# BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JUNE 13, 2024

**CASE No. 24505** 

OLD INDIAN DRAW BS 6H 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. 24505** 

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## **COMPULSORY POOLING APPLICATION CHECKLIST**

#### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS Case: 24505 **APPLICANT'S RESPONSE** Date: June 13, 2024 **Mewbourne Oil Company Applicant** 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 Old Indian Draw 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: Culebra Bluff; Bone Spring (15011) Well Location Setback Rules: Standard **Spacing Unit** Type (Horizontal/Vertical) Horizontal Size (Acres) 310.54-acres **Building Blocks:** Quarter-Quarter sections Orientation: Laydown Description: TRS/County S2S2 of Section 17 and Lots 11-12 and the S2SE4 of irregular Section 18, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is Yes approval of non-standard unit requested in the application? 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 Old Indian Draw Uit Com 6H (API No. pending) SHL: 910' FSL & 205' FEL (Unit P) of Sec. 17, T22S, R28E BHL: 330' FSL & 100' FWL (Lot 11) of Sec. 18, T22S, R28E Completion Target: Bone Spring formation Well Orientation: East to West Completion Location expected to be: Standard Horizontal Well First and Last Take Points Exhibit A-1 Released to Imaging: 6/6/2024 3:56:08 PM

AFE Capex and Operating Costs  Drilling Supervision/Month \$ 51,200  Justification for Supervision Costs Exhibit A  Requested Risk Charge 200%  Notice of Hearing Proof of Mailed Notice of Hearing (20 days before hearing) Exhibit C  Proof of Published Notice of Hearing (10 days before hearing) Exhibit C  Proof of Published Notice of Hearing (10 days before hearing) Exhibit C  Proof of Published Notice of Hearing (10 days before hearing) N/A  Ownership Determination Exhibit A-2  Tract List (including lease numbers and owners) Exhibit A-2  If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.  N/A  Pooled Parties (including ownership type) Exhibit A-2  Unlocatable Parties to be Pooled N/A  Ownership Depth Severance (including percentage above & below) N/A  Joinder Exhibit A-3  List of Interest Owners (ie Exhibit A of JOA) Exhibit A-3  Chronology of Contact with Non-Joined Working Interests Exhibit A-3  Cost Estimate to Drill and Complete Exhibit A-3  Cost Estimate to Drill and Complete Exhibit A-3  Geology  Summary (including special considerations) Exhibit B-2  Gunbarrel/Lateral Trajectory Schematic Exhibit B-2  Exhibit B-2  Exhibit B-2	Received by OCD: 6/6/2024 3:27:15 PM	Exhibit A-3
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Target Formation Exhibit B	Target Formation	Exhibit B
HSU Cross Section Exhibit B-3	HSU Cross Section	Exhibit B-3
Depth Severance Discussion N/A	Depth Severance Discussion	N/A
Forms, Figures and Tables	Forms, Figures and Tables	
C-102 Exhibit A-1	C-102	Exhibit A-1
Tracts Exhibit A-2	Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts) Exhibit A-2	Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
Released to tuasing how for the state of the	•	Exhibit B-1

Well Bore Location Map	Exhibits A-1, B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information prov</b>	vided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	Tuchal & Jellewers 6-Jun-24

#### 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. 24505** 

#### **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 310.54-acre, more or less, horizontal well spacing unit comprised of the S2S2 of Section 17 and Lots 11-12 and the S2SE4 of irregular Section 18, Township 22 South, Range 28 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 **Old Indian Draw Unit Com 6H** well to be horizontally drilled from a surface location in the SE4 of Section 17, with a first take point in the SE4SE4 (Unit P) of Section 17 and a last take point in Lot 11 (SW4SW4 equivalent) of irregular Section 18.
- 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 June 13, 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 wells 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

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Paula M. Vance

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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 310.54-acre, more or less, horizontal well spacing unit comprised of the S2S2 of Section 17 and Lots 11-12 and the S2SE4 of irregular Section 18, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Old Indian Draw Unit Com 6H well to be horizontally drilled from a surface location in the SE4 of Section 17, with a first take point in the SE4SE4 (Unit P) of Section 17 and a last take point in Lot 11 (SW4SW4 equivalent) of irregular Section 18. 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 the well. The subject area is located approximately 7 miles north of the Town of Loving, New Mexico.

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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. 24505, 24506 & 24507

SELF AFFIRMED STATEMENT OF THOMAS SLOAN, LANDMAN

1. My name is Thomas Sloan 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 applications 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. Mewbourne seeks orders pooling all uncommitted interests in the Bone Spring and

Wolfcamp formations underlying the S2 of Section 17 and Lots 9-12 and the SE4 of irregular

Section 18, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico, as follows:

Under Case 24505, Mewbourne seeks to pool a standard 310.54-acre horizontal well

spacing unit in the Bone Spring formation underlying the S2S2 of Section 17 and Lots

11-12 and the S2SE4 of irregular Section 18, to be initially dedicated to the proposed

Old Indian Draw Unit Com 6H to be horizontally drilled from a surface location in

the SE4 of Section 17, with a first take point in the SE4SE4 (Unit P) of Section 17 and

a last take point in Lot 11 (SW4SW4 equivalent) of irregular Section 18;

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BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: Mewbourne Oil Company
Hearing Date: June 13, 2024

