

CASE NO. 24047

**APPLICATION OF MEWBOURNE OIL COMPANY TO AMEND ORDER NO. R-21985  
FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO**

EXHIBIT LIST

1. Order No. R-21985
2. Landman's Affidavit
  - 2-A: Plats
  - 2-B: Ownership Summary and Proposal Letter
3. Affidavit of Mailing
  - 3-A: Notice Letter and Return Receipts
4. Application and Proposed Notice

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

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

CASE NO. 22191  
ORDER NO. R-21985

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on January 6, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

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

CONCLUSIONS OF LAW

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

EXHIBIT

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

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

### **ORDER**

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

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well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
ADRIENNE SANDOVAL  
DIRECTOR  
AES/jag

Date: 1/26/2022

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ORDER NO. R-21985

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**Exhibit A**

Received by OCD: 10/6/2021 8:07:33 AM

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**COMPULSORY POOLING APPLICATION CHECKLIST**

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case:</b>	<b>22191</b>
<b>Date:</b>	<b>October 7, 2021</b>
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No.14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Journey 11/12 B1LI wells
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bonespring formation
Pool Name and Pool Code:	Malaga; Bone Spring/Pool Code 42800
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	East-West
Description: TRS/County	N/2S/2 §11 and N/2S/2 §12-24S-28E, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
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
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Journey 11/12 B1LI Fed. Com. Well No. 1H API No. 30-015-Pending SHL: 1,785' FSL & 250' FWL §11 BHL: 2,140' FSL & 100' FEL §12 FTP: 2140' FSL & 100 FWL §11 LTP: 2,140' FSL & 100 FEL §12 1 <sup>st</sup> Bone Spring/TVD 7,497 feet/MD 17,451 feet

EXHIBIT 5

Released to Imaging: 10/6/2021 8:25:00 AM

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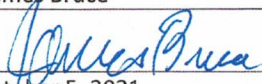
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	Journey11/1 2 B2LI Fed. Com. Well No. 1H API No. 30-015-Pending SHL: 1,785' FSL & 250' FWL §11 BHL: 2,140' FSL & 100' FEL §12 FTP: 2140' FSL & 100 FWL §11 LTP: 2,140' FSL & 100 FEL §12 2 <sup>nd</sup> Bone Spring/TVD 8,457 feet/MD 18,382 feet
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2, page 2
<b>Notice of Hearing</b>	
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)	
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-B
Pooled Parties (including ownership type)	Exhibit 2-B
Unlocatable Parties to be Pooled	Not applicable
Ownership Depth Severance (including percentage above & below)	None
<b>Joinder</b>	
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
<b>Geology</b>	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 2-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-C
Well Orientation (with rationale)	Standup/Exhibit 3

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Received by OCD: 10/6/2021 8:07:33 AM Target Formation	Bone Spring	Page 40 of 40
HSU Cross Section	Exhibit 3-C	
Depth Severance Discussion	Not Applicable	
<b>Forms, Figures and Tables</b>		
C-102	Exhibit 2-A	
Tracts	Exhibit 2-A	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B	
General Location Map (including basin)	Exhibit 2-A	
Well Bore Location Map	Exhibit 2-A	
Structure Contour Map - Subsea Depth	Exhibit 3-A	
Cross Section Location Map (including wells)	Exhibit 3-C	
Cross Section (including Landing Zone)	Exhibit 3-C	
<b>Additional Information</b>		
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>		
Printed Name (Attorney or Party Representative):	James Bruce	
Signed Name (Attorney or Party Representative):		
Date:	October 5, 2021	

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CASE NO. 22191  
ORDER NO. R-21985



**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  
TO AMEND ORDER NO. R-21985 FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.**

