubing 8220' - 3 1/2" 9.2# L-80 IPC Tbg @ \$23.11/ft			0181-0798	\$202,900
Drilling Head	0181-0860	\$50,000		
Tubing Head & Upper Section			0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger			0181-0871	\$75,000
Subsurface Equip. & Artificial Lift			0181-0880	\$25,000
Service Pumps (1/3) TP/CP/Circ pump			0181-0886	\$11,000
Storage Tanks (1/3) 4 OT/3 WT/GB			0181-0890	\$95,000
Emissions Control Equipment (1/3) 2 VRT/VRU/Flare/3 KO/AIR			0181-0892	\$108,000
Separation / Treating Equipment (1/3) 3 H Sep/V Sep/VHT/HHT			0181-0895	\$65,000
Automation Metering Equipment			0181-0898	\$65,000
Oil/Gas Pipeline-Pipe/Valves&Misc Gas Line & GL Injection			0181-0900	\$20,000
Water Pipeline-Pipe/Valves & Misc			0181-0901	\$90,000
On-site Valves/Fittings/Lines&Misc			0181-0906	\$100,000
Wellhead Flowlines - Construction			0181-0907	\$66,000
Cathodic Protection			0181-0908	
Electrical Installation			0181-0909	\$135,000
Equipment Installation			0181-0910	\$84,000
Oil/Gas Pipeline - Construction			0181-0920	\$19,000
Water Pipeline - Construction			0181-0921	\$71,000
TOTAL		\$771,100		\$1,609,700
SUBTOTAL		\$3,513,700		\$6,860,400
TOTAL WELL COST				\$10,374,100

Extra Expense Insurance

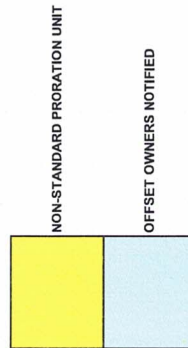
I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

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.

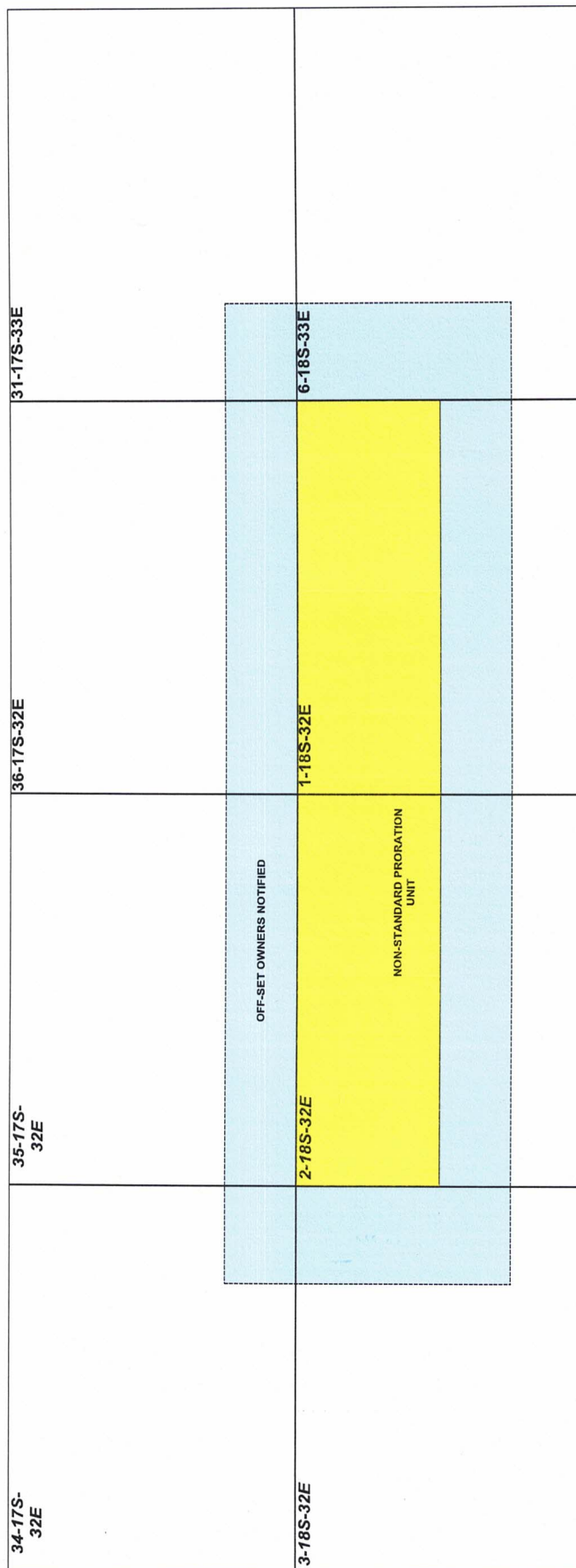
Prepared by: <u>Ryan McDaniel</u>	Date: <u>6/27/2023</u>
Company Approval: <u><i>M. Whittier</i></u>	Date: <u>6/27/2023</u>
Joint Owner Interest: _____ Amount: _____	Signature: _____

34-17S-32E	35-17S-32E	36-17S-32E	31-17S-33E
3-18S-32E	2-18S-32E	1-18S-32E	6-18S-33E



ATTACHMENT E

TRACT OWNERSHIP
NON-STANDARD PRORATION UNIT (NSP) for the
NIGHT WATCH 2/1 FED COM #511H WELL & the NIGHT WATCH 2/1 FED COM #513H WELL
N/2 of Sections 2 & 1, T18S, R32E
Lea COUNTY, NM



OWNERSHIP BY TRACT

LOTS 1-4, SE4NW4, & SW4NE4 SEC. 2 (241.4 Acres):

Mewbourne Oil Company

Occidental Permian Limited Partnership

SW4NW4 SEC. 2:

Mewbourne Oil Company

Cibolo Oil & Gas, LLC

OXY Y-1 Company

SWAWBW, LLC

Jalapeno Corporation

Lewis Burleson Properties, LP

Word B. Wilson Investments LLC

Anderson Oil Ltd.