Case No. 24505

- Under Case 24506, Mewbourne seeks to pool a standard 310.59-acre horizontal well spacing unit in the Bone Spring formation underlying the N2S2 of Section 17 and Lots 9-10 and the N2SE4 of irregular Section 18, to be initially dedicated to the proposed Old Indian Draw Unit Com 8H to be horizontally drilled from a surface location in the SE4 of Section 17, with a first take point in the NE4SE4 (Unit I) of Section 17 and a last take point in Lot 10 (NW4SW4 equivalent) of irregular Section 18; and
- Under Case 24507, Mewbourne seeks to pool a standard 621.13-acre horizontal well spacing unit in the Wolfcamp formation underlying the S2 of Section 17 and Lots 9-12 and the SE4 of irregular Section 18, to be initially dedicated to the following proposed wells:
  - Old Indian Draw Unit Com 4H to be horizontally drilled from a surface location in the SE4 of Section 17, with a first take point in the SE4SE4 (Unit P) of Section 17 and a last take point in Lot 11 (SW4SW4 equivalent) of irregular Section 18; and
  - Old Indian Draw Unit Com 9H to be horizontally drilled from a surface location in the SE4 of Section 17, with a first take point in the NE4SE4 (Unit I) of Section 17 and a last take point in Lot 10 (NE4SW4 equivalent) of irregular Section 18.
- 4. There are no ownership depth severances within the Bone Spring and Wolfcamp formations underlying the subject acreage, and there are no Bone Spring or Wolfcamp wells in the subject acreage.
- 5. **Exhibit A-1** contains drafts of the Form C-102s for the proposed initial wells in chronologic order. Mewbourne has been informed that the Bone Spring wells are in the Culebra

Bluff Bone Spring Pool (15011) and the Wolfcamp wells are in the Purple Sage; Wolfcamp Gas Pool (98220).

- 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 Bone Spring and Wolfcamp horizontal spacing units. Mewbourne seeks to pool the working interests held by XTO Delaware Basin LLC and Marathon Oil Permian LLC. This acreage is comprised of federal 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 these formations.
- 8. Mewbourne requests overhead and administrative rates of \$12,000 per month while drilling and \$1,200 per month for a producing well. These rates are consistent with the rates set forth in the operating agreement for this acreage and 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 located all the parties it seeks to be pool.

- 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.

Thomas Sloan

32177435\_v1

1625 N. French Dr., Hobbs, NM 88240

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District II

District III

Phone: (575) 393-6161 Fax: (575) 393-0720

1000 Rio Brazos Road, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Submitted by: Mewbourne Oil Company Hearing Date: June 13, 2024 Case No. 24505

Form C-102

Exhibit No. A-1

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

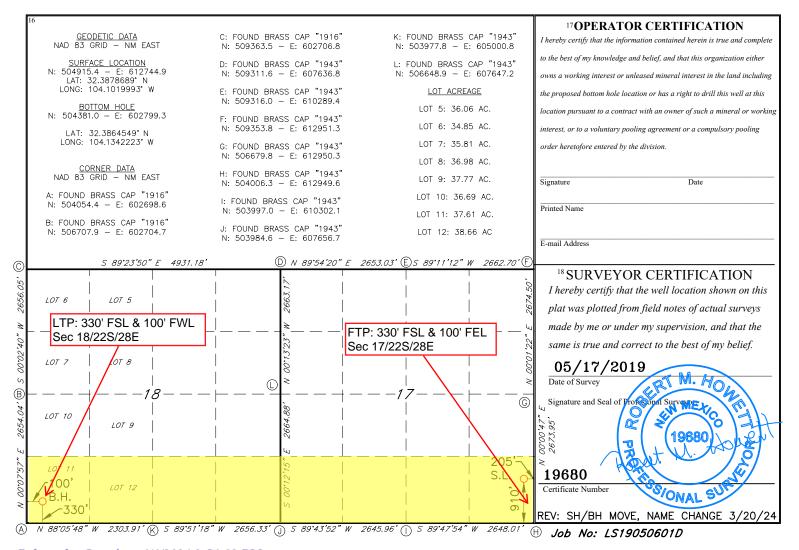
Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Number PENDING			<sup>2</sup> Pool Co 1501		CULEBRA BLUFF (BONE SPRING)				
<sup>4</sup> Property Co	de		OLD INDIAN DRAW UNIT COM						<sup>6</sup> Well Number <b>6H</b>	
70GRID 1 14744				8 Operator Name MEWBOURNE OIL COMPANY						Elevation 3078'
<sup>10</sup> Surface Location										
UL or lot no.	Section	Townshi	ip Range	Lot Idn	Feet from t	he North/South line	Feet From the	East/We	st line	County
P	17	22S	28E		910	SOUTH	205	EAS	ST	EDDY
11 Bottom Hole Location If Different From Surface										
UL or lot no.	Section	Townshi	ip Range	Lot Idn	Feet from t	he North/South line	Feet from the	East/We	st line	County
11	18	22S	28E		330	SOUTH	100	WES	ST	EDDY
12 Dedicated Acres	s 13 Joint	or Infill	14 Consolidation	Code	15 Order No.	•	•			
310 54	1									

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.