**Case No. 24047**

**VERIFIED STATEMENT OF CARSON CULLEN**

Carson Cullen 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. The purpose of this application is to force pool additional working interest and mineral owners into the Bone Spring horizontal spacing unit described below.
3. The interest owners being pooled have been contacted regarding the proposed wells but have simply refused to voluntarily commit their interests to the wells. Some interest owners are or may be unlocatable.
4. In this case Mewbourne seeks an order amending Order No. R-21985 for compulsory pooling to pool all uncommitted mineral interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the N/2S/2 of Section 11 and the N/2S/2 of Section 12, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the Journey 11/12 B1LI Fed. Com. Well No. 1H and the Journey 11/12 B2LI Fed. Com. Well No. 1H, with first take points in the NW/4SW/4 of Section 11 and last take points in the NE/4SE/4 of Section 12. The prior order is submitted as Exhibit 1.
5. There are no depth severances in the Bone Spring formation.
6. Land plats and information on the parties being pooled and their interests are set forth in Exhibit 2-A. To find the addresses for the parties we examined county and government records, and also conducted internet searches including google and drillinginfo.
7. Exhibit 2-B contains a summary of contacts with the interest owners, together with a sample copy of the proposal letters sent to them.

EXHIBIT

2

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

9. 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.

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

11. Applicant requests that it be designated operator of the wells.

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

13. The granting of this application is in the interests of conservation and the prevention of waste.

I understand that this Self-Affirmed Statement will be used as written testimony in these cases. I affirm that my testimony in paragraphs 1 through 13 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.

1-2-2024

Date



Carson Cullen

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 <b>30-015- Bonding</b>		2 Pool Code <b>42800</b>		3 Pool Name <b>Melagaj Bone Spring, North</b>					
4 Property Code		5 Property Name <b>JOURNEY 11/12 BILI FED COM</b>		6 Well Number <b>1H</b>					
7 GRID NO. <b>14744</b>		8 Operator Name <b>MEWBOURNE OIL COMPANY</b>		9 Elevation <b>2999'</b>					
10 Surface Location									
UL or lot no. <b>M</b>	Section <b>11</b>	Township <b>24S</b>	Range <b>28E</b>	Lot Idn	Feet from the <b>1095</b>	North/South line <b>SOUTH</b>	Feet from the <b>265</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
11 Bottom Hole Location If Different From Surface									
UL or lot no. <b>I</b>	Section <b>12</b>	Township <b>24S</b>	Range <b>28E</b>	Lot Idn	Feet from the <b>2140</b>	North/South line <b>SOUTH</b>	Feet from the <b>100</b>	East/West line <b>EAST</b>	County <b>EDDY</b>
12 Dedicated Acres <b>3.20</b>	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 approved by the division.

EXHIBIT **2.A**

**16**

<p><u>GEODETTIC DATA</u>                  NAD 83 GRID - NM EAST   <u>SURFACE LOCATION</u>                  N: 446923.5 - E: 623973.5                   LAT: 32.2283864° N                  LONG: 104.0660913° W   <u>BOTTOM HOLE</u>                  N: 447865.5 - E: 634325.3                   LAT: 32.2309007° N                  LONG: 104.0326055° W</p>	<p><u>CORNER DATA</u>                  NAD 83 GRID - NM EAST                   A: FOUND 1/2" REBAR                  N: 445835.0 - E: 623710.0                   B: FOUND BRASS CAP "1942"                  N: 451079.2 - E: 623703.4                   C: FOUND RAILROAD SPIKE                  N: 451053.5 - E: 626388.7                   D: FOUND BRASS CAP "1942"                  N: 451029.8 - E: 629073.5                   E: FOUND BRASS CAP "1942"                  N: 451041.6 - E: 631739.8</p>	<p>F: FOUND BRASS CAP "1942"                  N: 451054.0 - E: 634408.7                   G: FOUND BRASS CAP "1942"                  N: 448388.8 - E: 634422.6                   H: FOUND 1" REBAR                  N: 445726.4 - E: 634436.4                   I: FOUND 1/2" REBAR                  N: 445707.6 - E: 629112.1</p>
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**OPERATOR CERTIFICATION**

