## BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING MAY 2, 2024

**CASE No. 24386** 

SWANSON 511H WELL

## **EDDY COUNTY, NEW MEXICO**



## 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. 24386** 

## HEARING PACKAGE TABLE OF CONTENTS

- Compulsory Pooling Application Checklist and Filed Application
- MEWBOURNE Exhibit A: Self-affirmed Statement of Adriana Salgado, Landman
  - o MEWBOURNE Exhibit A-1: Draft C-102s
  - o MEWBOURNE Exhibit A-2: Tract Ownership
  - o MEWBOURNE Exhibit A-3: Sample Well Proposal Letters & AFEs
  - o MEWBOURNE Exhibit A-4: Chronology of Contact
- MEWBOURNE Exhibit B: Self-Affirmed Statement of Charles Crosby, Geologist
  - o MEWBOURNE Exhibit B-1: Location Map
  - o MEWBOURNE Exhibit B-2: Subsea Structure Map
  - o MEWBOURNE Exhibit B-3: Stratigraphic Cross-Section Map
- MEWBOURNE Exhibit C: Self-Affirmed Statement of Notice
- MEWBOURNE Exhibit D: Affidavit of Publication

## COMPULSORY POOLING APPLICATION CHECKLIST

Case: 24386	APPLICANT'S RESPONSE		
Date: May 2, 2024			
Applicant	Mewbourne Oil Company		
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company [OGRID 14744]		
Applicant's Counsel:	Holland & Hart LLP		
Case Title:	APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO		
Entries of Appearance/Intervenors:			
Well Family	Swanson 3/2 Fed Com		
Formation/Pool			
Formation Name(s) or Vertical Extent:	Bone Spring		
Primary Product (Oil or Gas):	Oil		
Pooling this vertical extent:	N/A		
Pool Name and Pool Code:	Sand Tank; Bone Spring (96832)		
Well Location Setback Rules:	Standard		
Spacing Unit Size:	240-acres		
Spacing Unit			
Type (Horizontal/Vertical)	Horizontal		
Size (Acres)	240-acres		
Building Blocks:	Quarter-Quarter sections		
Orientation:	Laydown		
Description: TRS/County	N2NE4 of Section 3 and the N2N2 of Section 2, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico.		
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes		
Other Situations			
Depth Severance: Y/N. If yes, description	No		
Proximity Tracts: If yes, description	No		
Proximity Defining Well: if yes, description	N/A		
Applicant's Ownership in Each Tract	Exhibit A-2		
Well(s)			
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)			
Well #1	Swanson 2/3 Fed Com 511H, API No. pending SHL: 980' FNL & 205' FEL (Unit A) of Sec. 2, T18S, R29E BHL: 380' FNL & 2541' FWL (Unit B) of Sec. 3, T18S, R29E		
	Completion Target: Bone Spring formation Well Orientation: East to West Completion Location expected to be: Standard		

Exhibit B-1

General Location Map (including hasin) M

N/A

Printed Name (Attorney or Party Representative):	Michael H. Feldewert	
<b>Signed Name</b> (Attorney or Party Representative):		

CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.

Special Provisions/Stipulations

## 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. 24386** 

#### **APPLICATION**

Mewbourne Oil Company ("Mewbourne" or "Applicant") (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a standard 240-acre horizontal well spacing unit comprised of the N2N2 of Section 2 and the N2NE4 of Section 3, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of its application, Mewbourne states:

- 1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
- 2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Swanson 3/2 Fed Com 511H** well, to be horizontally drilled from a surface location in the NE4 of Section 2, with a first take point in NE4NE4 (Unit A) of Section 2 and a last take point in the NW4NE4 (Unit B) of Section 3.
- 3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.
- 4. The pooling of uncommitted mineral owners will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 2, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted mineral owners in the horizontal spacing unit;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

Michael H. Feldewert

Adam G. Rankin

Paula M. Vance

Post Office Box 2208

Santa Fe, NM 87504

505-988-4421

505-983-6043 Facsimile

mfeldewert@hollandhart.com

agrankin@hollandhart.com

pmvance@hollandhart.com

ATTORNEYS FOR MEWBOURNE OIL COMPANY

CASE :

Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a standard 240-acre horizontal well spacing unit comprised of the N2N2 of Section 2 and the N2NE4 of Section 3, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Swanson 3/2 Fed Com 511H well, to be horizontally drilled from a surface location in the NE4 of Section 2, with a first take point in NE4NE4 (Unit A) of Section 2 and a last take point in the NW4NE4 (Unit B) of Section 3. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 20 miles east of Artesia, New Mexico.

Received by OCD: 4/30/2024 12:21:43 PM

Page 10 of 34

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

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

CASE NOS. 24386 & 24387

SELF AFFIRMED STATEMENT OF ADRIANA SALGADO, LANDMAN

1. My name is Adriana Salgado and I am employed by Mewbourne Oil Company

("Mewbourne") as a Landman. My responsibilities include the Permian Basin of New Mexico. I

have previously testified before the New Mexico Oil Conservation Division as an expert witness

in petroleum land matters and my credentials have been accepted by the Division and made a

matter of record.

2. I am familiar with the application filed by Mewbourne in these consolidated matters

and the status of the lands in the subject area. The mineral owners to be pooled have not expressed

any opposition to this proceeding.

3. In these consolidated cases, Mewbourne seeks orders pooling all uncommitted

interests in the Bone Spring formation underlying the NE4 of Section 3 and the N2 of Section 2,

Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico as follows:

Under Case 24386, Mewbourne seeks to pool a standard 240--acre horizontal well

spacing unit comprised of the N2NE4 of Section 3 and the N2N2 of Section 2 to be

initially dedicated to the proposed Swanson 3/2 Fed Com 511H well, to be

horizontally drilled from a surface location in the NE4 of Section 2, with a first take

point in the NE4N4 (Unit A) of Section 2 and a last take point in the NW4NE4 (Unit

1

B) of Section 3; and

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

- Under Case 24387, Mewbourne seeks to pool a standard 240-acre horizontal well spacing unit comprised of the S2NE4 of Section 3 and the S2N2 of Section 2 to be initially dedicated to the proposed Swanson 3/2 Fed Com 513H well, to be horizontally drilled from a surface location in the NE4 of Section 2, with a first take point in the SW4NE4 (Unit H) of Section 2 and a last take point in the SW4NE4 (Unit G) of Section 3.
- 4. There are no ownership depth severances within the Bone Spring formation underlying the subject acreage, and there are no existing Bone Spring spacing units.
  - 5. **Exhibit A-1** contains drafts of the Form C-102s for the proposed initial wells.
- 6. **Exhibit A-2** identifies the tracts of land comprising the proposed spacing unit, the working interest ownership in each tract, and the consolidated working interest ownership in the proposed horizontal spacing units. Mewbourne has identified the "uncommitted" working interest owners that remain to be pooled in red. This acreage is comprised of federal and state lands.
- 7. **Exhibit A-3** contains a sample of the well proposal letter sent to the working interest owners Mewbourne seeks to pool. The costs reflected in the AFEs provided with this letter are consistent with what Mewbourne and other operators have incurred for drilling similar horizontal wells in the area in this formation.
- 8. Mewbourne requests overhead and administrative rates of \$8,000 per month for drilling and \$800 per month for a producing well. These rates are consistent with the rates charged by Mewbourne and other operators for similar wells in this area.
- 9. **Exhibit A-4** contains a chronology of the contacts with the uncommitted working interest owners. Mewbourne has made a good faith effort to obtain voluntary joinder of these owners in the proposed spacing unit and initial wells.