## OLD INDIAN DRAW UNIT COM 17/18 POOLING PLAT AND WORKING INTEREST OWNERSHIP BY TRACT S/2 OF SECTIONS 17 & 18, T22S, R28E, EDDY COUNTY, NM PREPARED BY THOMAS SLOAN 6/5/2024

			South Half Ur	nit Tract Plat	
		North Sectio T22S-	on 18	North Half Section 17 T22S-R28E	
Trac NM 0415 34.44 A	5688 A	NM 04	act 2 15688 A 9 Acres	Tract 1 NM 0415688 A 320 Acres	
Trac	et 3		Tract 2	Tract 1	
LOT		S/2 OF	SECTION 18, L&E LOT 11	S/2 OF SECTION 17	
34.440	34.440000 266.690000 320.000000				
5.544733% 42.936261% 51.519006%					
		OLD INDIAN	TOTAL UNIT TOTAL UNIT  South Half Unit Ov DRAW UNIT COM #4H (17-18 W0PM);	100.000000%	
Tract No.					% of Tract
1	Mewbouri	ne Oil Company, et al		m . Im	100.000000%
				Total Tract 1	100.000000%
Tract No.	Party				% of Tract
	Mewbourn	ne Oil Company, et al			69.545040%
2		ware Basin LLC			23.885940%
	Marathon	Oil Permian LLC		Total Tract 2	6.569020% 100.000000%
				I otal I lact 2	100.00000070
Tract No.					% of Tract
3 Mewbourne Oil Company, et al					100.000000%
	L			Total Tract 3	100.000000%
			TOTAL SPACING U	INIT OWNERSHIP	
Tract No.	Party				% of Spacing unit
1, 2, 3	Mewbourn	ne Oil Company, et al			86.923779%
		ware Basin LLC			10.255730%
2	iviarathon	Oil Permian LLC		Total Spacing Unit	2.820492% 100.000000%
				Total Spacing Unit	100.00000070
			** PARTIES HIGHLIGHTED IN RED	ARE PARTIES TO BE POOLED**	
I			TARTIES INSTITUTION IN REL	ARE TRUIDS TO BE LOCKED	

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-2
Submitted by: Mewbourne Oil Company
Hearing Date: June 13, 2024
Case No. 24505

# OLD INDIAN DRAW UNIT COM 17/18 POOLING PLAT AND WORKING INTEREST OWNERSHIP BY TRACT N/2S/2 OF SECTIONS 17 & 18, T22S, R28E, EDDY COUNTY, NM PREPARED BY THOMAS SLOAN 6/5/2024

			N/2S/2 Half Ui	nit Tract Plat		
	North Sectio T22S-I	on 18			North Half Section 17 T22S-R28E	
	Trac NM 041 150.59	5688 A			Tract 1 NM 0415688 A 160 Acres	
	Trac		7.40		Tract 1	
	N/2SE/4, LOTS 9, 10		N 18		N/2S/2 OF SECTION 17	
	150.59	0000			160.000000	
	48.4851	141%			51.514859%	
			TOTAL UNIT		310.59	
			TOTAL UNIT		100.000000%	
		(	<b>N/2S/2 Unit Own</b> OLD INDIAN DRAW UNIT			
TD 4 NT	n					0/ .em /
Tract No.	Mewbourne Oil Company, et al					% of Tract 100.000000%
1	inewestine on company, or an				Total Trac	
						•
Tract No.	Party Mewbourne Oil Company, et al					% of Tract 69.545040%
	XTO Delaware Basin LLC					23.885940%
2	Marathon Oil Permian LLC					6.569020%
					Total Trac	2 100.000000%
			momal on context	NITE ON AIRPOILE		
Torrest NI	Douts		TOTAL SPACING U	INIT OWNERSHIP		0/ of Cr
<b>Tract No.</b> 1, 2	Mewbourne Oil Company, et al					% of Spacing unit 85.233870%
2	XTO Delaware Basin LLC					11.581132%
2	Marathon Oil Permian LLC					3.184999%
					Total Spacing U	

\*\* PARTIES HIGHLIGHTED IN RED ARE PARTIES TO BE POOLED\*\*

## OLD INDIAN DRAW UNIT COM 17/18 POOLING PLAT AND WORKING INTEREST OWNERSHIP BY TRACT S/2S/2 OF SECTIONS 17 & 18, T22S, R28E, EDDY COUNTY, NM PREPARED BY THOMAS SLOAN 6/5/2024

		S/2S/2 Unit	Tract Plat	
		North Half	North Half	
		Section 18	Section 17	
		T22S-R28E	T22S-R28E	
Trac	ot 3	Tract 2	Tract 1	
NM 0415		NM 0415688 A	NM 0415688 A	
34.44 A	Acres	116.1 Acres	160 Acres	
Trac	ct 3	Tract 2	Tract 1	
LOT		S/2 OF SECTION 18, L&E LOT 11	S/2S/2 OF SECTION 17	
34.44	.0000	116.100000	160.000000	
31.11	0000	110.100000	100.00000	
11.090	359%	37.386488%	51.523153%	
		TOTAL UNIT	310.54	
		TOTAL UNIT	100.000000%	
		S/2S/2 Unit Own		
		OLD INDIAN DRAW UNIT	COM #0H (17-18 H3FM)	
Tract No.	Dantu			% of Tract
		ne Oil Company, et al		100.000000%
1	1/10/// 00/01/1	to on company, or an	Total Tract 1	100.000000%
Tract No.		Oil C		% of Tract
		ne Oil Company, et al ware Basin LLC		69.545040% 23.885940%
2		Oil Permian LLC		6.569020%
			Total Tract 2	100.000000%
	1_			
Tract No.		ne Oil Company, et al		% of Tract 100.000000%
3	Mewbourn	ne Oil Company, et al	Total Tract 3	100.00000%
			Total Tructo	100.0000070
		TOTAL SPACING U	NIT OWNERSHIP	
Tract No.	Party			% of Spacing unit
1, 2, 3		ne Oil Company, et al ware Basin LLC		88.613960% 8.930114%
2 2		Ware Basin LLC Oil Permian LLC		2.455926%
	attion		Total Spacing Unit	100.000000%
			. 8	
		** PARTIES HIGHLIGHTED IN RED	ARE PARTIES TO BE POOLED**	