I, \_\_\_\_\_, complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**18 SURVEYOR CERTIFICATION**  
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

**03/30/2021**  
 Date of Survey

Signature and Seal of Professional Surveyor \_\_\_\_\_

**19680**  
 Certificate Number



Job No: LS21030186

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  
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 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

<sup>1</sup> API Number <b>30-015-49184</b>		<sup>2</sup> Pool Code <b>42800</b>		<sup>3</sup> Pool Name <b>MALAGA; BONE SPRING, NORTH</b>					
<sup>4</sup> Property Code <b>331859</b>		<sup>5</sup> Property Name <b>JOURNEY 11/12 B2LI FED COM</b>						<sup>6</sup> Well Number <b>1H</b>	
<sup>7</sup> OGRID NO. <b>14744</b>		<sup>8</sup> Operator Name <b>MEWBOURNE OIL COMPANY</b>						<sup>9</sup> Elevation <b>2999'</b>	
<sup>10</sup> Surface Location									
UL or lot no. <b>M</b>	Section <b>11</b>	Township <b>24S</b>	Range <b>28E</b>	Lot Idn	Feet from the <b>1035</b>	North/South line <b>SOUTH</b>	Feet From the <b>265</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. <b>I</b>	Section <b>12</b>	Township <b>24S</b>	Range <b>28E</b>	Lot Idn	Feet from the <b>2140</b>	North/South line <b>SOUTH</b>	Feet from the <b>100</b>	East/West line <b>EAST</b>	County <b>EDDY</b>
<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

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

**16**

<b>GEODETIC DATA</b> NAD 83 GRID - NM EAST	<b>CORNER DATA</b> NAD 83 GRID - NM EAST	F: FOUND BRASS CAP "1942" N: 451054.0 - E: 634408.7
<b>SURFACE LOCATION</b> N: 446863.5 - E: 623973.5	A: FOUND 1/2" REBAR N: 445835.0 - E: 623710.0	G: FOUND BRASS CAP "1942" N: 448388.8 - E: 634422.6
LAT: 32.2282216' N LONG: 104.0660916' W	B: FOUND BRASS CAP "1942" N: 451079.2 - E: 623703.4	H: FOUND 1" REBAR N: 445726.4 - E: 634436.4
<b>BOTTOM HOLE</b> N: 447865.5 - E: 634325.3	C: FOUND RAILROAD SPIKE N: 451053.5 - E: 626388.7	I: FOUND 1/2" REBAR N: 445707.5 - E: 629112.1
LAT: 32.2309007' N LONG: 104.0326055' W	D: FOUND BRASS CAP "1942" N: 451029.8 - E: 629073.5	
	E: FOUND BRASS CAP "1942" N: 451041.6 - E: 631739.8	

**17 OPERATOR CERTIFICATION**  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

Andrew W Taylor 1/6/2022  
 Signature Date  
 Andrew Taylor  
 Printed Name  
 ataylor@mewbourne.com  
 E-mail Address

**18 SURVEYOR CERTIFICATION**  
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

03/30/2021  
 Date of Survey

Robert M. Howett  
 Signature and Seal of Professional Surveyor

19680  
 Certificate Number

REV: NAME CHANGE/BH MOVE 11/02/21

Job No: LS21030269R

**TRACT OWNERSHIP**  
**Journey 11-12 B1LI Fed Com #1H and B2LI Fed Com #1H**  
**Section 11 (N/2S/2) & 12 (N/2S/2), T24S, R28E**  
**Eddy County, New Mexico**

**Section 11 (N/2S/2) & 12 (N/2S/2):**

**Bone Spring formation:**

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	87.837728%
* Boys Club of America 1275 Peachtree Street NE Atlanta, Georgia 30309	0.003125%
	<hr/> 100.000000%