- 10. I have provided the law firm of Holland & Hart, LLP, with the names and addresses of the mineral owners that remain to be pooled and instructed that they be notified of this hearing.
- 11. In compiling the addresses of the parties to be pooled, Mewbourne has conducted a diligent search of all public records in the county where the proposed unit is located, reviewed telephone directories, and conducted computer searches. Mewbourne has attempted but has not been able to locate all the parties it seeks to be pooled.
- 12. Exhibits A-1 through A-4 were either prepared by me or compiled under my direction from company business records.
- 13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

Adriana Salgado Adriana Salgado

April 24, 2024 Date

31902727\_v1

## Exhibit No. A-1

Submitted by: Mewbourne Oil Company

Hearing Date: May 2, 2024 Case No. 24386

Form C-102 Revised August 1, 2011

Submit one copy to appropriate District Office

AMENDED REPORT

## State of New Mexico

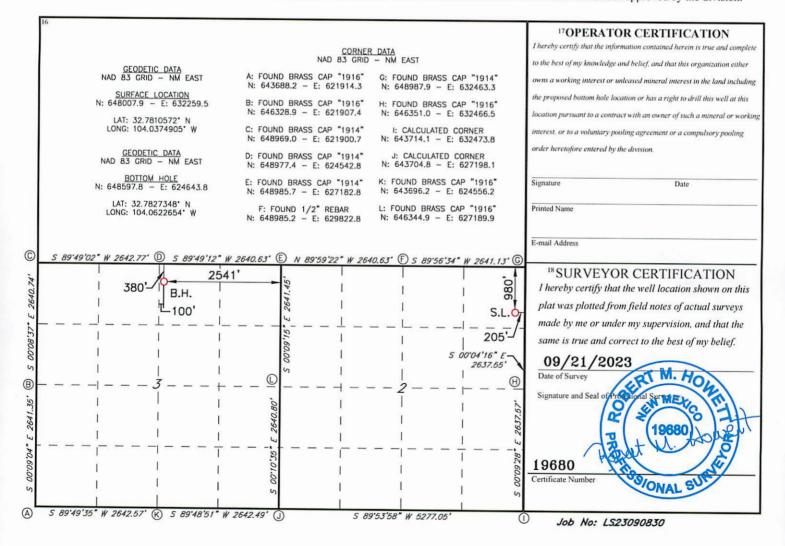
1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa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

Phone: (505) 476-3460 Fax: (505) 476-3462

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

	API Numbe			<sup>2</sup> Pool Code		O ACREAGE DEDICATION PLAT  3 Pool Name			
				96832			Sand Tank;	Bone Spring	g
<sup>4</sup> Property Co	de	SWANSON 2/3 FED COM					<sup>6</sup> Well Number <b>511H</b>		
7OGRID	NO.			MEWE	8 Operator N	L COMPANY			<sup>9</sup> Elevation <b>3546</b>
					10 Surface	Location			151 SON TO SON T
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
A	2	188	29E		980	NORTH	205	EAST	EDDY
			11 ]	Bottom H	ole Location	If Different Fro	om Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	3	188	29E		380	NORTH	2541	EAST	EDDY
Dedicated Acre	13 Joint	or Infill 14 (	Consolidation	Code 15 C	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.



## **EXHIBIT A-2**

Swanson 2/3 Fed Com #511H (B2AB) N/2N/2 of Section 2 & N/2NE/4 of Section 3 T18S-R29E, Eddy County, NM

Section 3 Section 2

Tract 1	Tract 2	Tract 3

Case No. 24386

#### Tract 1: N2NE of Section 3 - Federal Lease LC 058480

Mewbourne Oil Company - 51.88307%
EOG Resources, Inc. – 40.666667%
Mark Heinen – 2.106667%
Mel Riggs – 1.690000%
Mark Tidale – 1.690000%
Joel R. Miller Energy, LP – 1.500000%
OXY Y-1 Company – 0.2333333%
Debra Denise Latham, Trustee of Paul Latham, dec – 0.162500%
Greg Benton – 0.067763%

#### Tract 2: N2NW of Section 2 - State Lease B-6058

Mewbourne Oil Company - 51.88307%
EOG Resources, Inc. – 40.666667%
Mark Heinen – 2.106667%
Mel Riggs – 1.690000%
Mark Tidale – 1.690000%
Joel R. Miller Energy, LP – 1.500000%
OXY Y-1 Company – 0.233333%
Debra Denise Latham, Trustee of Paul Latham, dec – 0.162500%
Greg Benton – 0.067763%

#### Tract 3: N2NE of Section 2 - State Lease B-6811

Mewbourne Oil Company - 51.049737% EOG Resources, Inc. – 40.666667% Mark Heinen – 2.106667% Mel Riggs – 1.690000% Mark Tidale – 1.690000% Joel R. Miller Energy, LP – 1.500000% OXY Y-1 Company – 0.233333%

\*John Charles Emmons – 0.208333%

\*Earl Russell Emmons - 0.208333%

Debra Denise Latham, Trustee of Paul Latham, dec - 0.162500%

\*George Najar, Personal Rep for Estate of Roland Najar – 0.104167%

Greg Benton – 0.067763%

\*David Najar - 0.062500%

\*Jeffrey Najar - 0.062500%

\*Susan Nishio - 0.062500%

\*Elizabeth Najar - 0.062500%

\*George Najar - 0.062500%

<sup>\*</sup>Indicates parties being pooled.