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

TELEPHONE (432) 682-3715

April 15, 2024

#### **Certified Mail**

Marathon Oil Permian LLC 5555 San Felipe Street Houston, TX 77056

Re: Old Indian Draw Unit / Little Rascals 17/18 Well Proposals

S/2 of Sections 17 & 18, T22S, R28E

Eddy County, New Mexico

#### Ladies and Gentlemen:

Mewbourne Oil Company ("MOC"), as Operator, hereby proposes creating a working interest unit comprised of the S/2 of Section 17 and the SE/4, Lots 9-12 of Section 18, T22S, R28E, Eddy County, New Mexico (the "Unit"). As part of the initial development of this Unit, MOC hereby proposes the following wells targeting the Bone Spring Sand and Wolfcamp Formations:

1) OLD INDIAN DRAW UNIT COM #4H (17/18 W0PM) – API # PENDING

Surface Location: 940' FSL, 205' FEL, Section 17, T22S, R28E Bottom Hole Location: 880' FSL, 100' FWL, Section 18, T22S, R28E

Proposed Total Vertical Depth: 9400' Proposed Total Measured Depth: 19300'

Target: Wolfcamp Sand

2) OLD INDIAN DRAW UNIT COM #9H (17/18 W0IL) – API # PENDING

Surface Location: 1000' FSL, 205' FEL, Section 17, T22S, R28E Bottom Hole Location: 2310' FSL, 100' FWL, Section 18, T22S, R28E

Proposed Total Vertical Depth: 9400' Proposed Total Measured Depth: 19300'

Target: Wolfcamp Sand

3) OLD INDIAN DRAW UNIT COM #6H (17/18 H3PM) – API # PENDING

Surface Location: 910' FSL, 205' FEL, Section 17, T22S, R28E Bottom Hole Location: 330' FSL, 100' FWL, Section 18, T22S, R28E

Proposed Total Vertical Depth: 8400' Proposed Total Measured Depth: 19000' Target: Upper Third Bone Spring Sand

4) OLD INDIAN DRAW UNIT COM #8H (17/18 H3IL) – API # PENDING

Surface Location: 970' FSL, 205' FEL, Section 17, T22S, R28E

Bottom Hole Location: 2000' FSL, 100' FWL, Section 18, T22S, R28E

Proposed Total Vertical Depth: 8400' Proposed Total Measured Depth: 19000' Target: Upper Third Bone Spring Sand

Tan Z

The wells are planned to be pad drilled using one rig with the first well tentatively planned to spud in June of 2024. In the event you elect to participate in the proposed wells, please execute the enclosed set of Operating Agreement signature and acknowledgement pages and AFEs before returning them to the undersigned within thirty (30) days. The enclosed Operating Agreement provides a non-consent penalty of 300%/100% and COPAS drilling/producing rates of \$12,000/month and \$1,200/month respectively. Please enclose your most current well information requirements with your executed AFEs so that we may supply well data when available.

If you have any questions or need additional information, please don't hesitate to contact me at tsloan@mewbourne.com or (432) 234-2856.

Sincerely,

MEWBOURNE OIL COMPANY

Thomas Sloan Landman BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-3
Submitted by: Mewbourne Oil Company
Hearing Date: June 13, 2024
Case No. 24505