Lonsdale Resources, LLC

1 Timothy 6, LLC

NexGen Capital Resources, LLC

Roger B. Hardee

Kris H. Youell

Kellie Michelle Halabrin

Roy G. Barton, Jr., Trustee of the Roy G. Barton, Sr. and
Opal Barton Revocable Trust dated January 28, 1982

MRC Delaware Resources LLC

Yates Energy Corporation

Yates-US Inc.

NexGen Capital Resources, LLC

Carolyn L. Shogrin, individually and as separate property and as Personal Representative of the Estate of Frank L. Shogrin, deceased

KMK Energy, LLC

Horseshoe Operating, Inc.

SWAWBW, LLC

Rhodes Interests Ltd.

O.H.B. Inc.

Jack Huff Energy Ltd.

Chel-Trand Holdings LLC

SE4NE4 SEC. 2 (40 Acres):

Mewbourne Oil Company

Occidental Permian Limited Partnership

MEC Development, Ltd.

LOTS 1, 2, 3, & SW4NE4 SEC. 1 (160.09 Acres):

Mewbourne Oil Company

Promontory Exploration, LP

SE4NE4 SEC. 1 (40 Acres):

Mewbourne Oil Company

Cibolo Oil & Gas, LLC

Devon Energy Production Company, LP

SWAWBW, LLC

Horseshoe Operating, Inc.

O.H.B. Inc.

Jack Huff Energy Ltd.

Burleson Petroleum, Inc.

SE4NW4 SEC. 1 (40 Acres):

Mewbourne Oil Company

BEXP II OMEGA, LLC

BEXP II ALPHA, LLC

NW4NW4 SEC. 1 (40.07 Acres):

Mewbourne Oil Company

Veer Capital Partners, LLC

BEXP II OMEGA, LLC

SW4NW4 SEC. 1 (40.07 Acres):

Cross Timbers Energy, LLC

S2S2 SEC. 35-17S-32E

Mewbourne Oil Company

W2NW4 & NW4SW4 SEC. 6-18S-33E

MRC Delaware Resources LLC

N2S2 SEC. 1-18S-32E

MRC Delaware Resources LLC

N2S2 SEC. 2-18S-32E

MRC Delaware Resources LLC

E2NE4 & NE4SE4 SEC. 3-18S-32E

MRC Delaware Resources LLC

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

APPLICATION OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING
AND APPROVAL OF A NON-STANDARD
SPACING AND PRORATION UNIT,
EDDY COUNTY, NEW MEXICO.

Case No. 23693

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 this cases. I have been qualified by the Division as an expert petroleum geologist.
3. The following plats are attached hereto regarding the Night Watch 2/1 B2DA Fed. Com. Well No. 1H and the Night Watch 2/1 B2EH Fed. Com. Well No. 1H, located in the N/2 of Section 2 and the N/2 of Section 1, Township 18 South, Range 32 East, N.M.P.M.
 - (a) Attachment A is a structure map on the base of the Middle Second Bone Spring Sand. It shows that structure dips gently to the south. It also shows Second Bone Spring Sand wells in the area, and a line of cross-section.
 - (b) Attachment B is a cross section showing the Second Bone Spring Sand, the target zone for the subject wells. 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 unit.
4. I conclude from the maps that:
 - (a) The horizontal spacing unit is justified from a geologic standpoint.
 - (b) The target zone is continuous and of relatively uniform thickness across the well unit.

EXHIBIT 3

(c) Each quarter-quarter section in the well unit will contribute more or less equally to production.


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

5. Attachment A shows other Second Bone Spring Sand wells drilled in this area. There are both laydown and standup wells, but Mewbourne's analysis of the data indicates laydown wells are preferable.

6. Attachment C contains a survey calculations report or a horizontal drilling plan 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: 8/1/23



Charles Crosby

A'

30025100000
GULF CO. CORP
SPRINKLE B FEDERAL 1
2110 P.W. 1960 P.W.
TWP: 18 S - Range 32 E - Sec. 1

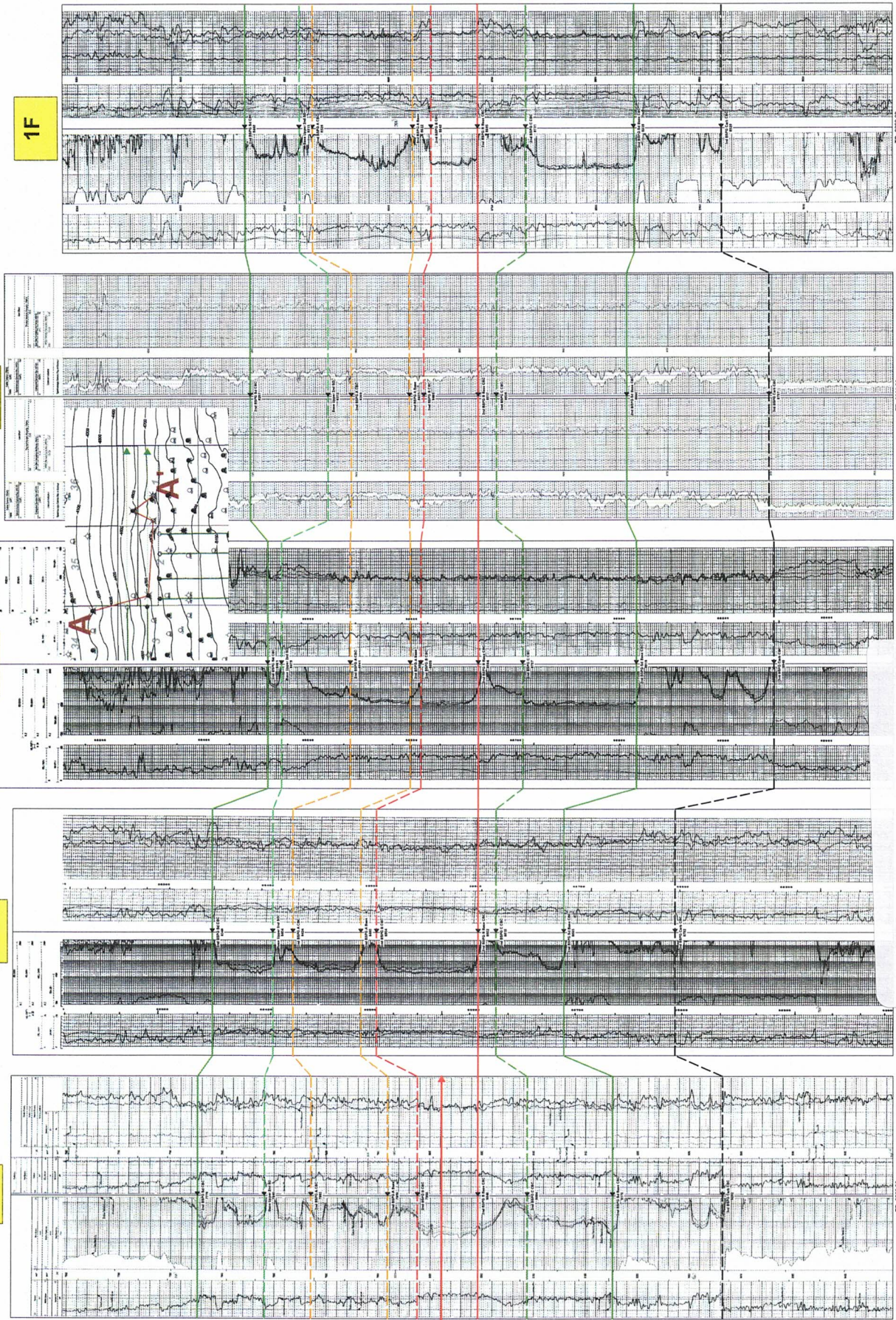
30025100000
MACDONALD US INC
RANGERS FEDERAL 001
899 P.W. 990 P.W.
TWP: 18 S - Range 32 E - Sec. 1