**\*Total interest being pooled: 0.003125%**

Exhibit D

**Summary of Communications**

**Journey 11-12 B1LI Fed Com #1H**

**Journey 11-12 W0LI Fed Com #2H**

**Journey 11-12 B1MP Fee #1H**

**Journey 11 B2MP Fee #1H**

**Journey 11 W0MP Fee #1H**

1. Charles Wynn Kilgore, III, Anne C. Conn, Melinda Richardson, Priscilla L. Burleson
  - 1) 09/5/2023 – Well proposals and AFE's are sent via electronic mail.
  - 2) 10/26/2023 – Spoke with Mr. Kilgore about leasing his and his sisters' minerals.
  - 3) 12/29/2023 – Received an oil and gas lease from the attorney representing Mr. Kilgore and his sisters. Lease bonus amount and lease are not agreeable to Mewbourne.
  
2. Boys Club of America
  - 1) 09/5/2023 – Well proposals and AFE's are sent via electronic mail.
  - 2) 11/1/2023 – Sent multiple emails and phone calls to various people within the organization and have received no reply.

EXHIBIT

2-B

## MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020  
Midland, Texas 79701  
Phone (432) 682-3715  
Fax (432) 685-4170

September 11, 2023

Via Fed Ex Overnight

Boys Club of America  
1275 Peachtree St. NE  
Atlanta, GA 30309-3506

Re: Journey 11 B2MP FEE #1H  
Journey 11 W0MP FEE #1H  
Journey 11-12 B2LI FED COM #1H  
Journey 11-12 W0LI FED COM #2H  
S/2 of Section 11 & Section 12, T24S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640-acre Working Interest Unit ("WIU") covering all of the above captioned acreage in Sections 11 & 12 for oil and gas production. Our title shows that Boys Club of America owns ("BCA") owns an interest in the SW/4SW/4 of Section 11 (1 net acre). BCA would own a 0.15625% working interest in the proposed WIU.

Mewbourne Oil Company hereby proposes drilling the following wells:

**Journey 11 B2MP Fee #1H**

Surface Location: 1015' FSL & 265' FWL, Sec. 11  
Bottom Hole Location: 500' FSL & 100' FEL, Sec. 11  
Proposed Total Vertical Depth: 8352'  
Proposed Total Measured Depth: 13040'  
Target: Bone Spring

**Journey 11/12 B1MP Fee #1H**

Surface Location: 1075' FSL & 265' FWL, Sec. 11  
Bottom Hole Location: 500' FSL & 100' FEL, Sec. 12  
Proposed Total Vertical Depth: 7500'  
Proposed Total Measured Depth: 17750'  
Target: Bone Spring

**Journey 11/12 B2LI Fee #1H**

Surface Location: 1035' FSL & 265' FWL, Sec. 11  
Bottom Hole Location: 2140' FSL & 100' FEL, Sec. 12  
Proposed Total Vertical Depth: 8462'  
Proposed Total Measured Depth: 18355'  
Target: Bone Spring

**Journey 11 W0MP Fed Com #1H**

Surface Location: 995' FSL & 265' FWL, Sec. 11  
Bottom Hole Location: 2140' FSL & 100' FEL, Sec. 11  
Proposed Total Vertical Depth: 9690'  
Proposed Total Measured Depth: 14180'  
Target: Wolfcamp

**Journey 11/12 W0LI Fed Com #2H**

Surface Location: 1055' FSL & 265' FWL, Sec. 11  
Bottom Hole Location: 2200' FSL & 330' FEL, Sec. 12  
Proposed Total Vertical Depth: 9787'  
Proposed Total Measured Depth: 19800'  
Target: Wolfcamp

Regarding the above enclosed for your further handling is our AFE's for the above referenced proposed wells. A response is requested within thirty (30) days in order to timely complete this unit.

The BCA mineral interest is unleased currently. I would like to negotiate an oil, gas, and mineral lease as an alternative to BCA participating in this unit.

Please email me at [ccullen@mewbourne.com](mailto:ccullen@mewbourne.com) or call me at (432) 682-3715 at your earliest convenience.