Well Name: OLD INDIAN DRAW UNIT COM #4H (17/18 W0PM) Prospect: LITTLE RASCALS						
Location: SL: 940 FSL & 205 FEL (17); BHL: 880 FSL & 100 FWL (18)	unty: Eddy	ST: NM				
Sec. 17 Blk: Survey: TWP: 22S	RNG: 28E Prop. TVD	): 9400 TMD: 19300				
INTANCIBLE COSTS 0400						
INTANGIBLE COSTS 0180 Regulatory Permits & Surveys	CODE         TCP           0180-0100         \$20,000	CODE   CC				
Location / Road / Site / Preparation		0180-0205 \$35,000				
Location / Restoration		0180-0206 \$60,000				
Daywork / Turnkey / Footage Drilling 17 days drlg / 3 days comp @ \$28000/d Fuel 1700 gal/day @ \$3.9/gal		0180-0210 \$89,700 0180-0214 \$295,000				
Alternate Fuels	0180-0115	0180-0214 \$293,000				
Mud, Chemical & Additives	0180-0120 \$55,000	0180-0220				
Mud - Specialized	0180-0121 \$260,000	0180-0221				
Horizontal Drillout Services Stimulation Toe Preparation		0180-0222 \$200,000 0180-0223 \$25,000				
Cementing	0180-0125 \$160,000	0180-0225 \$50,000				
Logging & Wireline Services		0180-0230 \$366,000				
Casing / Tubing / Snubbing Services		0180-0234 \$16,000				
Mud Logging Stimulation 61 Stg 25.3 MM gal / 25.3 MM lb	0180-0137 \$15,000	0180-0241 \$2,742,000				
Stimulation Rentals & Other		0180-0242 \$256,000				
		0180-0245 \$305,000				
Bits Inspection & Repair Services		0180-0248 0180-0250 \$5,000				
Misc. Air & Pumping Services	0180-0154	0180-0254 \$10,000				
Testing & Flowback Services		0180-0258 \$24,000				
Completion / Workover Rig		0180-0260 \$10,500				
Rig Mobilization	0180-0164 \$150,000					
Transportation Welding, Construction & Maint. Services		0180-0265 \$50,000 0180-0268 \$16,500				
Contract Services & Supervision		0180-0270 \$72,000				
Directional Services Includes Vertical Control	0180-0175 \$266,000					
Equipment Rental Well / Lease Legal		0180-0280 \$40,000 0180-0284				
Well / Lease Insurance		0180-0284				
Intangible Supplies		0180-0288 \$1,000				
Damages		0180-0290 \$10,000				
Pipeline Interconnect, ROW Easements  Company Supervision	0180-0192 0180-0195 \$72,000	0180-0292 \$80,000 0180-0295 \$39,600				
Overhead Fixed Rate		0180-0295 \$39,000				
Contingencies 5% (TCP) 5% (CC)		0180-0299 \$244,300				
TOTAL	\$2,562,200	\$5,129,600				
TANGIBLE COSTS 0181						
Casing (19.1" – 30")	0181-0793					
Casing (10.1" – 19.0") 750' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft Casing (8.1" – 10.0") 2430' - 9 5/8" 40# J-55 LT&C @ \$32.69/ft	0181-0794 \$38,400 0181-0795 \$84,800					
Casing (6.1" – 8.0") 8950' - 7" 29# HPP110 BT&C @ \$35.79/ft	0181-0796 \$342,100					
Casing (4.1" - 6.0") 10600' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$20.13/ft		0181-0797 \$227,900				
Tubing 8700' - 3 1/2" 9.2# L-80 IPC Tbg @ \$13.75/ft  Drilling Head	0181-0860 \$50,000	0181-0798 \$127,800				
Tubing Head & Upper Section	\$30,000	0181-0870 \$30,000				
Horizontal Completion Tools Completion Liner Hanger		0181-0871 \$75,000				
Subsurface Equip. & Artificial Lift		0181-0880 \$25,000				
Service Pumps (1/4) TP/CP/Circ pump Storage Tanks (1/4) (6)OT/(4)WT/(1)GB		0181-0886 \$11,000 0181-0890 \$95,000				
Emissions Control Equipment (1/4) (3)VRT/(1)VRU/(1)FLARE/(3)KO/(1)AIR		0181-0892 \$95,000				
Separation / Treating Equipment (1/4) (1)BULK H SEP/(2)TEST H SEP 500#/(1)V SEP 500#/(2)		0181-0895 \$65,000				
Automation Metering Equipment		0181-0898 \$52,000				
Oil/Gas Pipeline-Pipe/Valves&Misc Water Pipeline-Pipe/Valves & Misc		0181-0900 \$25,000 0181-0901 \$140,000				
On-site Valves/Fittings/Lines&Misc		0181-0906 \$100,000				
Wellhead Flowlines - Construction		0181-0907 \$168,000				
Cathodic Protection		0181-0908				
Electrical Installation Equipment Installation		0181-0909 \$132,000 0181-0910 \$63,000				
Oil/Gas Pipeline - Construction		0181-0920 \$40,000				
Water Pipeline - Construction		0181-0921 \$218,000				
TOTAL	\$515,300	\$1,689,700				
SUBTOTAL	\$3,077,500	\$6,819,300				
TOTAL WELL COST	\$9.8	96,800				
Insurance procured for the Joint Account by Operator	Ψ0,0	30,000				
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 insu	rance coverages through joint	account billings.				
Ont out I plact to purphase my own policies for well central and other incurance require	monto, or to colf inquire (if anni	licable). By enting out 1				
Opt-out. I elect to purchase my own policies for well control and other insurance require recognize I will be responsible for my own coverage and will not be afforded protection upon the control of		ioabie). by opting-out, I				
If neither box is checked above, non-operating working interest owner elects to be covered by Opera	tor's insurance.					
Joint owner agrees that item 0180-0245 will be provided by operator, if available, at the specified rate. Operator rese		e to a change in market				
conditions.	2/4 / / / / / /					
Prepared by: Ryan McDaniel Date: 3/14/2024						
Company Approval: Date:	_ <del></del>					
Joint Owner Interest: Amount:						