30025100000
CHANDON US INC
SPRINKLE B FEDERAL 2
2110 P.W. 330 P.W.
TWP: 18 S - Range 32 E - Sec. 1

30025100000
WATER ELEC CO
AMOCO 2 STATE 1
1800 P.W. 660 P.W.
TWP: 18 S - Range 32 E - Sec. 2

30025100000
MARBON BERRY CORP
DAILY FEDERAL 002
1930 P.W. 380 P.W.
TWP: 17 S - Range 32 E - Sec. 34

A



Nightwatch 2/1 2nd BSPG SD
XSec Exhibit (A-A')

ATTACHMENT B

2nd Bone
ing Sand

Nightwatch 2/1 2nd
BSPG SD target

Top 3rd Bone
Spring
Carbonate

Mewbourne Oil Company

ATTACHMENT **C**

SURVEY CALCULATION REPORT Minimum Curvature Calculations

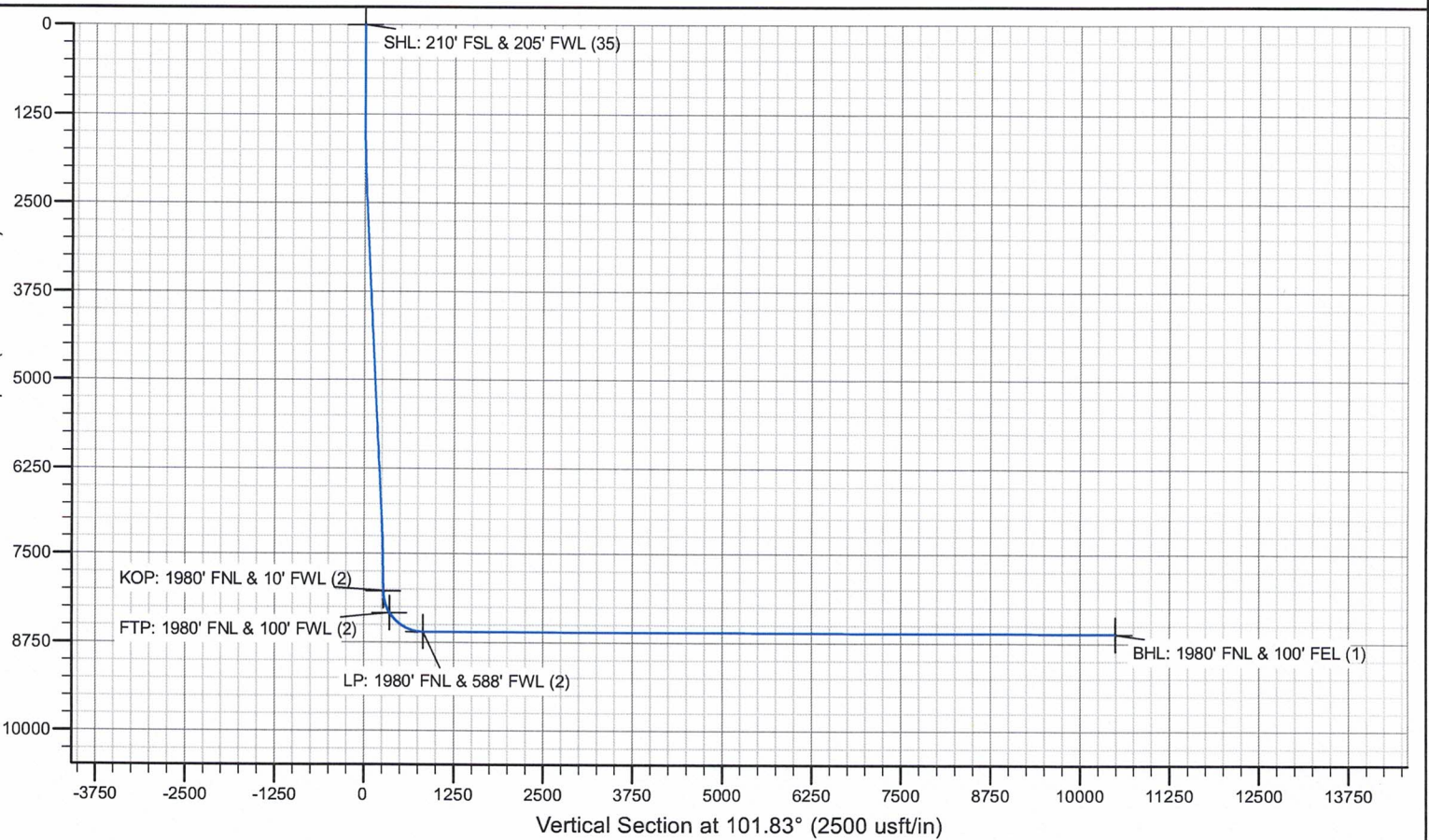
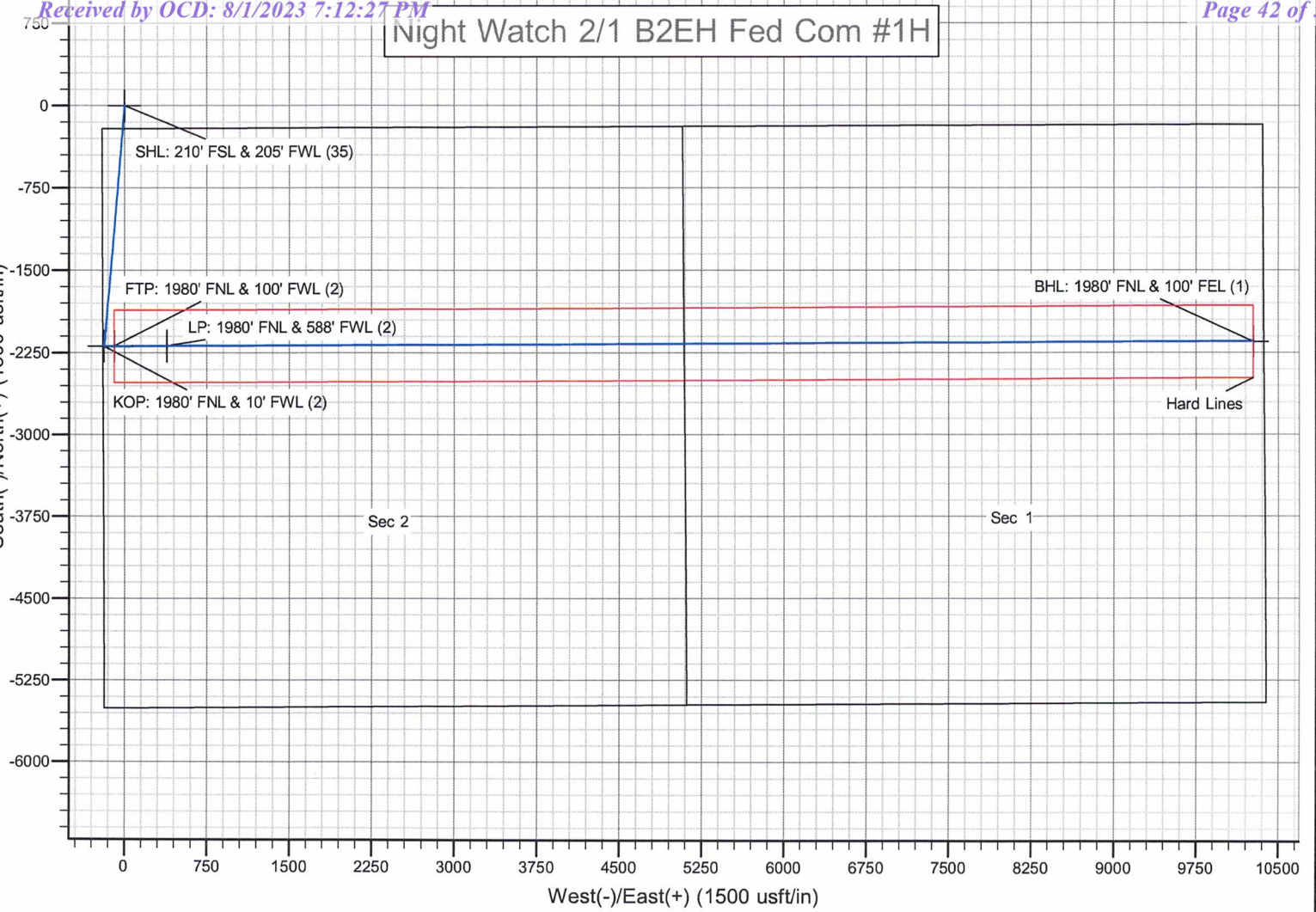
Operator: Mewbourne Oil Company
 Lease Name: Night Watch 2/1 B2DA Fed Com 1H
 KOP 7914.54
 SL: 230 FSL & 205 FWL; Sec 35-17S-32E
 PBHL: 660 FNL & 100 FEL; Sec 1-18S-32E

Target KBTVD: 8,392 Feet 8392.00
 Target Angle: 89.71 Degrees 89.71
 Section Plane: 95.00 Degrees
 Declination Corrected to True North: 6.63 Degrees
 Bit to Survey Offset: 44 Feet