## **EXHIBIT A-2**

# TRACT OWNERSHIP Swanson 2/3 Fed Com #511H (B2AB) N/2N/2 of Section 2 & N/2NE/4 of Section 3, Township 18 South, Range 29 East Eddy County, New Mexico

## **Bone Spring Formation:**

	% Leasehold Interes
Mewbourne Oil Company 500 West Texas, Ste. 1020 Midland, Texas 79701	51.049737%
EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706	40.666667%
Mark B. Heinen 122 Mountain Spring Drive Boerne, Texas 78006	2.106667%
Mel Riggs 2513 Regency Oaks Drive Midland, Texas 79705	1.690000%
Mark Tisdale 6951 Sundrise Cirle Midland, Texas 79707	1.690000%
Joel R. Miller Energy, LP P.O. Box 3003 Midland, Texas 79702	1.500000%
OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, Texas 77046-0521	0.233333%
Debra Denise Latham, Trustee of Family Trust under Will of Lindley Paul Latham, deceased 954 River Forest Drive New Braunfels, Texas 78132	0.162500%
Greg Benton P.O. Box 52408 Midland, Texas 79710	0.067763%

*John Charles Emmons 134 Nesmith Rd. Abilene, Texas 79602-0511		0.208333%
*Earl Russell Emmons 134 Nesmith Rd. Abilene, Texas 79602-0511		0.208333%
*George Najar, Personal Representative of Estate of Roland Najar, deceased 3904 Allendale Street Colleyville, Texas 76034		0.104167%
*Goerge Najar 3904 Allendale Street Colleyville, Texas 76034		0.062500%
*David Najar 827 N. Hawthorne Lane Indianapolis, Indiana 46219		0.0625000%
*Jeffrey Najar 3417 W. Wyndam Lane Durham, North Carolina 27705		0.0625000%
*Elizabeth Najar 827 N. Hawthorne Lane Indianapolis, Indiana 46219		0.0625000%
*Susan Nishio 5613 Excalibur Place Columbus, Ohio 43235		0.0625000%
	Total	100.00000%

<sup>\*</sup>Total interest being pooled: 0.833333%

#### MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715 FACSIMILE (432) 685-4170

March 18, 2024

Via Certified Mail

John Charles Emmons 134 Nesmith Rd. Abilene, Texas 79602-0511

Re: Swanson 3/2 Fed Com #511H (B2AB)

980' FNL & 205' FEL (SL) (Sec 2)

380' FNL & 2541' FEL (BHL) (Sec 3)

Sections 2 & 3, T18S, R29E Eddy County, New Mexico TVD: 7,144' MD: 14,752'

Exhibit A-3

Swanson 3/2 Fed Com #513H (B2HG) 1000' FNL & 205' FEL (SL) (Sec 2) 1700' FNL & 2541' FEL (BHL) (Sec 3)

Sections 2 & 3, T18S, R29E Eddy County, New Mexico TVD: 7,236' MD: 14,854'

Dear Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") hereby proposes to drill the referenced horizontal Bone Spring wells. The estimated costs for these wells are as follows:

Well Name	Estimated Cost to Casing Point	Estimated Cost of Producing Well
Swanson 3/2 Fed Com #511H (B2AB)	\$2,981,200	\$7,367,400
Swanson 3/2 Fed Com #513H (B2HG)	\$2,985,300	\$7,373,100

These costs are more fully detailed in the AFEs enclosed herewith. To facilitate the drilling of these wells and the development of this project area, Mewbourne proposed forming a working interest unit by signing an Operating Agreement with a Contract Area comprised of the E2 of Section 3 and All of Section 2. Our Joint Operating Agreement, previously sent to you, contained 100%/300% non-consent penalty, \$8,000.00/\$800 drilling/producing rates, and was limited to the Bone Spring formation with MOC listed as Operator. You did not previously respond to our proposals. If you do not wish to participate in the wells, Mewbourne is interested in discussing other options for your interest.

To make your election to participate in the proposed wells, properly execute and return the AFEs. You will also need to provide your "Well Information" requirements. As a reminder, Mewbourne's AFEs provide all participants the opportunity to opt out of the "Extra Expense Well Control Insurance" that Mewbourne purchases for each well it drills. If you do opt out, you must provide evidence that you have adequate "Well Control Insurance".

Regarding the above, please have the AFEs executed and returned to me within 30 days of receipt of proposals.

Feel free to contact me if you have any questions. I can be reached by phone at (432) 682-3715 or via email at asalgado@mewbourne.com.

Sincerely,

MEWBOURNE OIL COMPANY

asalgado.

Adriana Jimenez-Salgado Landman

> BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Exhibit No. A-3 Submitted by: Mewbourne Oil Company