Well Name: OLD INDIAN DRAW UNIT COM #9H (17/18 W0IL) Prospect: LITTLE RASCALS						
Location: SL: 1000 FSL & 205 FEL (17); BHL: 2310 FSL & 100 FWL	ounty: Edd	ST: NM				
Sec. 17 Blk: Survey:	TWP: 22S	RNG: 2	BE Prop. TVD	9400	TMD: 19300	
INTANGIBLE COSTS 0180		CODE	ТСР	CODE	СС	
Regulatory Permits & Surveys		0180-0100		0180-0200	00	
Location / Road / Site / Preparation		0180-0105		0180-0205	\$35,000	
Location / Restoration  Daywork / Turnkey / Footage Drilling 17 days drlg / 3 days comp @	) \$28000/d	0180-0106 0180-0110		0180-0206 0180-0210	\$60,000 \$89,700	
Fuel 1700 gal/day @ \$3.9/gal	φ ψ 20000/α	0180-0114		0180-0214	\$295,000	
Alternate Fuels		0180-0115	Φ== 000	0180-0215	\$67,000	
Mud, Chemical & Additives  Mud - Specialized		0180-0120 0180-0121	\$55,000 \$260,000	0180-0220 0180-0221		
Horizontal Drillout Services		0.000.21	Ψ200,000	0180-0222	\$200,000	
Stimulation Toe Preparation		2422 2425	<b>#</b> 4.00.000	0180-0223	\$25,000	
Cementing Logging & Wireline Services		0180-0125 0180-0130		0180-0225 0180-0230	\$50,000 \$366,000	
Casing / Tubing / Snubbing Services		0180-0134		0180-0234	\$16,000	
Mud Logging	N A II-	0180-0137	\$15,000	0400 0044	Ф0.740.000	
Stimulation 61 Stg 25.3 MM gal / 25.3 M Stimulation Rentals & Other	IVI ID			0180-0241 0180-0242	\$2,742,000 \$256,000	
Water & Other 50% PW f/ San Mateo @ \$0.	25/bbl, 50% BW f/ S			0180-0245	\$305,000	
Bits		0180-0148		0180-0248	Ф	
Inspection & Repair Services Misc. Air & Pumping Services		0180-0150 0180-0154	\$50,000	0180-0250 0180-0254	\$5,000 \$10,000	
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000	
Completion / Workover Rig		0400 010	<b>0450.000</b>	0180-0260	\$10,500	
Rig Mobilization  Transportation		0180-0164 0180-0165	\$150,000 \$30.000	0180-0265	\$50,000	
Welding, Construction & Maint. Services		0180-0168		0180-0268	\$16,500	
Contract Services & Supervision		0180-0170		0180-0270	\$72,000	
Directional Services Includes Vertical Control Equipment Rental		0180-0175 0180-0180	\$266,000 \$125,300	0180-0280	\$40,000	
Well / Lease Legal		0180-0184	. ,	0180-0284	ψ+0,000	
Well / Lease Insurance		0180-0185		0180-0285	•	
Intangible Supplies  Damages		0180-0188 0180-0190		0180-0288 0180-0290	\$1,000 \$10,000	
Pipeline Interconnect, ROW Easements		0180-0190	ψ10,000	0180-0290	\$80,000	
Company Supervision		0180-0195		0180-0295	\$39,600	
Overhead Fixed Rate  Contingencies 5% (TCP) 5% (CC)		0180-0196 0180-0199		0180-0296 0180-0299	\$20,000 \$244,300	
Total general State (CC)	TOTAL	0100-0199	\$2,562,200		\$5,129,600	
TANGIBLE COSTS 0181			<del>+-,,</del>		<del>\$0,120,000</del>	
Casing (19.1" – 30")		0181-0793				
Casing (10.1" – 19.0") 750' - 13 3/8" 54.5# J-55 ST&C @ \$47.9		0181-0794 0181-0795	\$38,400			
Casing (8.1" – 10.0") 2430' - 9 5/8" 40# J-55 LT&C @ \$32.69/ Casing (6.1" – 8.0") 8950' - 7" 29# HPP110 BT&C @ \$35.79/		0181-0795	\$84,800 \$342,100			
Casing (4.1" – 6.0") 10600' - 4 1/2" 13.5# HCP-110 CDC-HT	Q @ \$20.13/ft		. ,	0181-0797	\$227,900	
Tubing 8700' - 3 1/2" 9.2# L-80 IPC Tbg @ \$13.  Drilling Head	75/ft	0181-0860	\$50,000	0181-0798	\$127,800	
Tubing Head & Upper Section		0161-0600	\$50,000	0181-0870	\$30,000	
Horizontal Completion Tools Completion Liner Hanger				0181-0871	\$75,000	
Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ pump				0181-0880 0181-0886	\$25,000 \$11,000	
Storage Tanks (1/4) (6)OT/(4)WT/(1)GB				0181-0890	\$95,000	
Emissions Control Equipment (1/4) (3)VRT/(1)VRU/(1)FLARE/(3)KO/(1				0181-0892	\$95,000	
Separation / Treating Equipment (1/4) (1)BULK H SEP/(2)TEST H SEP 50	00#/(1)V SEP 500#/(2)			0181-0895 0181-0898	\$65,000 \$52,000	
Automation Metering Equipment Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0990	\$25,000	
Water Pipeline-Pipe/Valves & Misc				0181-0901	\$140,000	
On-site Valves/Fittings/Lines&Misc Wellhead Flowlines - Construction				0181-0906 0181-0907	\$100,000 \$168,000	
Cathodic Protection				0181-0907	<b>Φ100,000</b>	
Electrical Installation				0181-0909	\$132,000	
Equipment Installation				0181-0910	\$63,000	
Oil/Gas Pipeline - Construction Water Pipeline - Construction				0181-0920 0181-0921	\$40,000 \$218,000	
	TOTAL		\$515,300		\$1,689,700	
	SUBTOTAL		\$3,077,500		\$6,819,300	
TOTAL	WELL COST			96,800	ψο,σιο,σοσ	
Insurance procured for the Joint Account by Operator	WELL COST		<b>φ</b> 3,0:	90,800		
<ul> <li>Opt-in. I elect to be covered by Operator's Extra Expense, Commercial General Liability, Pollution Legal Liability, and Excess/Umbrella Insurance Policies, and will pay my proportionate share of the premiums associated with these insurance coverages through joint account billings.</li> <li>Opt-out. I elect to purchase my own policies for well control and other insurance requirements, or to self-insure (if applicable). By opting-out, I recognize I will be responsible for my own coverage and will not be afforded protection under operator's policies.</li> </ul>						
If neither box is checked above, non-operating working interest owner elec-						
Joint owner agrees that item 0180-0245 will be provided by operator, if available, at the sp conditions.	ecified rate. Operator res	erves the right to	o adjust the rate due	e to a change i	n market	
Prepared by: Ryan McDaniel	Date:	3/14/2024				
Company Approval:	 Date:	3/17/2024	<del></del>			
Sompany (pp. com	Date.	3/11/2024	_			
Joint Owner Interest: Amount:	-					
Joint Owner Name:	Signature:					

