

CASE NO. 24344

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

EXHIBITS – Part II

3. Geologist's Affidavit
 - 3-A: Locator Map
 - 3-B: Structure Map
 - 3-C and 3D: Cross-Sections
 - 3-E: Horizontal Drilling Plans
4. Affidavit of Mailing
 - 4-A: Notice Letter
5. Certified Notice Spreadsheet
6. Affidavit of Publication
7. Application and Proposed Notice

**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. 24344 - 24346

SELF-AFFIRMED STATEMENT OF TYLER HILL

Tyler Hill deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in these cases. I have been qualified by the Division as an expert petroleum geologist.
3. The following plats are attached hereto:
 - (a) Exhibit 3-A is an area locator plat.
 - (b) Exhibit 3-B is a structure map on the top of the Second Bone Spring Sand in the area around Sections 26 and 35, Township 23 South, Range 28 East, NMPM. It shows that structure dips gently to the east. It also shows existing and proposed First and Second Bone Spring wells in the area. It also shows a north-south line of cross-section.
 - (c) Exhibit 3-C is a north-south cross section of the First Bone Spring Sand, and Exhibit 3-D is a north-south cross section of the Second Bone Spring Sand. The logs on the cross-sections give a representative sample of the First and Second Bone Spring Sands in this area. The sands are continuous and of relatively uniform thickness across the well units.
4. I conclude from the maps that:
 - (a) The proposed horizontal Bone Spring spacing units are justified from a geologic standpoint.
 - (b) The target zones are continuous and of uniform thickness across the well units.
 - (c) Each quarter section in each well unit will contribute more or less equally to production from a well.

EXHIBIT

3

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

5. Other Bone Spring wells drilled and proposed in this area show both standup and laydown well units. In Sections 26 and 35 there are already existing standup wells which show it is a reasonable way to develop the reservoir.

6. Exhibits 3-E, 3-F, and 3-G contain copies of the horizontal drilling plans for the subject wells in Case Nos. 24344, 24345, and 24346, respectively. The well locations are 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 written next to my signature below.

Date: April 2, 2024

/s/ Tyler Hill
Tyler Hill



MOC Mewbourne Oil Company

Layla 26/35
Eddy County Locator Map

Author: T. Hill	NM/TX	Date: 27 March, 2024
		Scale: 1.0"=3.868'