Hearing Date: May 2, 2024 Case No. 24386

Exhibit A-3

## MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: SWANSON 2/3 FED COM #511H (B2AB	Pro	spect: AS	SPEN		
Location: SL: 980 FNL & 205 FEL (2); BHL: 380 FNL & 2541 FEL	(3)	County: Ec	ldy		ST: NM
Sec. 2 Blk: Survey:	TWP: 18S	RNG:	29E Prop. TVE	7144	TMD: 14752
Get. Z Dir. Gurtsy.					1
INTANGIBLE COSTS 0180		0180-010	TCP	0180-0200	CC
Regulatory Permits & Surveys  Location / Road / Site / Preparation		0180-010		0180-0205	\$30,000
Location / Restoration		0180-010		0180-0206	\$45,000
Daywork / Turnkey / Footage Drilling 18 days drlg / 3 days com	p @ \$28000/d	0180-011		0180-0210	\$89,700
Fuel 1700 gal/day @ \$3.9/gal		0180-011		0180-0214	
Alternate Fuels		0180-011		0180-0215	\$40,000
Mud, Chemical & Additives		0180-012		0180-0220 0180-0221	
Mud - Specialized Horizontal Drillout Services		0100-012	ψ240,000	0180-0222	\$150,000
Stimulation Toe Preparation				0180-0223	
Cementing		0180-012		0180-0225	
Logging & Wireline Services		0180-013		0180-0230	
Casing / Tubing / Snubbing Services		0180-013		0180-0234	\$16,000
Mud Logging Stimulation 37 stg 14.9 MM gal/14.9 N	MM Ib	0180-013	7 \$15,000	0180-0241	\$1,731,000
Stimulation 37 sig 14.9 Mini gail 14.9 M	/IIVI ID	-		0180-0241	
Water & Other 100% PW f/ PWMS/BWM	IS @ \$0.25/bbl	0180-014	5 \$35,000		
Bits		0180-014	8 \$74,800	0180-0248	
Inspection & Repair Services		0180-015			
Misc. Air & Pumping Services		0180-015		0180-0254	
Testing & Flowback Services		0180-015	8 \$12,000	0180-0258 0180-0260	
Completion / Workover Rig Rig Mobilization		0180-016	4 \$150,000	0100-0200	\$10,30
Transportation		0180-016		0180-0265	\$35,00
Welding, Construction & Maint. Services		0180-016		0180-0268	
Contract Services & Supervision		0180-017	0 \$131,100	0180-0270	\$51,50
Directional Services		0180-017			
Equipment Rental		0180-018		0180-0280	
Well / Lease Legal		0180-018 0180-018		0180-0284 0180-0285	
Well / Lease Insurance Intangible Supplies		0180-018		0180-0288	
Damages		0180-019		0180-0290	
Pipeline Interconnect, ROW Easements		0180-019		0180-0292	
Company Supervision		0180-019		0180-0295	
Overhead Fixed Rate		0180-019		0180-0296	
Contingencies 5% (TCP) 5% (CC)		0180-019	9 \$123,800	0180-0299	
	TOTA		\$2,599,400		\$3,335,800
TANGIBLE COSTS 0181					
Casing (19.1" – 30")		0181-079			
Casing (10.1" – 19.0") 370' - 13 3/8" 54.5# J-55 ST&C @ \$4 Casing (8.1" – 10.0") 1180' - 9 5/8" 36# J-55 LT&C @ \$28	10.0000000	0181-079			
Casing (8.1" – 10.0") 1180' - 9 5/8" 36# J-55 LT&C @ \$28. Casing (6.1" – 8.0") 6650' - 7" 29# HPP110 BT&C @ \$38		0181-079 0181-079			
Casing (4.1" – 6.0") 8375' - 4 1/2" 13.5# HCP-110 CDC-F		0101010	0, 02,0,000	0181-0797	\$193,60
Tubing 6410' - 2 7/8" 6.5# L-80 IPC Tbg @ \$				0181-0798	
Drilling Head		0181-086	0 \$50,000		
Tubing Head & Upper Section				0181-0870	
Horizontal Completion Tools				0181-0871	
Subsurface Equip. & Artificial Lift Service Pumps (1/10) TP/CP/CIRC PUMP	200			0181-0880	
Storage Tanks (1/10) (8)OT/(5)WT/(1)GB		-		0181-0890	
Emissions Control Equipment (1/10) (4)VRT/(2)VRU/(1)FLARE/(3)}	KO/(1)AIR			0181-0892	
Separation / Treating Equipment (1/10) (2)BULK H SEP/(3)TEST H S				0181-0895	
Automation Metering Equipment				0181-0898	
Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0900	
Water Pipeline-Pipe/Valves & Misc		-		0181-0901	
On-site Valves/Fittings/Lines&Misc Wellhead Flowlines - Construction		-	-	0181-0906 0181-0907	
Cathodic Protection				0181-0907	
Electrical Installation				0181-0909	
Equipment Installation				0181-0910	
Oil/Gas Pipeline - Construction				0181-0920	
Water Pipeline - Construction				0181-0921	
	TOTA		\$381,800		\$1,050,40
	SUBTOTA		\$2,981,200		\$4,386,20
TOT	AL WELL COST		199		7 77 2 2 7
nsurance procured for the Joint Account by Operator	AL WELL COST		\$7,3	67,400	
Opt-in. I elect to be covered by Operator's Extra Expense, Corpolicies, and will pay my proportionate share of the premiums  Opt-out. I elect to purchase my own policies for well control a recognize I will be responsible for my own coverage and will not be a control of the co	and other insurance requiot be afforded protection	nsurance cov uirements, or n under opera	rerages through join to self-insure (if apparter) ator's policies.	t account bil	lings.
If neither box is checked above, non-operating working interest owner  Joint owner agrees that item 0180-0245 will be provided by operator, if available, at 1	r elects to be covered by O the specified rate. Operator	reserves the	ance.	due to a chan	ge in market
conditions.		. 5551 765 1161		auc to a crian	go in market
Prepared by: Robin Terrell	Dat	e: <u>3/6/20</u>	24		
Company Approval: M. Whatter	Dat	e: 3/6/20	24		
Joint Owner Interest: 0.20222222		3013253333			
Joint Owner Interest: 0.20833300% Amount: \$15,348.73	Signature:				
Joint Owner Name: JOHN CHARLES EMMONS	Signature:				