Well Name: OLD INDIAN DRAW UNIT COM #6H (17/18 H3PM) Prospect: LITTLE RASCALS						
Location: SL: 910 FSL & 205 I	FEL (17); BHL: 330 FSL & 100 FWL (18)	ounty: Edd	ST: NM			
Sec. 17 Blk: Surve	y:	TWP: 22S	RNG: 2	8E Prop. TVD	8400	TMD: 19000
	NTANGIBLE COSTS 0180		CODE	ТСР	CODE	СС
Regulatory Permits & Surveys	NTANGIBLE COSTS 0100		0180-0100		0180-0200	
Location / Road / Site / Preparation	on		0180-0105	· ,	0180-0205	\$35,000
Location / Restoration  Daywork / Turnkey / Footage Drill	ing 16 days drlg / 3 days comp @ 9	b\000951	0180-0106 0180-0110		0180-0206 0180-0210	\$60,000 \$89,700
Fuel	1700 gal/day @ \$3.9/gal	\$28000/d	0180-0114		0180-0210	\$295,000
Alternate Fuels			0180-0115		0180-0215	\$67,000
Mud, Chemical & Additives  Mud - Specialized			0180-0120 0180-0121		0180-0220 0180-0221	
Horizontal Drillout Services			0160-0121	\$250,000	0180-0221	\$200,000
Stimulation Toe Preparation					0180-0223	\$25,000
Cementing Logging & Wireline Services			0180-0125 0180-0130		0180-0225 0180-0230	\$50,000 \$367,000
Casing / Tubing / Snubbing Services	ces		0180-0134		0180-0230	\$16,000
Mud Logging			0180-0137	\$15,000		
Stimulation Stimulation Rentals & Other	61 Stg 25.3 MM gal / 25.3 MM	lb			0180-0241 0180-0242	\$2,776,000
Water & Other	50% PW f/ San Mateo @ \$0.25	5/bbl, 50% BW f/ S	0180-0145	\$40,000	0180-0242	\$262,000 \$305,000
Bits		,	0180-0148	\$64,100	0180-0248	, ,
Inspection & Repair Services			0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services Testing & Flowback Services			0180-0154 0180-0158	\$12.000	0180-0254 0180-0258	\$10,000 \$24,000
Completion / Workover Rig					0180-0260	\$10,500
Rig Mobilization			0180-0164	\$150,000		фго occ
Transportation Welding, Construction & Maint. So	ervices		0180-0165 0180-0168		0180-0265 0180-0268	\$50,000 \$16,500
Contract Services & Supervision			0180-0170	\$108,300	0180-0270	\$72,000
Directional Services	Includes Vertical Control		0180-0175	\$247,000		<b></b>
Equipment Rental Well / Lease Legal			0180-0180 0180-0184	. ,	0180-0280 0180-0284	\$40,000
Well / Lease Insurance			0180-0185		0180-0285	
Intangible Supplies			0180-0188		0180-0288	\$1,000
Damages Pipeline Interconnect, ROW Ease	amente		0180-0190 0180-0192	\$10,000	0180-0290 0180-0292	\$10,000 \$80,000
Company Supervision	inens		0180-0192	\$68,400	0180-0292	\$39,600
Overhead Fixed Rate			0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)		0180-0199		0180-0299	\$246,300
		TOTAL		\$2,461,500		\$5,172,600
Casing (19.1" – 30")	TANGIBLE COSTS 0181		0181-0793			
Casing (10.1" – 19.0")	750' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/	ft	0181-0794	\$38,400		
Casing (8.1" – 10.0")	2430' - 9 5/8" 40# J-55 LT&C @ \$32.69/ft		0181-0795	\$84,800		
Casing (6.1" – 8.0") Casing (4.1" – 6.0")	8500' - 7" 29# HPP110 BT&C @ \$35.79/ft 10800' - 4 1/2" 13.5# HCP-110 CDC-HTQ	@ \$20.13/ft	0181-0796	\$324,900	0181-0797	\$232,200
Tubing	8200' - 3 1/2" 9.2# L-80 IPC Tbg @ \$13.75				0181-0798	\$120,400
Drilling Head			0181-0860	\$50,000		
Tubing Head & Upper Section Horizontal Completion Tools	Completion Liner Hanger				0181-0870 0181-0871	\$30,000 \$75,000
Subsurface Equip. & Artificial Lift	Completion Line Hangel				0181-0880	\$25,000
Service Pumps	(1/4) TP/CP/Circ pump				0181-0886	\$11,000
Storage Tanks Emissions Control Equipment	(1/4) (6)OT/(4)WT/(1)GB	JD.			0181-0890 0181-0892	\$95,000
Separation / Treating Equipment	(1/4) (3)VRT/(1)VRU/(1)FLARE/(3)KO/(1)A (1/4) (1)BULK H SEP/(2)TEST H SEP 500				0181-0895	\$95,000 \$65,000
Automation Metering Equipment					0181-0898	\$52,000
Oil/Gas Pipeline-Pipe/Valves&Mis Water Pipeline-Pipe/Valves & Mis					0181-0900 0181-0901	\$25,000
On-site Valves/Fittings/Lines&Mis					0181-0901	\$140,000 \$100,000
Wellhead Flowlines - Construction					0181-0907	\$168,000
Cathodic Protection					0181-0908	\$400,000
Electrical Installation Equipment Installation					0181-0909 0181-0910	\$132,000 \$63,000
Oil/Gas Pipeline - Construction					0181-0920	\$40,000
Water Pipeline - Construction					0181-0921	\$218,000
		TOTAL		\$498,100		\$1,686,600
		SUBTOTAL		\$2,959,600		\$6,859,200
	TOTAL V	WELL COST		\$9,8	18,800	
Insurance procured for the Joint Acco						
<ul> <li>Opt-in. I elect to be covered by Operator's Extra Expense, Commercial General Liability, Pollution Legal Liability, and Excess/Umbrella Insurance Policies, and will pay my proportionate share of the premiums associated with these insurance coverages through joint account billings.</li> <li>Opt-out. I elect to purchase my own policies for well control and other insurance requirements, or to self-insure (if applicable). By opting-out, I recognize I will be responsible for my own coverage and will not be afforded protection under operator's policies.</li> </ul>						
	d above, non-operating working interest owner elects	•		•		
_	will be provided by operator, if available, at the spec	ified rate. Operator res	erves the right t	o adjust the rate due	e to a change i	n market
conditions.  Prepared by:	Dyan MaDanial	Data	2/4//2004			
-	Ryan McDaniel	Date:	3/14/2024	_		
Company Approval:	· white	Date:	3/17/2024			
Joint Owner Interest:	Amount:					
Joint Owner Name:		Signature:				