Survey No.	Measured Depth-ft	Drift (Deg.)	Azimuth (Deg.)	Course Length	TVD (Feet)	Vertical Section	+N/-S (Feet)	+E/-W (Feet)	Closure Distance	Closure Direction	BUR	DLS	KBTVD	+Above		DRIFT RADIANS	AZIMUTH (RADIANS)
														-Below Target			
T/I	7914.54	0.00	95.00	N/A	7914.5	0.0	0.0	0.0	0.0	0.0	N/A	N/A	7914.5	477.5	1E-12	1.66	#VALUE!
1	7989.29	8.97	95.00	74.756	7989.0	5.8	-0.5	5.8	5.8	95.0	12.0	12.0	7989.0	403.0	0.15657	1.66	0.15656906
2	8064.05	17.94	95.00	74.756	8061.6	23.2	-2.0	23.1	23.2	95.0	12.0	12.0	8061.5	330.5	0.31314	1.66	0.15656906
3	8138.80	26.91	95.00	74.756	8130.6	51.7	-4.5	51.5	51.7	95.0	12.0	12.0	8130.4	261.6	0.46971	1.66	0.15656906
4	8213.56	35.88	95.00	74.756	8194.4	90.6	-7.9	90.3	90.6	95.0	12.0	12.0	8193.9	198.1	0.62628	1.66	0.15656906
5	8288.32	44.85	95.00	74.756	8251.3	139.0	-12.1	138.5	139.0	95.0	12.0	12.0	8250.6	141.4	0.78285	1.66	0.15656906
6	8363.07	53.82	95.00	74.756	8300.0	195.6	-17.0	194.9	195.6	95.0	12.0	12.0	8299.0	93.0	0.93941	1.66	0.15656906
7	8437.83	62.80	95.00	74.756	8339.2	259.2	-22.6	258.2	259.2	95.0	12.0	12.0	8337.9	54.1	1.09598	1.66	0.15656906
8	8512.58	71.77	95.00	74.756	8368.0	328.1	-28.6	326.8	328.1	95.0	12.0	12.0	8366.3	25.7	1.25255	1.66	0.15656906
9	8587.34	80.74	95.00	74.756	8385.8	400.6	-34.9	399.1	400.6	95.0	12.0	12.0	8383.7	8.3	1.40912	1.66	0.15656906
10	8662.10	89.71	95.00	74.756	8392.0	475.0	-41.4	473.2	475.0	95.0	12.0	12.0	8389.6	2.4	1.56569	1.66	0.15656906
11	8700.00	89.71	95.00	37.903	8392.2	512.9	-44.7	511.0	512.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
12	8800.00	89.71	95.00	100	8392.7	612.9	-53.4	610.6	612.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
13	8900.00	89.71	95.00	100	8393.2	712.9	-62.1	710.2	712.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
14	9000.00	89.71	95.00	100	8393.7	812.9	-70.8	809.8	812.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
15	9100.00	89.71	95.00	100	8394.2	912.9	-79.5	909.5	912.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
16	9200.00	89.71	95.00	100	8394.7	1012.9	-88.2	1009.1	1012.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
17	9300.00	89.71	95.00	100	8395.3	1112.9	-96.9	1108.7	1112.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
18	9400.00	89.71	95.00	100	8395.8	1212.9	-105.6	1208.3	1212.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
19	9500.00	89.71	95.00	100	8396.3	1312.9	-114.3	1307.9	1312.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
20	9600.00	89.71	95.00	100	8396.8	1412.9	-123.0	1407.6	1412.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
21	9700.00	89.71	95.00	100	8397.3	1512.9	-131.7	1507.2	1512.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
22	9800.00	89.71	95.00	100	8397.8	1612.9	-140.4	1606.8	1612.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
23	9900.00	89.71	95.00	100	8398.3	1712.9	-149.2	1706.4	1712.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
24	10000.00	89.71	95.00	100	8398.8	1812.9	-157.9	1806.0	1812.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
25	10100.00	89.71	95.00	100	8399.3	1912.9	-166.6	1905.6	1912.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
26	10200.00	89.71	95.00	100	8399.8	2012.9	-175.3	2005.3	2012.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
27	10300.00	89.71	95.00	100	8400.4	2112.9	-184.0	2104.9	2112.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
28	10400.00	89.71	95.00	100	8400.9	2212.9	-192.7	2204.5	2212.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
29	10500.00	89.71	95.00	100	8401.4	2312.9	-201.4	2304.1	2312.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
30	10600.00	89.71	95.00	100	8401.9	2412.9	-210.1	2403.7	2412.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
31	10700.00	89.71	95.00	100	8402.4	2512.9	-218.8	2503.4	2512.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
32	10800.00	89.71	95.00	100	8402.9	2612.9	-227.5	2603.0	2612.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
33	10900.00	89.71	95.00	100	8403.4	2712.9	-236.2	2702.6	2712.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
34	11000.00	89.71	95.00	100	8403.9	2812.9	-244.9	2802.2	2812.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
35	11100.00	89.71	95.00	100	8404.4	2912.9	-253.6	2901.8	2912.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
36	11200.00	89.71	95.00	100	8405.0	3012.9	-262.4	3001.5	3012.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
37	11300.00	89.71	95.00	100	8405.5	3112.9	-271.1	3101.1	3112.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
38	11400.00	89.71	95.00	100	8406.0	3212.9	-279.8	3200.7	3212.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
39	11500.00	89.71	95.00	100	8406.5	3312.9	-288.5	3300.3	3312.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
40	11600.00	89.71	95.00	100	8407.0	3412.9	-297.2	3399.9	3412.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
41	11700.00	89.71	95.00	100	8407.5	3512.9	-305.9	3499.5	3512.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
42	11800.00	89.71	95.00	100	8408.0	3612.9	-314.6	3599.2	3612.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
43	11900.00	89.71	95.00	100	8408.5	3712.9	-323.3	3698.8	3712.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
44	12000.00	89.71	95.00	100	8409.0	3812.9	-332.0	3798.4	3812.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
45	12100.00	89.71	95.00	100	8409.5	3912.9	-340.7	3898.0	3912.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
46	12200.00	89.71	95.00	100	8410.1	4012.9	-349.4	3997.6	4012.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
47	12300.00	89.71	95.00	100	8410.6	4112.9	-358.1	4097.3	4112.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
48	12400.00	89.71	95.00	100	8411.1	4212.9	-366.8	4196.9	4212.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
49	12500.00	89.71	95.00	100	8411.6	4312.9	-375.6	4296.5	4312.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
50	12600.00	89.71	95.00	100	8412.1	4412.9	-384.3	4396.1	4412.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
51	12700.00	89.71	95.00	100	8412.6	4512.9	-393.0	4495.7	4512.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
52	12800.00	89.71	95.00	100	8413.1	4612.9	-401.7	4595.4	4612.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
53	12900.00	89.71	95.00	100	8413.6	4712.9	-410.4	4695.0	4712.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
54	13000.00	89.71	95.00	100	8414.1	4812.9	-419.1	4794.6	4812.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10