Exhibit A-3

## MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: SWANSON 2/3 FED COM #513H (B2HG) Pros	pect: ASPEN	1		
Location: SL: 1000 FNL & 205 FEL (2); BHL: 1700 FNL & 2541 FEL (3)	ounty: Eddy			ST: NM
Sec. 2 Blk: Survey: TWP: 18S	RNG: 29E	Prop. TVE	7236	TMD: 14854
INTANGIBLE COSTS 0180 Regulatory Permits & Surveys	0180-0100	TCP \$20,000	0180-0200	CC
Location / Road / Site / Preparation	0180-0105		0180-0205	\$30,000
Location / Restoration	0180-0106	\$200,000	0180-0206	\$45,000
Daywork / Turnkey / Footage Drilling 18 days drlg / 3 days comp @ \$28000/d	0180-0110		0180-0210	\$89,700
Fuel 1700 gal/day @ \$3.9/gal Alternate Fuels	0180-0114 0180-0115	\$127,500	0180-0214 0180-0215	\$175,000 \$40,000
Mud, Chemical & Additives	0180-0113	\$45,000	0180-0213	φ40,000
Mud - Specialized	0180-0121		0180-0221	
Horizontal Drillout Services			0180-0222	\$150,000
Stimulation Toe Preparation Cementing	0180-0125	\$150,000	0180-0223 0180-0225	\$25,000 \$50,000
Logging & Wireline Services	0180-0125		0180-0223	\$225,000
Casing / Tubing / Snubbing Services	0180-0134		0180-0234	\$16,000
Mud Logging	0180-0137	\$15,000		
Stimulation 37 stg 14.9 MM gal/14.9 MM lb			0180-0241	\$1,731,000
Stimulation Rentals & Other  Water & Other  100% PW f/ PWMS/BWMS @ \$0.25/bbl	0180-0145	\$35,000	0180-0242 0180-0245	\$196,000 \$95,000
Bits	0180-0148		0180-0248	\$35,000
Inspection & Repair Services	0180-0150		0180-0250	\$5,000
Misc. Air & Pumping Services	0180-0154		0180-0254	\$10,000
Testing & Flowback Services Completion / Workover Rig	0180-0158	\$12,000	0180-0258	\$20,000 \$10,500
Rig Mobilization	0180-0164	\$150,000	0180-0260	\$10,500
Transportation	0180-0165		0180-0265	\$35,000
Welding, Construction & Maint. Services	0180-0168		0180-0268	\$16,500
Contract Services & Supervision	0180-0170		0180-0270	\$51,500
Directional Services Equipment Rental	0180-0175 0180-0180	\$285,000	0180-0280	\$100,000
Well / Lease Legal	0180-0184		0180-0284	\$100,000
Well / Lease Insurance	0180-0185		0180-0285	
Intangible Supplies	0180-0188		0180-0288	\$1,000
Damages Pipeline Interconnect, ROW Easements	0180-0190	\$10,000	0180-0290	\$1,000
Company Supervision	0180-0192 0180-0195	\$82,800	0180-0292 0180-0295	\$10,000 \$28,800
Overhead Fixed Rate	0180-0196		0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)	0180-0199		0180-0299	\$158,800
TOTAL		\$2,599,400		\$3,335,800
TANGIBLE COSTS 0181				
Casing (19.1" – 30")	0181-0793			
Casing (10.1" – 19.0") 370' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft Casing (8.1" – 10.0") 1180' - 9 5/8" 36# J-55 LT&C @ \$28.85/ft	0181-0794	\$18,900 \$36,400		
Casing (6.1" – 8.0") 6750' - 7" 29# HPP110 BT&C @ \$38.93/ft	0181-0796	\$280,600		
Casing (4.1" – 6.0") 8375' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$21.65/ft		V=20,000	0181-0797	\$193,600
Tubing 6515' - 2 7/8" 6.5# L-80 IPC Tbg @ \$14/ft			0181-0798	\$97,400
Drilling Head Tubing Head & Upper Section	0181-0860	\$50,000		
Horizontal Completion Tools			0181-0870 0181-0871	\$30,000
Subsurface Equip. & Artificial Lift		_	0181-0880	\$25,000
Service Pumps (1/10) TP/CP/CIRC PUMP			0181-0886	\$3,000
Storage Tanks         (1/10) (8)OT/(5)WT/(1)GB           Emissions Control Equipment         (1/10) (4)VRT/(2)VRU/(1)FLARE/(3)KO/(1)AIR			0181-0890	\$41,000
Emissions Control Equipment (1/10) (4)VRT/(2)VRU/(1)FLARE/(3)KO/(1)AIR  Separation / Treating Equipment (1/10) (2)BULK H SEP/(3)TEST H SEP/V SEP/(3)VHT/HHT			0181-0892	\$57,000
Automation Metering Equipment			0181-0895	\$44,000 \$58,000
Oil/Gas Pipeline-Pipe/Valves&Misc			0181-0898	\$47,000
Water Pipeline-Pipe/Valves & Misc			0181-0901	- 1000
On-site Valves/Fittings/Lines&Misc Wellhead Flowlines - Construction			0181-0906	\$99,000
Cathodic Protection			0181-0907	\$216,000
Electrical Installation			0181-0908	\$63,000
Equipment Installation			0181-0910	\$50,000
Oil/Gas Pipeline - Construction Water Pipeline - Construction			0181-0920	\$28,000
vva.ca i ipenine - Construction			0181-0921	
TOTAL		\$385,900		\$1,052,000
SUBTOTAL		\$2,985,300		\$4,387,800
TOTAL WELL COST		\$7.37	73,100	
Insurance procured for the Joint Account by Operator  Opt-in. I elect to be covered by Operator's Extra Expense, Commercial General Liability Policies, and will pay my proportionate share of the premiums associated with these insurance require recognize I will be responsible for my own coverage and will not be afforded protection up If neither box is checked above, non-operating working interest owner elects to be covered by Operation of the premium and the provided by Operator, if available, at the specified rate. Operator responsible for my own coverage and will not be afforded protection up If neither box is checked above, non-operating working interest owner elects to be covered by Operator and the provided by Operator, if available, at the specified rate. Operator responsible for my own coverage and will not be afforded protection up If neither box is checked above, non-operating working interest owner elects to be covered by Operator and the provided by Operator if available, at the specified rate. Operator responsible for my own coverage and will not be afforded protection up If neither box is checked above, non-operating working interest owner elects to be covered by Operator and Italiance in the provided by Operator in the provided b	ments, or to self- nder operator's p	s through joint insure (if appli policies.	account billin	oting-out, I
	serves the right to a	adjust the rate di	ue to a change	in market
Prepared by: Robin Terrell Date:	3/6/2024			
Company Approval: Date:	3/6/2024			
Joint Owner Interest:				
Joint Owner Name: JOHN CHARLES EMMONS Signature:				

## **EXHIBIT A-4**

## Summary of Communications

Swanson 2/3 Fed Com #511H (B2AB) Swanson 2/3 Fed Com #513H (B2HG)

Company Na	me: John Charles Emmor	ns
Date:	Communicated with:	Comments/Actions:
3/18/2024	John Emmons	Mailed well proposals via certified mail
4/5/2024		Certified Mail receipt showed successful delivery at 8:09 PM
3/28/2024	John Emmons	Mailed well proposals via certified mail to a new address
4/22/2024		Certified Mail receipt showed successful delivery at 2:10 PM
4/22/2024	John Emmons	John called me to ask questions regarding options
4/23/2024	John Emmons	I emailed John his options for his elections.
4/23/2024	John Emmons	John emailed me to ask for an election deadline.

Company Na	me: Earl Russell Emmons	
Date:	Communicated with:	Comments/Actions:
3/18/2024	Earl Emmons	Mailed well proposals via certified mail
4/11/2024		Certified Mail receipt showed successful delivery at 8:09 PM
3/28/2024	Earl Emmons	Mailed well proposals via certified mail to a new address
4/5/2024		Certified Mail receipt showed successful delivery at 8:09 PM

Company Na	ame: George Najar, as Pei	rsonal Representative of Estate of Roland Najar, deceased AND
George Naja	r, as sole property	
Date:	Communicated with:	Comments/Actions:
3/18/2024	George Najar	Mailed well proposals via certified mail
4/6/2024		Certified Mail receipt showed successful delivery at 8:11 PM
4/2/2024	George Najar	Mailed well proposals via certified mail to a new address
4/4/2024		Certified Mail receipt showed successful delivery at 2:21 PM
4/18/2024	George Najar	George called me and left a voicemail.
4/22/2024	George Najar	I called George to discuss options for his interest.
4/24/2024	George Najar	I sent George an offer for his interest. He will call me back.

Company Na	ame: David Najar						
Date:	Communicated with:	Comments/Actions:					
3/18/2024	David Najar	Mailed well proposals via certified mail					
3/18/2024		Certified Mail receipt showed proof of acceptance by the USPS at 8:39 PM, but there is still no proof of delivery on their website,					
		via their tracking information.					