Lea

Eddy

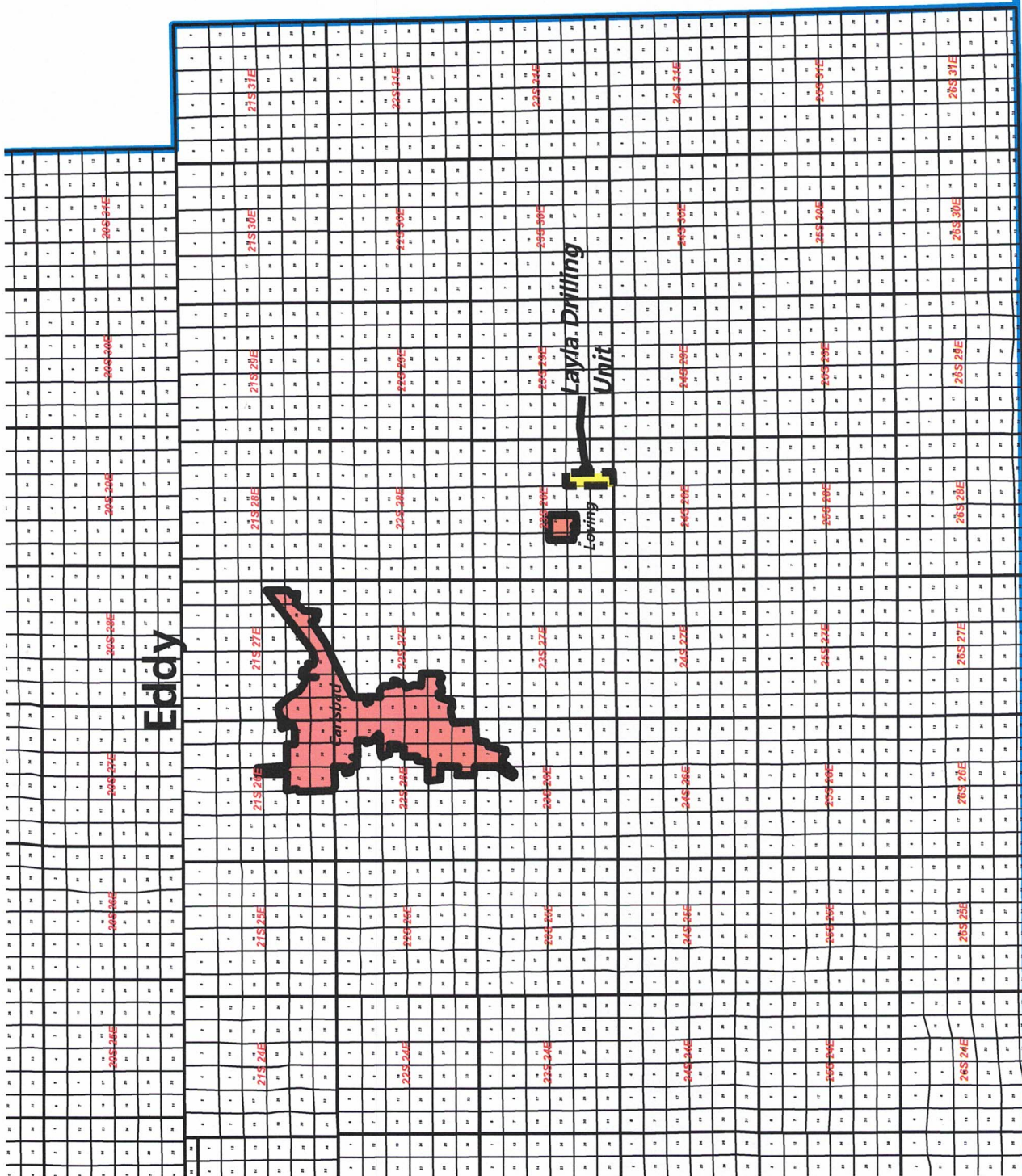


EXHIBIT 3-A

Texas

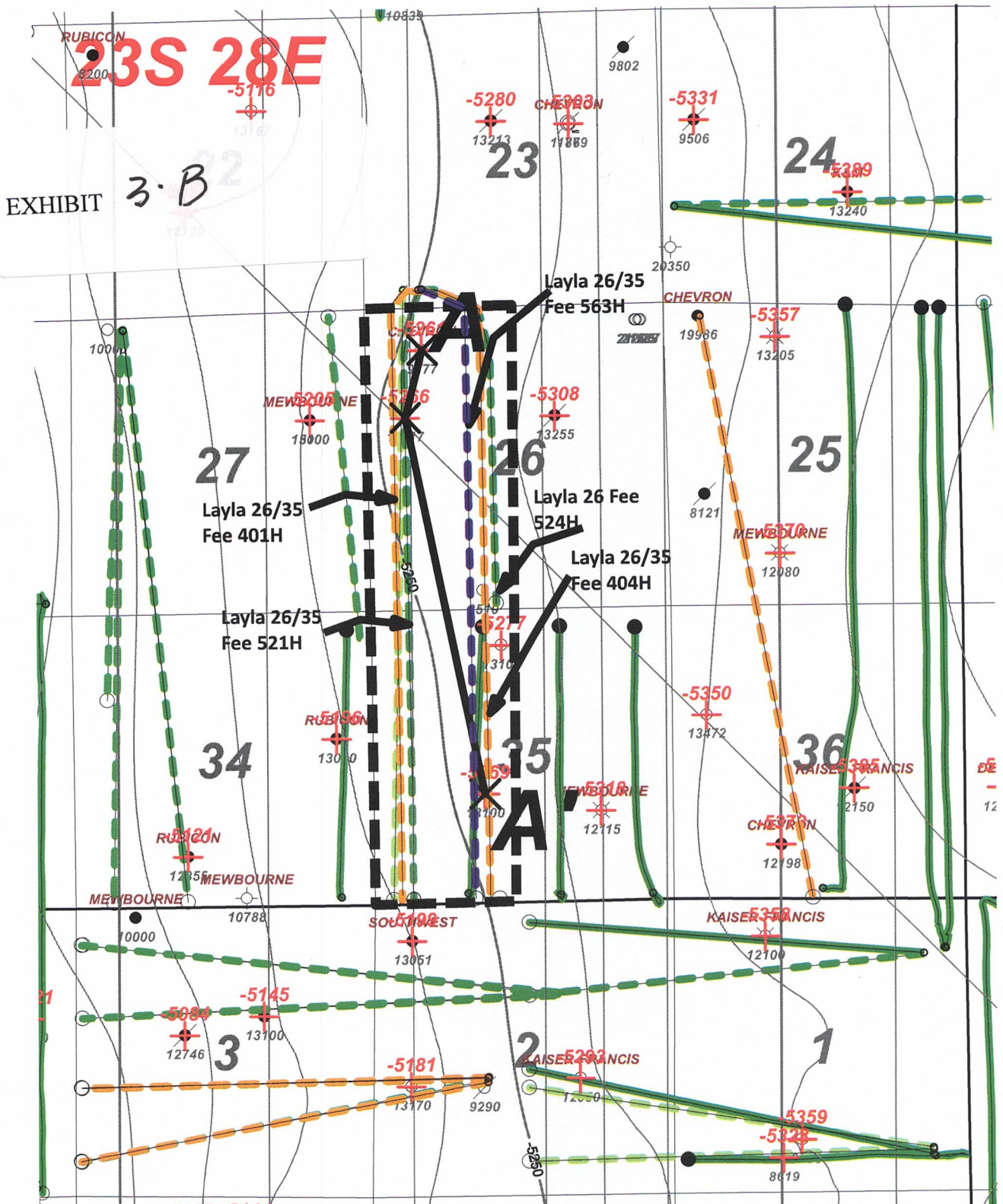


EXHIBIT 3-B

- DLWR Basin Activity Color Code**
- Delaware
 - Avalon Shale
 - 1st BS Sand
 - 1st BS Shale
 - 2nd BS Sand
 - Harkey Sand
 - 3rd BSPG Shale
 - 3rd BS Sand
 - Wolfcamp Sand
 - Wolfcamp A Shale
 - Wolfcamp B Shale
 - Wolfcamp C Shale
 - Wolfcamp D Shale
 - Wolfcamp (No Survey)

Permit:

Drilled:

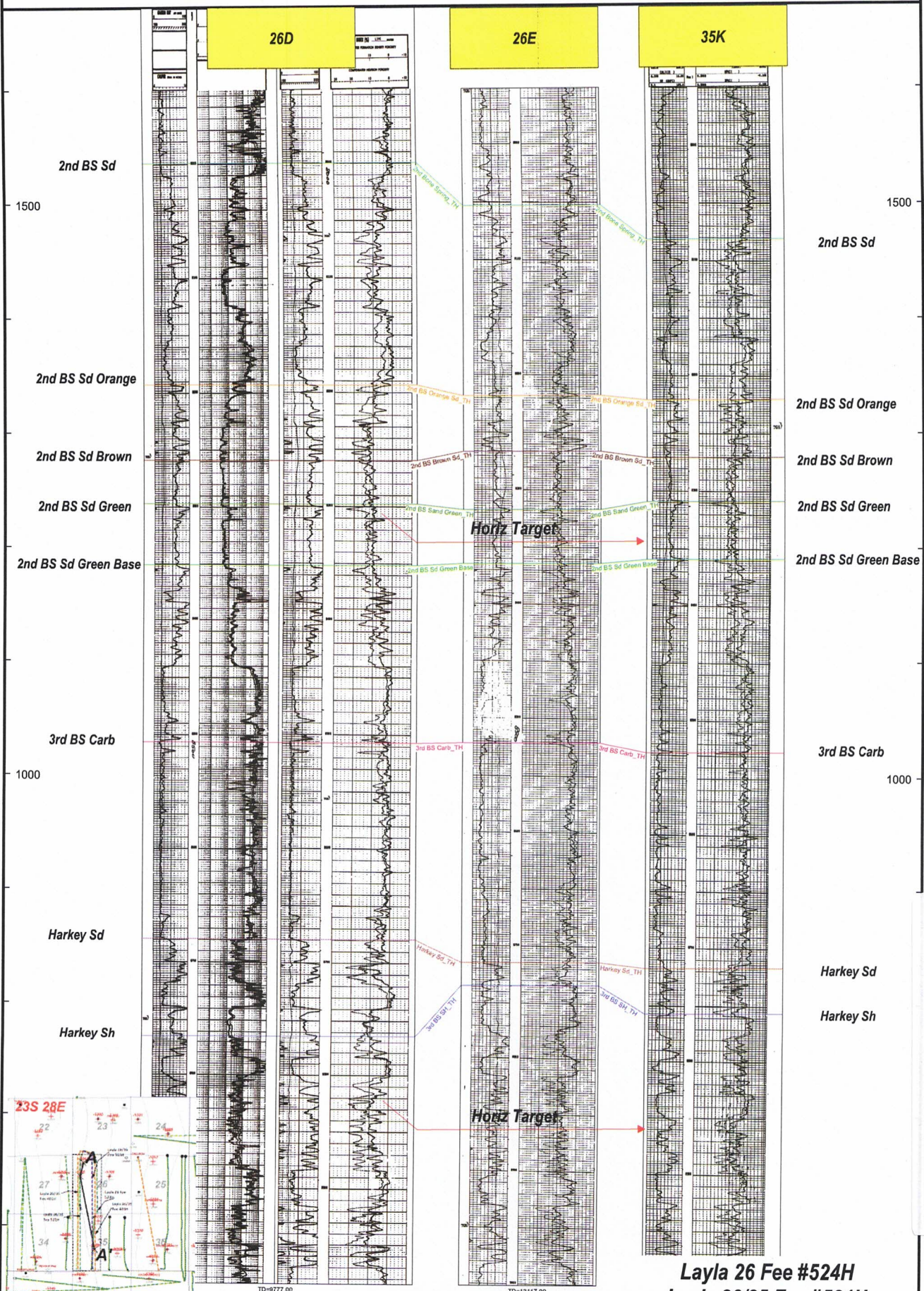


MOC Mewbourne Oil Company		
Layla 26 Fee #524H Layla 26/35 Fee #401H, #404H, #521H, #563H Structure top 2nd BS Sd (C.I. 50')		
Author: T. Hill	County: Eddy	Date: 27 March, 2024
Scale: 1.0"=2800'		

PARKER & PARSLEY DEV
PARDUE FARMS 26' B 2
760 FNL 990 FWL
Datum=3036.00
Reference=KB
TWP: 23 S - Range: 28 E - Sec: 26

PURE RESOURCES LP
PARDUE FARMS 26 1
1980 FNL 650 FWL
Datum=3051.00
Reference=KB
TWP: 23 S - Range: 28 E - Sec: 26

HNG OIL CO
WILLIAMS 35 COM 2
1980 FNL 1980 FWL
Datum=3040.00
Reference=KB
TWP: 23 S - Range: 28 E - Sec: 35



Layla 26 Fee #524H
Layla 26/35 Fee #521H
Layla 26/35 Fee #562H

3-D

EXHIBIT

MEWBOURNE OIL COMPANY

EDDY COUNTY, NEW MEXICO (NAD 83 - GRID)