Very truly yours,

**MEWBOURNE OIL COMPANY**

*Carson J. Cullen*

Carson Cullen  
Landman



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

APPLICATION OF MEWBOURNE OIL COMPANY  
TO AMEND ORDER NO. R-21985 FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 24047

SELF-AFFIRMED STATEMENT OF NOTICE

COUNTY OF SANTA FE    )  
  ) ss.  
STATE OF NEW MEXICO )

James Bruce deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Mewbourne Oil Company.
3. Mewbourne Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owner, at its last known address, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibit -A.
5. Applicant has complied with the notice provisions of Division Rules.

I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 2/13/24

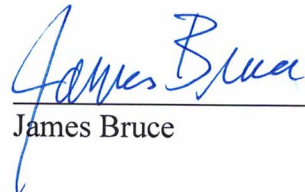
  
James Bruce

EXHIBIT 3

**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](mailto:jamesbruc@aol.com)

December 13, 2023

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of five applications, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company ("Mewbourne"), requesting the following relief:

- (a) Case No. 24047: Mewbourne seeks an order amending Order No. R-21985 for compulsory pooling to pool all uncommitted mineral interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the N/2S/2 of Section 11 and the N/2S/2 of Section 12, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the Journey 11/12 B1LI Fed. Com. Well No. 1H and the Journey 11/12 B2LI Fed. Com. Well No. 1H, with first take points in the NW/4SW/4 of Section 11 and last take points in the NE/4SE/4 of Section 12;
- (b) Case No. 24048: Mewbourne seeks an order amending Order No. R-21986 to pool all uncommitted mineral interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the S/2S/2 of Section 11 and the S/2S/2 of Section 12, Township 24 South, Range 28 East, NMPM. The unit is dedicated to the Journey 11/12 B1MP Fee Well No. 1H, with a first take point in the SW/4SW/4 of Section 11 and a last take point in the SE/4SE/4 of Section 12. Applicant requests approval for the above well to overlap the Journey 11 B2MP Fee Well No. 1H, located in the S/2S/2 of Section 11, Township 24 South, Range 28 East, N.M.P.M. That well is operated by Mewbourne;
- (c) Case No. 24049: Mewbourne seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a 160-acre horizontal spacing unit comprised of the S/2S/2 of Section 11, Township 24 South, Range 28 East, NMPM. The unit is dedicated to the Journey 11 B2MP Fee Well No. 1H, with a first take point in the SW/4SW/4 and a last take point in the SE/4SE/4 of Section 11. Also to be considered will be the cost of drilling, completing, testing and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, testing, and equipping the well. Applicant requests approval for the above well to overlap the Journey 11/12 B1MP Fee Well No. 1H, located in the

EXHIBIT 3-A

S/2S/2 of Section 11 and the S/2S/2 of Section 12, Township 24 South, Range 28 East, N.M.P.M. That well is operated by Mewbourne;

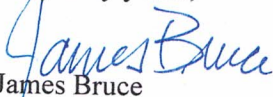
(d) Case No. 24050: Mewbourne seeks an order amending Order No. R-21902 and pooling all uncommitted mineral interests in the Wolfcamp formation underlying a 640-acre horizontal spacing unit comprised of the S/2 of Section 11 and the S/2 of Section 12, Township 24 South, Range 28 East, NMPM. The unit is dedicated to the Journey 11/12 WOLI Fed. Com. Well No. 2H, with a first take point in the NW/4SW/4 of Section 11 and a final take point in the NE/4SE/4 of Section 12. Applicant requests approval for the above well to overlap the Journey 11 WOMP Fee Well No. 1H, located in the S/2 of Section 11, Township 24 South, Range 28 East, N.M.P.M. That well is operated by Mewbourne; and