Company Na	me: Jeffrey Najar						
Date:	Communicated with:	Comments/Actions:					
3/18/2024	Jeffrey Najar	Mailed well proposals via certified mail					
3/18/2024		Certified Mail receipt showed proof of acceptance by the USPS at					
		8:39 PM, but there is still no proof of delivery on their website, via					
		their tracking information.					

1

Company Na	me: Elizabeth Najar				
Date:	Communicated with: Comments/Actions:				
3/18/2024	Elizabeth Najar	Mailed well proposals via certified mail			
3/18/2024		Certified Mail receipt showed proof of acceptance by the USPS at 8:39 PM, but there is still no proof of delivery on their website, via their tracking information.			

Company Name: Susan Nishio						
Date:	Communicated with: Comments/Actions:					
3/18/2024	Susan Nishio	Mailed well proposals via certified mail				
3/30/2024		Certified Mail receipt showed successful delivery at 11:13 AM				

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

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

CASE NOS. 24386 & 24387

SELF AFFIRMENT STATEMENT OF CHARLES CROSBY, GEOLOGIST

1. My name is Charles Crosby and I am employed by Mewbourne Oil Company

("Mewbourne") as a petroleum geologist. My responsibilities include the Permian Basin of New

Mexico. I have previously testified before the New Mexico Oil Conservation Division as an expert

witness in petroleum geology.

2. I am familiar with the applications filed by Mewbourne in these consolidated cases

and I have conducted a geologic study of the lands in the subject area.

3. The target interval for the proposed initial wells is the 2<sup>nd</sup> Bone Spring Sand interval

of the Bone Spring formation.

4. **Exhibit B-1** is a general location map showing the proposed spacing units outlined

in red, with the approximate location and orientation of the initial wells noted with dashed green

arrows.

5. **Exhibit B-2** is a subsea structure map that I prepared for the base of the 2<sup>nd</sup> Bone

Spring Sand formation. The contour intervals are 100 feet. The area comprising the proposed

spacing units is outlined dashed black boxes. The structure map shows the base of the 2<sup>nd</sup> Bone

Spring sand formation dipping south-southeast. The structure appears consistent across the

proposed spacing units, and I do not observe any faulting, pinch outs, or other geologic

impediments to drilling horizontal wells.

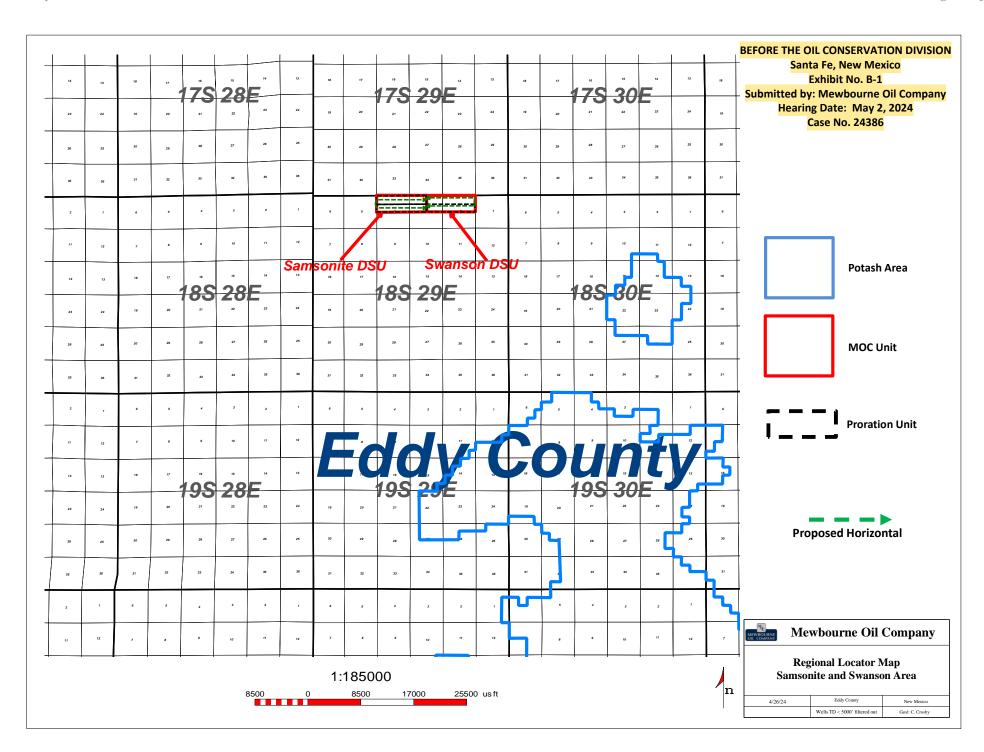
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

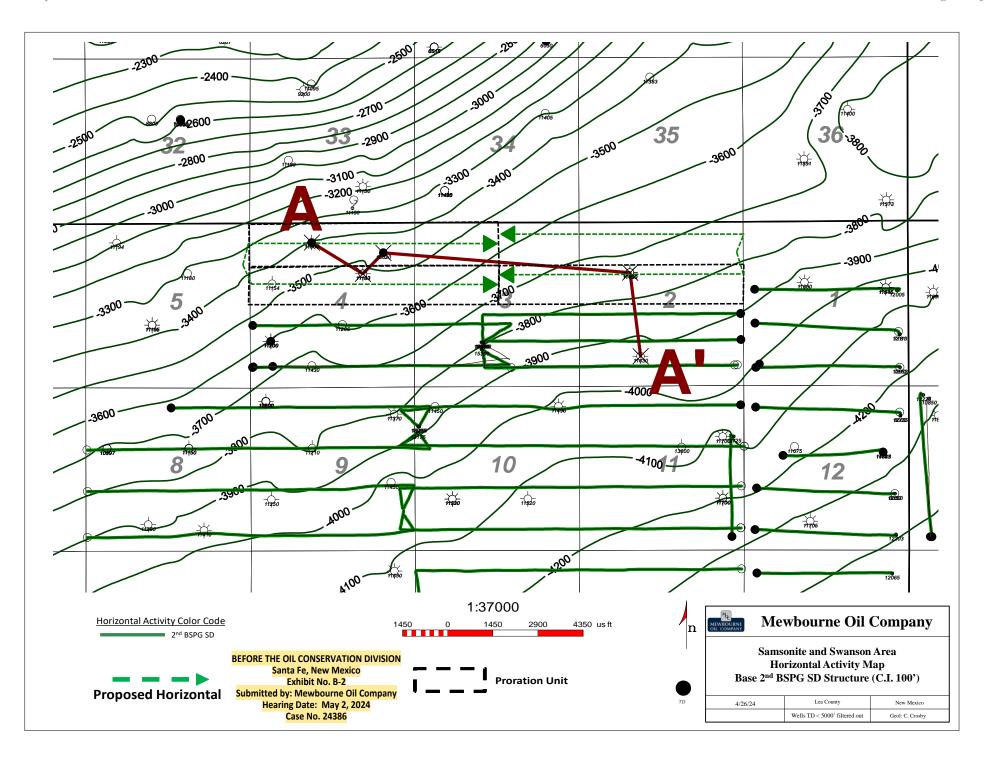
- 6. Exhibit B-2 also shows a line of cross section through the proposed horizontal spacing units from A to A'. I chose the logs from these wells to create the cross section because they penetrate the targeted interval, are of good quality and have been subjected to petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.
- 7. **Exhibit B-3** is a stratigraphic cross-section that I prepared using the logs from the representative wells shown on Exhibit B-1. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells is marked on the cross section with green arrows. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.
- 8. My geologic study indicates the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed horizontal spacing unit will be productive and contribute proportionately to the production from the wells.
- 9. Exhibit B-2 also shows the existing Bone Spring development in this area. In my opinion, the laydown orientation of the proposed wells is appropriate because of the geologic stress in this area.
- 10. In my opinion, approval of these applications is in the best interests of conservation, the prevention of waste, and protection of correlative rights.
- 11. Exhibits B-1 through B-3 were either prepared by me or compiled under my direction and supervision.
- 12. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed

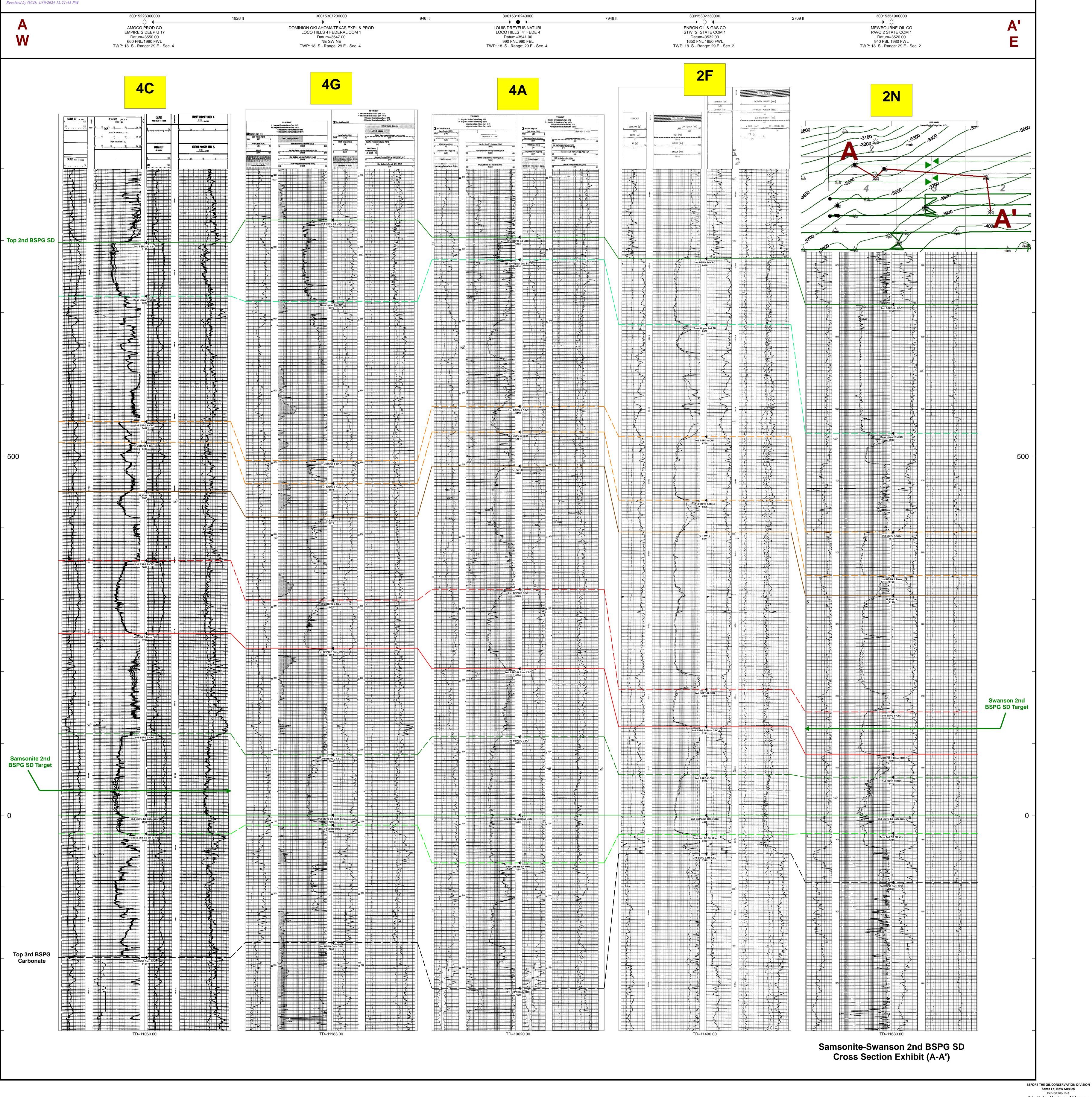
statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

Charles Crosby

4/26/24 Date







Released to Imaging: 4/30/2024 1:41:53 PM

Page 28 of 34

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. 24386** 

SELF-AFFIRMED STATEMENT OF MICHAEL H. FELDEWERT

1. I am attorney in fact and authorized representative of Mewbourne Oil Company

("MOC"), the Applicant herein. I have personal knowledge of the matters addressed herein and

am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application

was sent by certified mail to the affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice

was provided.

4. The spreadsheet attached hereto contains the information provided by the United

States Postal Service on the status of the delivery of this notice as of April 26, 2024.

5. I caused a notice to be published to all parties subject to these compulsory pooling

proceedings on April 17, 2024. An affidavit of publication from the publication's legal clerk with

a copy of the notice publication is attached as Exhibit D.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that

the foregoing statements are true and correct. I understand that this self-affirmed statement will be

used as written testimony in this case. This statement is made on the date next to my signature

below.