SEC. 23 T23S R28E

LAYLA 26/35 FEE 401H

ORIGINAL WELLBORE

07 March, 2024

Plan: PROPOSAL #3

EXHIBIT

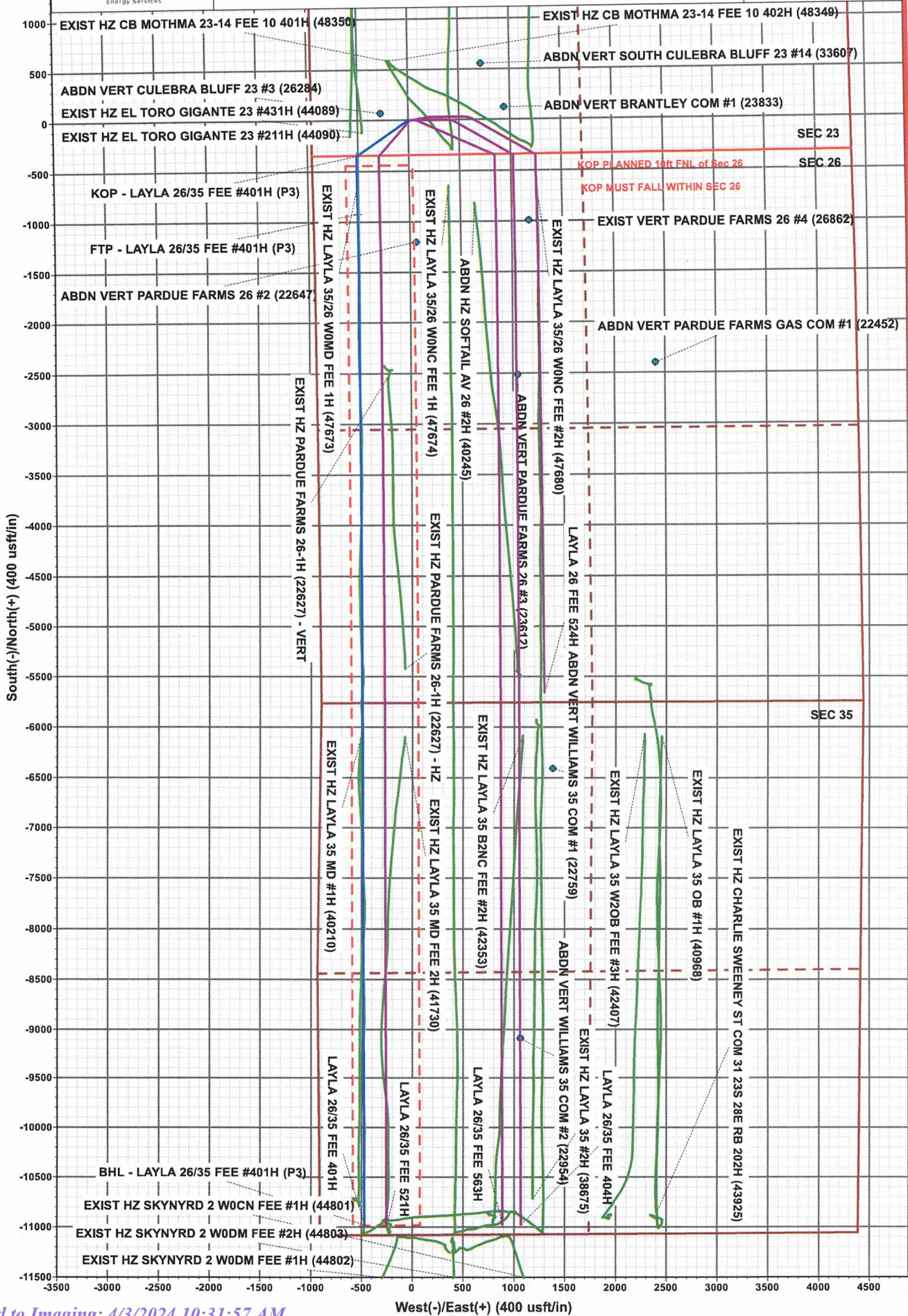
3-E





INFINITY
Energy Services

MEWBOURNE
OIL COMPANY



MEWBOURNE OIL COMPANY

EDDY COUNTY, NEW MEXICO (NAD 83 - GRID)