55	13100.00	89.71	95.00	100	8414.7	4912.9	-427.8	4894.2	4912.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
56	13200.00	89.71	95.00	100	8415.2	5012.9	-436.5	4993.8	5012.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
57	13300.00	89.71	95.00	100	8415.7	5112.9	-445.2	5093.4	5112.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
58	13400.00	89.71	95.00	100	8416.2	5212.9	-453.9	5193.1	5212.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
59	13500.00	89.71	95.00	100	8416.7	5312.9	-462.6	5292.7	5312.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
60	13600.00	89.71	95.00	100	8417.2	5412.9	-471.3	5392.3	5412.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
61	13700.00	89.71	95.00	100	8417.7	5512.9	-480.0	5491.9	5512.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
62	13800.00	89.71	95.00	100	8418.2	5612.9	-488.8	5591.5	5612.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
63	13900.00	89.71	95.00	100	8418.7	5712.9	-497.5	5691.2	5712.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
64	14000.00	89.71	95.00	100	8419.2	5812.9	-506.2	5790.8	5812.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
65	14100.00	89.71	95.00	100	8419.8	5912.9	-514.9	5890.4	5912.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
66	14200.00	89.71	95.00	100	8420.3	6012.9	-523.6	5990.0	6012.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
67	14300.00	89.71	95.00	100	8420.8	6112.9	-532.3	6089.6	6112.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
68	14400.00	89.71	95.00	100	8421.3	6212.9	-541.0	6189.3	6212.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
69	14500.00	89.71	95.00	100	8421.8	6312.9	-549.7	6288.9	6312.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
70	14600.00	89.71	95.00	100	8422.3	6412.9	-558.4	6388.5	6412.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
71	14700.00	89.71	95.00	100	8422.8	6512.9	-567.1	6488.1	6512.9	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
72	14800.00	89.71	95.00	100	8423.3	6612.8	-575.8	6587.7	6612.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
73	14900.00	89.71	95.00	100	8423.8	6712.8	-584.5	6687.3	6712.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
74	15000.00	89.71	95.00	100	8424.4	6812.8	-593.2	6787.0	6812.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
75	15100.00	89.71	95.00	100	8424.9	6912.8	-602.0	6886.6	6912.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
76	15200.00	89.71	95.00	100	8425.4	7012.8	-610.7	6986.2	7012.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
77	15300.00	89.71	95.00	100	8425.9	7112.8	-619.4	7085.8	7112.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
78	15400.00	89.71	95.00	100	8426.4	7212.8	-628.1	7185.4	7212.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
79	15500.00	89.71	95.00	100	8426.9	7312.8	-636.8	7285.1	7312.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
80	15600.00	89.71	95.00	100	8427.4	7412.8	-645.5	7384.7	7412.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
81	15700.00	89.71	95.00	100	8427.9	7512.8	-654.2	7484.3	7512.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
82	15800.00	89.71	95.00	100	8428.4	7612.8	-662.9	7583.9	7612.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
83	15900.00	89.71	95.00	100	8428.9	7712.8	-671.6	7683.5	7712.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
84	16000.00	89.71	95.00	100	8429.5	7812.8	-680.3	7783.2	7812.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
85	16100.00	89.71	95.00	100	8430.0	7912.8	-689.0	7882.8	7912.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
86	16200.00	89.71	95.00	100	8430.5	8012.8	-697.7	7982.4	8012.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
87	16300.00	89.71	95.00	100	8431.0	8112.8	-706.4	8082.0	8112.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
88	16400.00	89.71	95.00	100	8431.5	8212.8	-715.2	8181.6	8212.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
89	16500.00	89.71	95.00	100	8432.0	8312.8	-723.9	8281.3	8312.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
90	16600.00	89.71	95.00	100	8432.5	8412.8	-732.6	8380.9	8412.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
91	16700.00	89.71	95.00	100	8433.0	8512.8	-741.3	8480.5	8512.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
92	16800.00	89.71	95.00	100	8433.5	8612.8	-750.0	8580.1	8612.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
93	16900.00	89.71	95.00	100	8434.1	8712.8	-758.7	8679.7	8712.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
94	17000.00	89.71	95.00	100	8434.6	8812.8	-767.4	8779.3	8812.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
95	17100.00	89.71	95.00	100	8435.1	8912.8	-776.1	8879.0	8912.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
96	17200.00	89.71	95.00	100	8435.6	9012.8	-784.8	8978.6	9012.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
97	17300.00	89.71	95.00	100	8436.1	9112.8	-793.5	9078.2	9112.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
98	17400.00	89.71	95.00	100	8436.6	9212.8	-802.2	9177.8	9212.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
99	17500.00	89.71	95.00	100	8437.1	9312.8	-810.9	9277.4	9312.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
100	17600.00	89.71	95.00	100	8437.6	9412.8	-819.6	9377.1	9412.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
101	17700.00	89.71	95.00	100	8438.1	9512.8	-828.4	9476.7	9512.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
102	17800.00	89.71	95.00	100	8438.6	9612.8	-837.1	9576.3	9612.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
103	17900.00	89.71	95.00	100	8439.2	9712.8	-845.8	9675.9	9712.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
104	18000.00	89.71	95.00	100	8439.7	9812.8	-854.5	9775.5	9812.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
105	18100.00	89.71	95.00	100	8440.2	9912.8	-863.2	9875.2	9912.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
106	18200.00	89.71	95.00	100	8440.7	10012.8	-871.9	9974.8	10012.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
107	18300.00	89.71	95.00	100	8441.2	10112.8	-880.6	10074.4	10112.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10
108	18400.00	89.71	95.00	100	8441.7	10212.8	-889.3	10174.0	10212.8	95.0	0.0	0.0	8389.6	2.4	1.56569	1.66	1E-10

Night Watch 2/1 B2EH Fed Com #1H



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

July 13, 2023

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of an application for compulsory pooling and a non-standard spacing and proration unit, filed by Mewbourne Oil Company with the Oil Conservation Division (Case No. 23693), seeking to pool the Bone Spring formation underlying a horizontal spacing unit comprised of Lots 1-4 and the S/2N/2 (the N/2) of Section 2 and Lots 1-4 and the S/2N/2 (the N/2) of Section 1, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Applicant proposes to drill the following wells to a depth sufficient to test the Bone Spring formation: (a) the Night Watch 2/1 B2DA Fed. Com. Well No. 1H, with a first take point in Lot 4 of Section 2 and a last take point in Lot 1 of Section 1; and (b) the Night Watch 2/1 B2EH Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4NW/4 of Section 2 and a last take point in the SE/4NE/4 of Section 1.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, August 3, 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 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 application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than 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.