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Exhibit No. C
Submitted by: Mewbourne Oil Company

April 29, 2024

Date

Michael H. Feldewert



Michael H. Feldewert Partner Phone (505) 988-4421 mfeldewert@hollandhart.com

April 12, 2024

## <u>VIA CERTIFIED MAIL</u> CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Mewbourne Company for Compulsory Pooling, Eddy County,

New Mexico: Swanson 3/2 Fed Com 511H well

Ladies & Gentlemen:

This letter is to advise you that Mewbourne Oil Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on May 2, 2024, and the status of the hearing can be monitored through the Division's website at <a href="https://www.emnrd.nm.gov/ocd/">https://www.emnrd.nm.gov/ocd/</a>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Adriana Salgado at (432) 682-3715, or at asalgado@mewbourne.com.

Sincerely,

Michael H. Feldewert

ATTORNEY FOR MEWBOURNE OIL COMPANY

Location 110 North Guadalupe, Suite 1 Santa Fe, NM 87501-1849 Mailing Address
P.O. Box 2208
Santa Fe, NM 87504-2208

Contact p: 505.988.4421 | f: 505.983.6043 www.hollandhart.com

Holland & Hart LLP Anchorage Aspen Billings Boise Boulder Cheyenne Denver Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C.

## MOC - Swanson 511H and 513H wells - Case nos. 24386-24387 Postal Delivery Report

					1	
						Your item was returned to
						the sender on April 15,
						2024 at 2:14 pm in
						COLLEYVILLE, TX 76034
						because the addressee
						was not known at the
	George Najar, Personal Representative of					delivery address noted on
9414811898765406490008	Estate of Roland Najar, deceased	3904 Allendale St	Colleyville	TX	76034-4671	the package.
						Your package will arrive
						later than expected, but is
						still on its way. It is
						currently in transit to the
9414811898765406490091	David Najar	827 N Hawthorne Ln	Indianapolis	IN	46219-4320	next facility.
						Your package will arrive
						later than expected, but is
						still on its way. It is
						currently in transit to the
9414811898765406490046	Jeffrey Najar	3417 West Wyndham Ln	Durham	NC	27705-1777	next facility.
						Your item was delivered
						to an individual at the
						address at 1:32 pm on
						April 18, 2024 in
9414811898765406490084	Susan Nishio	5613 Excalibur Pl	Columbus	ОН	43235-7239	COLUMBUS, OH 43235.
						Your package will arrive
						later than expected, but is
						still on its way. It is
						currently in transit to the
9414811898765406490039	Elizabeth Najar	827 N Hawthorne Ln	Indianapolis	IN	46219-4320	next facility.
						Your item was returned to
						the sender on April 15,
						2024 at 2:14 pm in
						COLLEYVILLE, TX 76034
						because the addressee
						was not known at the
						delivery address noted on
9414811898765406490077	George Naiar	3904 Allendale St	Colleyville	TX	76034-4671	the package.
2 := :22233.33 :33 :33	0	1	1		1. 50007 1	

Received by OCD: 4/30/2024 12:21:43 PM

## MOC - Swanson 511H and 513H wells - Case nos. 24386-24387 Postal Delivery Report

9414811898765406490411	Earl Russell Emmons	134 Nesmith Rd	Abilene	TX		Your item was picked up at the post office at 11:30 am on April 25, 2024 in SANTA FE, NM 87501.
						Your item arrived at our ABILENE TX DISTRIBUTION CENTER destination
						facility on April 26, 2024
						at 1:00 am. The item is currently in transit to the
9414811898765406490428	John Charles Emmons	134 Nesmith Rd	Abilene	TX	79602-5608	·



GANNETT

PO Box 631667 Cincinnati, OH 45263-1667

#### AFFIDAVIT OF PUBLICATION

Joe Stark Holland And Hart 110 N Guadalupe ST # 1 Santa Fe NM 87501-1849

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:

04/17/2024

and that the fees charged are legal. Sworn to and subscribed before on 04/17/2024

Notary, State of WI, County of Brown

My commission expires

**Publication Cost:** 

\$221.40

Order No:

10076148

# of Copies:

Customer No:

1360634

PO #:

THIS IS NOT AN INVOICE!

Please do not use this form for payment remittance.

KATHLEEN ALLEN Notary Public State of Wisconsin

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION
The State of New Mexico, Energy Minerals and Natural
Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold
public hearings before a hearing examiner on the following cases. The hearings will be conducted in a hybrid
fashion, both in-person at the Energy, Minerals, Natural
Resources Department, Wendell Chino Buildins, Pecos
Hall, 1220 South St. Francis Drive, Ist Floor, Santa Fe.
NM 87505 and via the WebEx virtual meeting platform
(sign-in information below) on Thursday, May 2, 2024,
beginning at 8:15 a.m. To participate in the hearings, see
the instructions posted below. The docket may be viewed
at https://www.emnrd.nm.gov/ocd/hearing-info/ or
obtained from Sheila Apodaca, at
Sheila.Apodaca@emnrd.nm.gov. Documents filed in these
cases
my view and participate in the hearings. If
you are an individual with a disability who needs a
reader, amplifier, qualified sign language interpreter, or
other form of auxiliary aid or service to attend or participate in a hearing, contact Sheila Apodaca of
Sheila.Apodaca@emnrd.nm.gov, or the New Mexico
Relay Network at 1-800-659-1779, no later than April 23,
2024.
Persons may view and participate in the hearings
through the following
https://memnrd.webex.com/nmemnrd/i.php?
MT1D=mby04dcbb9aeccdafalogaf37804897c
Webinar number: 2489 789 5950
Join by video system:
Dial 2489789595@emnemnrd.webex.com
You can also dial 173.243.2.68 and enter your webinar
number.
Join by phone: 1-844-992-4726 United States Toll Free
+1-408-418-9388 United States Toll
Access code: 2489 789 5950
Denelist password: JxfK9urrh47 (59359877 from phones
and video systems
STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.
(NOTE: All land descriptions herein refer to the New
Mexico Principal Meridian whether or not so stated.)
To: All affected interest owners, including: George

and devisees, and John Charles Ermmons, his heirs and devisees. Case No. 24386: Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a standard 240-acre horizontal well spacing unit comprised of the N2N2 of Section 2 and the N2NE4 of Section 3. Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Swanson 3/2 Fed Com 511H well, to be horizontally drilled from a surface location in the NE4 of Section 2 and a last take point in NEANE4 (Unit A) of Section 2 and a last take point in NEANE4 (Unit B) of Section 2 and a last take point in the NW4NE4 (Unit B) of Section 3. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 20 miles east of Artesia, New Mexico.

BEFORE THE OIL CONSERVATION DIVISION Santa Fe. New Mexico Exhibit No. D

**Submitted by: Mewbourne Oil Company** Hearing Date: May 2, 2024 Case No. 24386

Page 1 of 1