SEC. 23 T23S R28E

LAYLA 26/35 FEE 521H

ORIGINAL WELLBORE

07 March, 2024

Plan: PROPOSAL #3



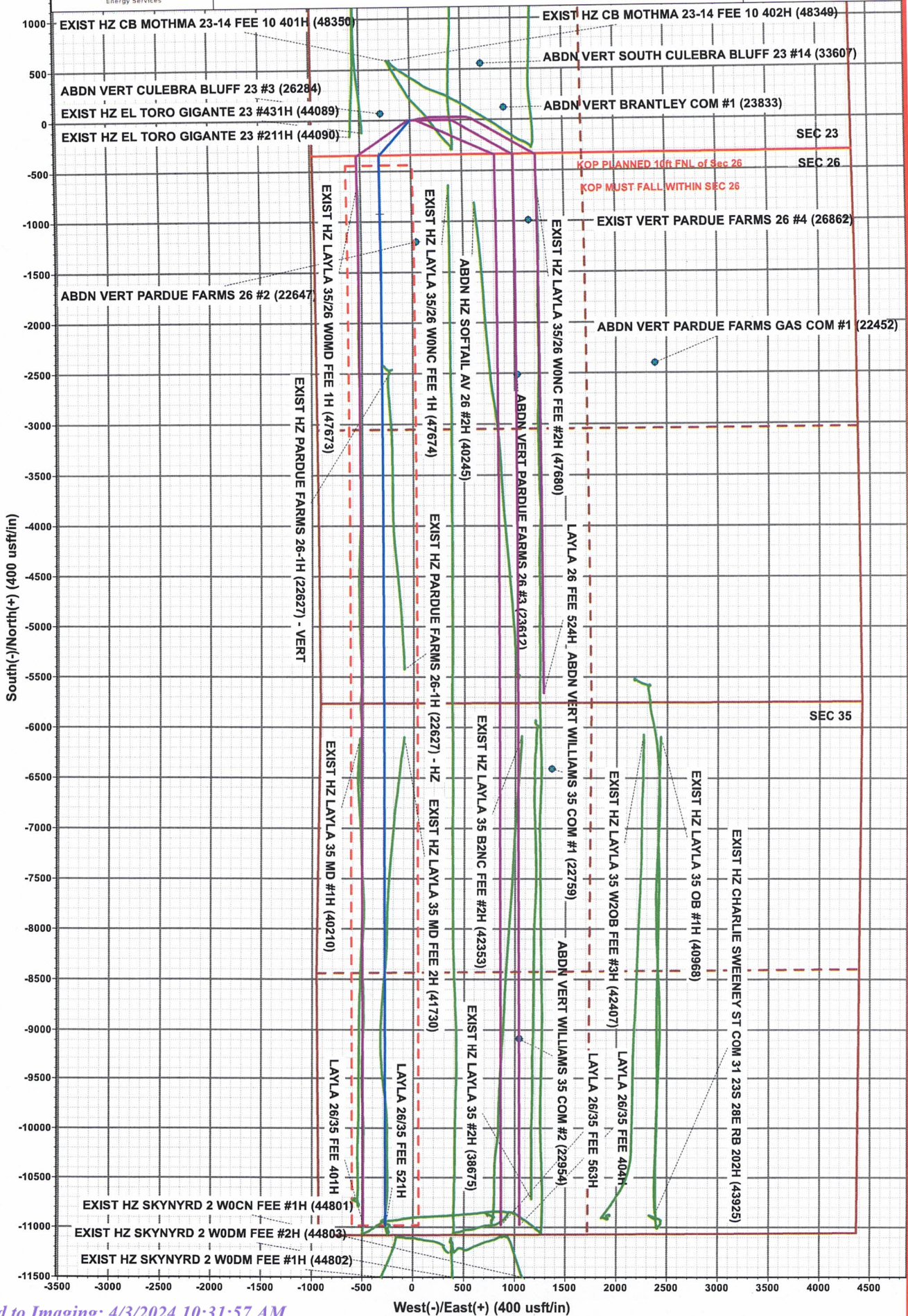


INFINITY
Energy Services

Site: SEC. 23 T23S R28E

Well: LAYLA 26/35 FEE 521H

MEWBOURNE
OIL COMPANY



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

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

Case No. 24344

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 owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibit 4-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: 4/2/24

James Bruce
James Bruce

EXHIBIT 4

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

March 14, 2024

EXHIBIT

4-A

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, requesting the following relief:

Case No. 24344: Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 26 and the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 35, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Applicant proposes to drill the following wells on the unit to depths sufficient to test the Bone Spring formation:

- (a) The Layla 26/35 Fee Well No. 401H, with a first take point in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 26 and a last take point in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35; and
- (b) The Layla 26/35 Fee Well No. 521H, with a first take point in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 26 and a last take point in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35.

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, April 4, 2024. The hearing may be attended (a) in person in Pecos Hall of the Wendell Chino Building, 1st Floor, 1220 South St. Francis Drive, Santa Fe New Mexico 87505, or (b) via the WebEx virtual meeting platform. 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. 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@emnr.d.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,

COPY

James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT A

Marathon Oil Permian LLC
990 Town & Country Blvd.
Houston, TX 77024

S.J. Mansfield, III and Linda Mansfield
412 Shadow Bend Dr.
Richardson, TX 75081

Erich Klein and Clydell Klein
PO BOX 176
Neches, TX 75779-0176

Debora H. Roland
14564 N, Pecan Ave.
Gardendale, TX 79758

The Bishop Whipple Schools
PO Box 218
Faribault, MN 55021

Heirs of Joe Beeman
1933 San Mateo NE
Albuquerque, NM 87110

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

Juan G. Ruiz
c/o Mike Padilla
1225 N. Thorne Avenue
Fresno, CA 93728

Heirs of C.O. Enderud
729 West 10th Street
Newkirk, OK 74647

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Marathon Oil Permian LLC
990 Town & Country Blvd.
Houston, TX 77024



9590 9402 8721 3310 3796 20

2. Article Addressed to: **7020 0090 0000 0864 5315**
(over \$500)

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

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent Addressee
- B. Received by (Printed Name) **Carla 401** C. Date of Delivery **MAR 18 2024**

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

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

Domestic Return Receipt

2625 4980 0000 0600 0202

CERTIFIED MAIL® RECEIPT

Domestic Mail Only

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

Official USE

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

Sent To

Erich Klein and Cydell Klein
PO BOX 176
Neches, TX 75719-0176

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT

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Official USE

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

Sent To

Marathon Oil Permian LLC
990 Town & Country Blvd.
Houston, TX 77024

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

5725 4980 0000 0600 0202

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Erich Klein and Cydell Klein
PO BOX 176
Neches, TX 75719-0176



9590 9402 8721 3310 3774 97

2. Article Addressed to: **7020 0090 0000 0864 5292**

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

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent Addressee
- B. Received by (Printed Name) **ERICH F. KLEIN III** C. Date of Delivery **3/18/24**