ATTACHMENT

A

Very truly yours,

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

James Bruce

Attorney for Mewbourne Oil Company

BEXP II Alpha, LLC
5914 West Courtyard Drive, STE 340
Austin, TX 78730
Attn: Anthony Cross

BEXP II Omega, LLC
5914 West Courtyard Drive, STE 340
Austin, TX 78730
Attn: Anthony Cross

Cross Timbers Energy, LLC
400 West 7th Street
Fort Worth, TX 76102
Attn: Caylee Hicks

Devon Energy Production Company LP
333 W. Sheridan Ave.
Oklahoma City, Oklahoma 73102
Attn: Permian Land Manager

James L. Harden III
13521 W Wesley Ave
Lakewood, CO 80228-4744

SWAWBW, LLC
812 Foster Hill
Nashville, TN 37215
Attn: Permian Land Manager

HORSESHOE OPERATING, INC.
110 W. Louisiana Ave.
Midland, TX 79701
Attn: Erin Slape

EXHIBIT

A

O.H.B. INC
P.O. Box 1432
San Angelo, TX 76902-1432
Attn: Permian Land Manager

Jack Huff Energy Ltd.
P.O. Box 50190
Midland, TX 79710
Attn: Permian Land Manager

MRC Delaware Resources, LLC
One Lincoln Centre
5400 LBJ Freeway, STE 1500
Dallas, TX 75240
Attn: Nick Weeks

Lewis Burleson Properties, LP
P.O. Box 2479
Midland, TX 79702
Attn: Permian Land Manager

Yates Energy Corporation
P.O. Box 2323
Roswell, NM 88202
Attn: Permian Land Manager

Yates-US Inc.
P.O. Box 2323
Roswell, NM 88202
Attn: Permian Land Manager

Burleson Petroleum, Inc.
P.O. Box 2479
Midland, TX 79702
Attn: Permian Land Manager

Chel-Trand Holdings, LLC
110 W. Louisiana Ave., STE 200
Midland, TX 79701-3414
Attn: Permian Land Manager

Rhodes Interests, Ltd.
110 W. Louisiana Ave., STE 200
Midland, TX 79701-3414
Attn: Permian Land Manager

Carolyn L. Shogrin, individually and Personal Representative of the Estate of Frank L.
Shogrin, deceased
4614 590th Rd
Hay Springs, NE 69347

KMK Energy, LLC
4506 N. Walbaum Road
Geary, OK 73040
Attn: Permian Land Manager

MEC Development, Ltd.
P.O. Box 4000
The Woodlands, TX 77380-4000
Attn: Permian Land Manager

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
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jamesbruc@aol.com

ATTACHMENT

B

July 13, 2023

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

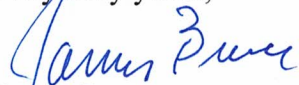
To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of an application for compulsory pooling and a non-standard spacing and proration unit, filed by Mewbourne Oil Company with the Oil Conservation Division (Case No. 23693), seeking to pool the Bone Spring formation underlying a horizontal spacing unit comprised of Lots 1-4 and the S/2N/2 (the N/2) of Section 2 and Lots 1-4 and the S/2N/2 (the N/2) of Section 1, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Applicant proposes to drill the following wells to a depth sufficient to test the Bone Spring formation: (a) the Night Watch 2/1 B2DA Fed. Com. Well No. 1H, with a first take point in Lot 4 of Section 2 and a last take point in Lot 1 of Section 1; and (b) the Night Watch 2/1 B2EH Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4NW/4 of Section 2 and a last take point in the SE/4NE/4 of Section 1. YOU ARE BEING NOTIFIED ONLY AS TO THE NON-STANDARD UNIT PORTION OF THE APPLICATION.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, August 3, 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 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 application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than 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,

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

James Bruce

Attorney for Mewbourne Oil Company

**List of Affected Entities for Night Watch 2/1 NSP
covering the N2 of Section 2 and the N2 of Sec. 1, Lea County, NM:**

1. Bureau of Land Management
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
2. New Mexico State Land Office
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, NM 87501-1148
3. Timothy 6, LLC
P.O. Box 30598
Edmond, OK 73003
4. Anderson Oil, Ltd.
5005 Woodway, STE 300
Houston, TX 77056
5. BEXP II Alpha, LLC
5914 West Courtyard Drive, STE 340
Austin, TX 78730
6. BEXP II Omega, LLC
5914 West Courtyard Drive, STE 340
Austin, TX 78730
7. Burleson Petroleum, Inc.
P.O. Box 2479
Midland, TX 79702
8. Carolyn L. Shogrin, individually and as
Personal Representative of the Estate of
Frank L. Shogrin, deceased
4614 590th Rd.
Hay Springs, NE 69347
9. Chel-Trand Holdings, LLC
110 W. Louisiana Ave., STE 200
Midland, TX 79701-3414
10. Cross Timbers Energy, LLC
400 West 7th Street
Fort Worth, TX 76102
11. Devon Energy Production Company LP
333 W. Sheridan Ave.
Oklahoma City, Oklahoma 73102

12. HORSESHOE OPERATING, INC.
110 W. Louisiana Ave.
Midland, TX 79701
13. Jack Huff Energy Ltd.
P.O. Box 50190
Midland, TX 79710
14. Jalapeno Corporation
P.O. Box 1608
Albuquerque, NM 87103
15. James L. Harden III
13521 W Wesley Ave
Lakewood, CO 80228-4744
16. Kellie Halabrin
56 Sabinas Ridge Road
Boerne, TX 78006
17. KMK Energy, LLC
4506 N. Walbaum Road
Geary, OK 73040
18. Kris H. Youell
56 Sabinas Ridge Road
Boerne, TX 78006
19. Lewis Burlison Properties, LP
P.O. Box 2479
Midland, TX 79702
20. Lonsdale Resources, LLC
2626 Cole Avenue, STE 300
Dallas, TX 75204
21. Maduro Oil & Gas, LLC
3102 Maple Ave.
Dallas, TX 75201
22. MRC DELAWARE RESOURCES LLC
One Lincoln Centre
5400 LBJ Freeway, SUITE 1500
Dallas, TX 75240
23. Nadel and Gussman Capitan, LLC
15 East Fifth Street, STE 3200
Tulsa, Oklahoma 74103
24. OXY USA Inc.
5 Greenway Plaza, STE 110
Houston, TX 77046