(e) Case No. 24051: Mewbourne seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation underlying a 320-acre horizontal spacing unit comprised of the S/2 of Section 11, Township 24 South, Range 28 East, NMPM. The unit is dedicated to the Journey 11 WOMP Fee Well No. 1H, with a first take point in the SW/4SW/4 and a final take point in the SE/4SE/4 of Section 11. Applicant requests approval for the above well to overlap the Journey 11/12 WOLI Fed. Com. Well No. 2H, located in the S/2 of Section 11 and the S/2 of Section 12, Township 24 South, Range 28 East, N.M.P.M. That well is operated by Mewbourne

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 at 8:15 a.m. on Thursday, January 4, 2024. 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 Sheila Apodaca at [Sheila.Apodaca@emnrd.nm.gov](mailto:Sheila.Apodaca@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](mailto:ocd.hearings@emnrd.nm.gov), and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

  
James Bruce

Attorney for Mewbourne Oil Company

Boys Club of America  
1275 Peachtree St. NE  
Atlanta, Georgia 30309-3506

Charles Wynn Kilgore, III  
111 Woodland Rd. East  
Kerrville, Texas 78028

Anne C. Conn  
2468 State Highway 97E  
Floresville, Texas 78114

Melinda Richardson  
9003 Vista West Dr. APT. 333  
San Antonio, Texas 78245

Priscilla L. Bureson  
189 Oak Fields Drive  
Floresville, Texas 78114

EXHIBIT

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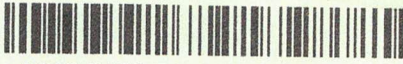
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<p>Sent To</p> <p style="text-align: center;">Boys Club of America 1275 Peachtree St. NE Atlanta, Georgia 30309-3506</p> <p>Street and Apt. No. _____</p> <p>City, State, ZIP+4® _____</p>	

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY												
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul> <p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p style="font-size: 0.8em;">Boys Club of America 1275 Peachtree St. NE Atlanta, Georgia 30309-3506</p> </div> <div style="text-align: center;">   <p>9590 9402 7635 2122 6827 34</p> </div> <p>2. Article <u>7020 0090 0000 0863 3688</u></p>	<p>A. Signature</p> <p><input checked="" type="checkbox"/> <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>LEONBERT BRADY</i></p> <p>C. Date of Delivery <i>12-18-2023</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type</p> <table style="width: 100%; font-size: 0.8em;"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Collect on Delivery Restricted Delivery	
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<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p> <p style="font-size: 1.5em; font-weight: bold; color: blue;">Journey</p> <p style="text-align: right;">Domestic Return Receipt</p>													

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF MEWBOURNE OIL COMPANY  
TO AMEND ORDER NO. R-21985 FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 24047

**APPLICATION**

Mewbourne Oil Company applies for an order amending Order No. R-21985 and pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the N/2S/2 of Section 11 and the N/2S/2 of Section 12, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the N/2S/2 of Section 11 and the N/2S/2 of Section 12, and has the right to drill a well or wells thereon.
2. Applicant has drilled or proposes to drill the following wells to a depth sufficient to test the Bone Spring formation:
  - (a) The Journey 11/12 B1LI Fed. Com. Well No. 1H; and
  - (b) The Journey 11/12 B2LI Fed. Com. Well No. 1H.

Both wells have first take points in the NW/4SW/4 of Section 11 and last take points in the NE/4SE/4 of Section 12.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2S/2 of Section 11 and the N/2S/2 of Section 12 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

A

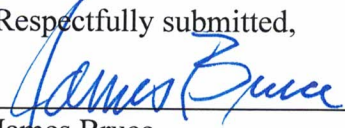
the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the N/2S/2 of Section 11 and the N/2S/2 of Section 12, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying the N/2S/2 of Section 11 and the N/2S/2 of Section 12 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- A. Amending Order No. R-21985 and pooling all uncommitted mineral interest owners in the Bone Spring formation (Malaga; Bone Spring Pool/Pool Code 42800) underlying the N/2S/2 of Section 11 and the N/2S/2 of Section 12;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, testing, and equipping the wells, and allocating the cost among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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

Attorney for Mewbourne Oil Company