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

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

Domestic Return Receipt

Carla 401

7020 0090 0000 0864 5247

U.S. Postal Service™
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OFFICIAL USE

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 \$ _____

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

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

Postage
 \$ _____

Total Postage and Fees
 \$ _____

Sent To **Juan G. Ruiz**
 c/o Mike Padilla
 1225 N. Thome Avenue
 Fresno, CA 93728

Street and Apt. No., or PO Box _____
 City, State, ZIP+4® _____

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

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

Postage
 \$ _____

Total Postage and Fees
 \$ _____

Sent To **Boys Club of America**
 1275 Peachtree Street NE
 Atlanta, GA 30309-3506

Street and Apt. No., or PO Box _____
 City, State, ZIP+4® _____

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

7020 0090 0000 0864 5285

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

Postage
 \$ _____

Total Postage and Fees
 \$ _____

Sent To **The Bishop Whipple Schools**
 PO Box 218
 Faribault, MN 55021

Street and Apt. No., or PO Box _____
 City, State, ZIP+4® _____

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

U.S. Postal Service™
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Certified Mail Fee
 \$ _____

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

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

Postage
 \$ _____

Total Postage and Fees
 \$ _____

Sent To **Debora H. Roland**
 14564 N. Pecan Ave.
 Gardendale, TX 79758

Street and Apt. No., or PO Box _____
 City, State, ZIP+4® _____

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

7020 0090 0000 0864 5308

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Certified Mail Fee
 \$ _____

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

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

Postage
 \$ _____

Total Postage and Fees
 \$ _____

Sent To **S.J. Mansfield, III and Linda Mansfield**
 412 Shadow Bend Dr.
 Richardson, TX 75081

Street and Apt. No., or PO Box _____
 City, State, ZIP+4® _____

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



PO Box 631667 Cincinnati, OH 45263-1667

PROOF OF PUBLICATION

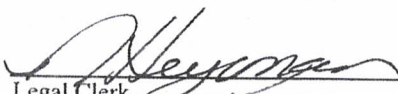
Mr James Bruce
James Bruce Attorney At Law
Pobox 1056
Santa Fe NM 87504

STATE OF WISCONSIN, COUNTY OF BROWN

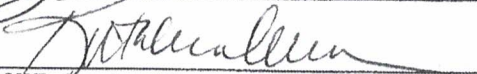
The Carlsbad Current Argus, a newspaper published in the city of Carlsbad, Eddy County, State of New Mexico, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

03/19/2024

and that the fees charged are legal.
Sworn to and subscribed before on 03/19/2024



Legal Clerk



Notary, State of WI, County of Brown
1-2-25

My commission expires
Publication Cost: \$160.16
Order No: 9967104 # of Copies: 1
Customer No: 1360617
PO #:

THIS IS NOT AN INVOICE!

Please do not use this form for payment remittance.

KATHLEEN ALLEN
Notary Public
State of Wisconsin

EXHIBIT **6**

Marathon Oil Permian LLC, S.J. Mansfield, III, Linda Mansfield, Erich Klein, Clydell Klein, Debora H. Roland, The Bishop Whipple Schools, Joe Beeman, Boys Club of America, Juan G. Ruiz, and C.O. Enderud, or your heirs, devisees, successors, or assigns. Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division, requesting the following relief:

Case No. 24344: Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the $W\frac{1}{2}W\frac{1}{2}$ of Section 26 and the $W\frac{1}{2}W\frac{1}{2}$ of Section 35, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Applicant proposes to drill the following wells on the unit to depths sufficient to test the Bone Spring formation:

- (a) The Layla 26/35 Fee Well No. 401H, with a first take point in the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 26 and a last take point in the $SW\frac{1}{4}SW\frac{1}{4}$ of Section 35; and
- (b) The Layla 26/35 Fee Well No. 521H, with a first take point in the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 26 and a last take point in the $SW\frac{1}{4}SW\frac{1}{4}$ of Section 35.

