

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

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

Case Nos. 23708 - 23709

NOTICE OF FILING ADDITIONAL EXHIBITS

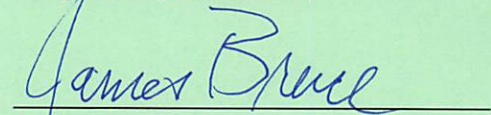
Mewbourne Oil Company submits for filing the following:

Replacement Exhibit 1 in Case No. 23708.

Replacement Exhibit 1 in Case No. 23709.

Both are Pooling Checklists, with the Special Provision attached.

Respectfully submitted,



James Bruce
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Attorney for Mewbourne Oil Company

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 23708	APPLICANT'S RESPONSE
Date: November 2, 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, Eddy County, New Mexico
Entries of Appearance/Intervenors:	Magnum Hunter Production, Inc./Darin Savage American Energy Research, LLC/Jonathan Samaniego
Well Family	Sandlot Wolfcamp wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Entire Wolfcamp formation
Pool Name and Pool Code:	Purple Sage; Wolfcamp/Pool Code 98220
Well Location Setback Rules:	Statewide Rules and Purple Sage Special Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres
Building Blocks:	320 acres
Orientation:	East-West
Description: TRS/County	N/2 §9 and N/2 §8, Township 22 South, Range 27 East, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes <i>Replacement</i> EXHIBIT <u>1</u>
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N

Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Sandlot 9/8 Fee Well No. 711H f/k/a Sandlot 9/8 WOAD Fee Well No. 1H API No. 30-015-48080 SHL: 1900 FNL & 205 FWL §10-22S-27E BHL: 660 FNL & 330 FWL §8 FTP: 660 FNL & 330 FEL §9 LTP: 660 FNL & 330 FWL §8 Wolfcamp/TVD 8760 feet/MD 19115 feet
Well #2	Sandlot 9/8 Fee Well No. 713H f/k/a Sandlot 9/8 WOHE Fee Well No. 1H API No. 30-015-48079 SHL: 1930 FNL & 205 FWL §10-22S-27E BHL: 1980 FNL & 330 FWL §8 FTP: 1980 FNL & 330 FEL §9 LTP: 1980 FNL & 330 FWL §8 Wolfcamp/TVD 8760 feet/MD 19115 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 \$	\$10000
Production Supervision/Month \$	\$1000
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost plus 200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 8
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 5
Proof of Published Notice of Hearing (10 days before hearing)	N/A

Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-B
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	Yes
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	Exhibits 3-B and 3-C
Well Orientation (with rationale)	East-West; Exhibits 3, 3-A, and 3-C
Target Formation	Wolfcamp
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 Recapitulation (Tracts)	Exhibits 2-B
General Location Map (including basin)	Exhibits 3-A and 3-C
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	Exhibits 3-A and 3-B
Cross Section Location Map (including wells)	Exhibits 3-A and 3-B
Cross Section (including Landing Zone)	Exhibit 3-B
Additional Information	
Special Provisions/Stipulations	<u>See</u> Exhibit A-1 attached hereto
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	<i>James Bruce</i>
Date:	October 26, 2023

effective

Exhibit A-1: Special Provision Regarding that certain “Term Assignment of Oil & Gas Lease and Contractual Rights and Reservation of Overriding Royalty,” dated and effective June 18, 2019, between Magnum Hunter Production, Inc., as Assignor, and Mewbourne Oil Company, as Assignee (referred to herein as “Term Assignment”).

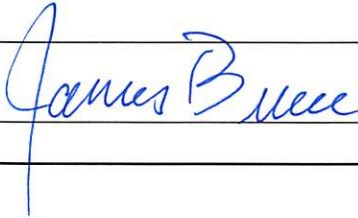
This Special Provision, agreed to by Mewbourne Oil Company (“MOC”) and Magnum Hunter Production, Inc., (“MHPI”) (collectively “Parties”), is made a part of and incorporated by reference into the Orders issued by the Oil Conservation Division (“OCD”) for Case Nos. 23708 and 23709, as a Special Provision to the OCD’s Compulsory Pooling Checklist for said Cases. MOC and MHPI recognize the authority of the OCD to determine which interests should be pooled in a compulsory pooling case pursuant to the New Mexico Oil and Gas Act (“Act”), the critical interest to be pooled being the working interest which gives the owner a right to participate in a well and unit. At the time of the hearing for Case Nos. 23708 and 23709, MOC claims that it owns the working interest based on said Term Assignment. MHPI disputes this claim asserting that the Term Assignment has terminated by its own terms. The Parties recognize that the OCD does not have jurisdiction to adjudicate or resolve title issues; however, pursuant to the OCD’s authority to acknowledge MOC’s assertion of ownership in a hearing but only for the purpose of adjudicating the compulsory pooling process,¹ MOC pools only the working interest it owns, derives, or has received from the Term Assignment and no other working interest related to the lands described in and covered by the Term Assignment or its termination. Any working interest that MHPI owns, derives, receives, or has received from the termination of the Term Assignment remains unpooled. At any point in time, if it is determined (by a ruling of a state or federal court, or other governmental body with authority to adjudicate title, or by agreement of the Parties themselves) that MHPI is the owner of working interest derived or received from the termination of the Term Assignment, then MHPI agrees to subject the working interest it owns from the termination of the Term Assignment to a subsequent compulsory pooling by MOC, or its successor in interest or assigns, at which time based on MHPI’s ownership, MOC, its successors or assigns, will recognize MHPI’s right to elect to participate under the pooling order and will make available to MHPI its option to elect to participate in the wells and units to which the working interest from termination of the Term Assignment applies.

¹ The OCD can proceed with administrative approval of an application based on a good faith claim of ownership made by the applicant. *See, e.g.*, Order No. No. R-12108, ¶ 23(a); the Oil Conservation Commission has no jurisdiction to determine title to an interest in real property, but it has the authority to make threshold decisions regarding ownership for purposes of determining rights under the pooling statutes. *See* Order No. R-12376-C, ¶¶19(a) & (b).

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
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Date: November 2, 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, Eddy County, New Mexico
Entries of Appearance/Intervenors:	Magnum Hunter Production, Inc./Darin Savage American Energy Research, LLC/Jonathan Samaniego
Well Family	Sandlot Wolfcamp wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Entire Wolfcamp formation
Pool Name and Pool Code:	Purple Sage; Wolfcamp/Pool Code 98220
Well Location Setback Rules:	Statewide Rules and Purple Sage Special Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres
Building Blocks:	320 acres
Orientation:	East-West
Description: TRS/County	S/2 §9 and S/2 §8, Township 22 South, Range 27 East, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes EXHIBIT <i>Replacement</i> 1
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N

Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
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Well #2	Sandlot 9/8 Fee Well No. 718H f/k/a Sandlot 9/8 WOPM Fee Well No. 1H API No. 30-015-48077 SHL: 1135 FSL & 365 FWL §10-22S-27E BHL: 660 FSL & 330 FWL §8 FTP: 660 FSL & 330 FEL §9 LTP: 660 FSL & 330 FWL §8 Wolfcamp/TVD 8774 feet/MD 19306 feet
Horizontal Well First and Last Take Points	See above
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AFF Capex and Operating Costs	
Drilling Supervision/Month \$	\$10000
Production Supervision/Month \$	\$1000
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Requested Risk Charge	Cost plus 200%
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Depth Severance Discussion	N/A
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Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	October 26, 2023

Effective

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