25. Rhodes Interests Ltd.
110 W. Louisiana Ave., STE 200
Midland, TX 79701
26. O.H.B. INC
P.O. Box 1432
San Angelo, TX 76902-1432
27. Roger B. Hardee
2914 Bur Oak Ct.
Richmond, TX 77469
28. Roy G. Barton Sr. & Opal Barton
Revocable Trust dated 2/28/1982
1919 N. Turner St.
Hobbs, NM 88240
29. Sharbro Energy, LLC
P.O. Box 840
Artesia, NM 88211
30. Shogoil& Gas Co., LLC
4614 590th Rd.
Hay Springs, NE 69347
31. SWAWBW, LLC
812 Foster Hill
Nashville, TN 37215
32. Veer Capital Partners LLC
7670 Woodway Dr. STE 357
Houston, TX 77063
33. W.T. WYNN
1603 W. Dengar
Midland, TX 79705
34. Word B. Wilson Investments LLC
P.O. Box 51790
Midland, TX 79710
35. Yates Energy Corporation
400 N. Pennsylvania Ave.
Roswell, NM 88201
36. Yates-US Inc.
P.O. Box 2323
Roswell, New Mexico 88202-2323

NOTICE

To: (a) BEXP II Alpha, LLC, BEXP II Omega, LLC, Cross Timbers Energy, LLC, Devon Energy Production Company L.P., James L. Harden III, SWAWBW, LLC, Horseshoe Operating, Inc., O.H.B. Inc., Jack Huff Energy Ltd., MRC Delaware Resources LLC, Lewis Burleson Properties, LP, Yates Energy Corporation, and Yates-US Inc., Burleson Petroleum, Inc., Chel-Trand Holdings, LLC, Rhodes Interests Ltd., Carolyn L. Shogrin, individually and as Personal Representative of the Estate of Frank L. Shogrin, KMK Energy, LLC, and MEC Development, Ltd. (as to the non-standard unit portion of the application), and (b) Bureau of Land Management, New Mexico State Land Office, Timothy 6, LLC, Anderson Oil, Ltd., BEXP II Alpha, LLC, BEXP II Omega, LLC, Burleson Petroleum, Inc., Carolyn L. Shogrin, individually and as Personal Representative of the Estate of Frank L. Shogrin, Chel-Trand Holdings, LLC, Cross Timbers Energy, LLC, Devon Energy Production Company L.P., Horseshoe Operating, Inc., Jack Huff Energy Ltd., Jalapeno Corporation, James L. Harden III, Kellie Halabrin, KMK Energy, LLC, Kris H. Youell, Lewis Burleson Properties, LP, Lonsdale Resources, LLC, Maduro Oil & Gas, LLC, MRC Delaware Resources LLC, Nadel and Gussman Capitan, LLC, OXY USA Inc., Rhodes Interests Ltd., O.H.B. Inc., Roger B. Hardee, Roy G. Barton Sr. & Opal Barton Revocable Trust dated 2/28/1982, Sharbro Energy, LLC, Shogoil & Gas Co., LLC, SWAWBW, LLC, Veer Capital Partners LLC, W.T. Wynn, Word B. Wilson Investments LLC, Yates Energy Corporation, and Yates-US Inc. (as to the non-standard unit portion of the application), or your heirs, devisees, successors, or assigns: Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division (Case No. 23693) seeking an order pooling all uncommitted mineral interest owners in the Bone Spring formation, and approval of a non-standard spacing and proration unit (in the Young; Bone Spring, North Pool), underlying horizontal spacing unit comprised of Lots 1-4 and the S/2N/2 (the N/2) of Section 2 and Lots 1-4 and the S/2N/2 (the N/2) of Section 1, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Applicant proposes to drill the following wells to a depth sufficient to test the Bone Spring formation: (a) the Night Watch 2/1 B2DA Fed. Com. Well No. 1H, with a first take point in Lot 4 of Section 2 and a last take point in Lot 1 of Section 1; and (b) the Night Watch 2/1 B2EH Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4NW/4 of Section 2 and a last take point in the SE/4NE/4 of Section 1. 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.

This matter is scheduled for hearing on August 3, 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 application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than 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

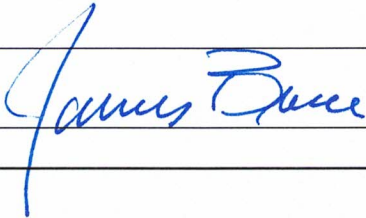
EXHIBIT 6

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 units are located approximately 5-1/2 miles south-southeast of Maljamar, New Mexico.

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 23693	APPLICANT'S RESPONSE
Date: August 3, 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 and Approval of a Non-Standard Spacing and Proration Unit, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Night Watch 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:	Young; Bone Spring, North/Pool Code 63350
Well Location Setback Rules:	Statewide Rules for horizontal wells – 330' and 100' setbacks
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	641.56 acres
Building Blocks:	40 acres
Orientation:	West-East
Description: TRS/County	Lots 1-4 and the S/2N/2 §2 and Lots 1-4 and the S/2N/2 §1, Township 18 South, Range 32 East, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	No Approval is requested in this application
Other Situations	EXHIBIT 7
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No

Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 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	Night Watch 2/1 B2DA Federal Com. Well No. 1H API No. 30-025-51643 SHL: 230 FSL & 205 FWL §35-17S-32E BHL: 660 FNL & 100 FEL §1 FTP: 660 FNL & 100 FWL §2 LTP: 660 FNL & 100 FEL §1 Second Bone Spring/TVD 8454 feet/MD 17348 feet
Well #2	Night Watch 2/1 B2EH Federal Com. Well No. 1H API No. 30-025-51644 SHL: 210 FSL & 205 FWL §35-17S-32E BHL: 1980 FNL & 100 FEL §1 FTP: 1980 FNL & 100 FWL §2 LTP: 1980 FNL & 100 FEL §1 Second Bone Spring/TVD 8617 feet/MD 19191 feet
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 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 6
Ownership Determination	
Land Ownership Schematic of	Exhibit 2-B

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	
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)	West-East Exhibits 3 and 3-A
Target Formation	Second Bone Spring Sand
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-B
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):	
Date:	August 1, 2023