2. To: Marathon Oil Permian LLC, S.J. Mansfield, III, Linda Mansfield, Erich Klein, Clydell Klein, The Bishop Whipple Schools, and Joe Beeman, or your heirs, devisees, successors, or assigns. Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division, requesting the following relief:

Case No. 24345: Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the $E\frac{1}{2}W\frac{1}{2}$ of Section 26 and the $E\frac{1}{2}W\frac{1}{2}$ of Section 35, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Applicant proposes to drill the following wells on the unit to depths sufficient to test the Bone Spring formation:

- (a) The Layla 26/35 Fee Well No. 404H, with a first take point in the $NE\frac{1}{4}NW\frac{1}{4}$ of Section 26 and a last take point in the $SE\frac{1}{4}SW\frac{1}{4}$ of Section 35; and
- (b) The Layla 26/35 Fee Well No. 563H, with a first take point in the $NE\frac{1}{4}NW\frac{1}{4}$ of Section 26 and a last take point in the $SE\frac{1}{4}SW\frac{1}{4}$ of Section 35.

3. To: S.J. Mansfield, III, Linda Mansfield, Erich Klein, Clydell Klein, and Debora H. Roland, or your heirs, devisees, successors, or assigns. Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division, requesting the following relief:

Case No. 24346: Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the $E\frac{1}{2}W\frac{1}{2}$ of Section 26, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Applicant proposes to drill the following well on the unit to depths sufficient to test the Bone Spring formation: The Layla 26 Fee Well No. 524H, with a first take point in the $NE\frac{1}{4}NW\frac{1}{4}$ of Section 26 and a last take point in the $SE\frac{1}{4}SW\frac{1}{4}$ of Section 26.

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

These matters are scheduled for hearing at 8:15 a.m. on Thursday, April 4, 2024. The hearing may be attended (a) in person in Pecos Hall of the Wendell Chino Building, 1st Floor, 1220 South St. Francis Drive, Santa Fe New Mexico 87505, or (b) via the WebEx virtual meeting platform. 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. You are not required to attend this hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than five business days before the hearing date. This statement may be filed online with the Division at ocd.hearings@emnrd.nm.gov, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the attorney for applicant, James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, jamesbruc@aol.com. The units are located approximately 3-1/2 miles east-northeast of Malaga, New Mexico.

3/19/2024
9967104

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 24344

APPLICATION

Mewbourne Oil Company applies for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W¹/₂W¹/₂ of Section 26 and the W¹/₂W¹/₂ of Section 35, Township 23 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 W¹/₂W¹/₂ of Section 26 and the W¹/₂W¹/₂ of Section 35 (covering 320 acres), and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells on the unit to depths sufficient to test the Bone Spring formation:
 - (a) The Layla 26/35 Fee Well No. 401H, with a first take point in the NW¹/₄NW¹/₄ of Section 26 and a last take point in the SW¹/₄SW¹/₄ of Section 35; and
 - (b) The Layla 26/35 Fee Well No. 521H, with a first take point in the NW¹/₄NW¹/₄ of Section 26 and a last take point in the SW¹/₄SW¹/₄ of Section 35.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W¹/₂W¹/₂ of Section 26 and the W¹/₂W¹/₂ of Section 35 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 the wells, certain mineral interest owners have failed or refused to join in dedicating their

EXHIBIT 7

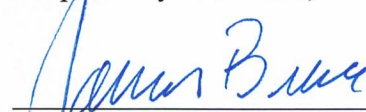
interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation underlying $W\frac{1}{2}W\frac{1}{2}$ of Section 26 and the $W\frac{1}{2}W\frac{1}{2}$ of Section 35, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interest owners in the Bone Spring formation underlying the $W\frac{1}{2}W\frac{1}{2}$ of Section 26 and the $W\frac{1}{2}W\frac{1}{2}$ of Section 35 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- A. Pooling all mineral interest owners in the Bone Spring formation (Culebra Bluff; Bone Spring, South Pool; Pool Code 15001) underlying the $W\frac{1}{2}W\frac{1}{2}$ of Section 26 and the $W\frac{1}{2}W\frac{1}{2}$ of Section 35;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, testing, and equipping the wells and allocating the cost thereof 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, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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Attorney for Mewbourne Oil Company

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

Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W¹/₂W¹/₂ of Section 26 and the W¹/₂W¹/₂ of Section 35, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Applicant proposes to drill the following wells on the unit to depths sufficient to test the Bone Spring formation:

- (a) The Layla 26/35 Fee Well No. 401H, with a first take point in the NW¹/₄NW¹/₄ of Section 26 and a last take point in the SW¹/₄SW¹/₄ of Section 35; and
- (b) The Layla 26/35 Fee Well No. 521H, with a first take point in the NW¹/₄NW¹/₄ of Section 26 and a last take point in the SW¹/₄SW¹/₄ of Section 35.

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, and equipping the wells. The unit is located approximately 3-1/2 miles north-northeast of Malaga, New Mexico.