Well Name: OLD INDI	AN DRAW UNIT COM #8H (17/18 H3IL	) Pros	pect: LITT	TLE RASCALS		
Location: SL: 970 FSL & 205 F	EL (17); BHL: 2000 FSL & 100 FWL (18	ounty: Edd	ST: NM			
Sec. 17 Blk: Survey	r:	TWP: 22S	RNG: 2	Prop. TVD	9: 8400	TMD: 19000
IN	TANGIBLE COSTS 0180	· · · · · · · · · · · · · · · · · · ·	CODE	ТСР	CODE	СС
Regulatory Permits & Surveys	TIANGIBLE COSTS 0100		0180-0100		0180-0200	<u> </u>
Location / Road / Site / Preparation	1		0180-0105		0180-0205	\$35,000
Location / Restoration Daywork / Turnkey / Footage Drillir	ng 16 days drlg / 3 days comp @	\$28000/d	0180-0106 0180-0110		0180-0206 0180-0210	\$60,000 \$89,700
Fuel	1700 gal/day @ \$3.9/gal	φ2000/u	0180-0114		0180-0210	\$295,000
Alternate Fuels			0180-0115		0180-0215	\$67,000
Mud, Chemical & Additives			0180-0120 0180-0121		0180-0220	
Mud - Specialized Horizontal Drillout Services			0180-0121	\$250,000	0180-0221 0180-0222	\$200,000
Stimulation Toe Preparation					0180-0223	\$25,000
Cementing			0180-0125	. ,	0180-0225	\$50,000
Logging & Wireline Services Casing / Tubing / Snubbing Service	es		0180-0130 0180-0134		0180-0230 0180-0234	\$367,000 \$16,000
Mud Logging			0180-0137	\$15,000		<b>,</b> , , , , , , , , , , , , , , , , , ,
Stimulation	61 Stg 25.3 MM gal / 25.3 MM	1 lb			0180-0241	\$2,776,000
Stimulation Rentals & Other Water & Other	50% PW f/ San Mateo @ \$0.2	5/bbl 50% BW f/ S	0180-0145	\$40,000	0180-0242 0180-0245	\$262,000 \$305,000
Bits	30701 W 17 Garriviates @ \$0.2	5/551, 55 /6 BVV 1/ C	0180-0148		0180-0248	φσσσ,σσσ
Inspection & Repair Services			0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services			0180-0154	¢40,000	0180-0254	\$10,000
Testing & Flowback Services Completion / Workover Rig			0180-0158	\$12,000	0180-0258 0180-0260	\$24,000 \$10,500
Rig Mobilization			0180-0164	\$150,000		ψ10,000
Transportation			0180-0165	\$30,000	0180-0265	\$50,000
Welding, Construction & Maint. Se	rvices		0180-0168		0180-0268	\$16,500
Contract Services & Supervision Directional Services	Includes Vertical Control		0180-0170 0180-0175	\$108,300	0180-0270	\$72,000
Equipment Rental	morades vortical control		0180-0180		0180-0280	\$40,000
Well / Lease Legal			0180-0184		0180-0284	
Well / Lease Insurance			0180-0185	. ,	0180-0285	<b>#4.000</b>
Intangible Supplies Damages			0180-0188 0180-0190		0180-0288 0180-0290	\$1,000 \$10,000
Pipeline Interconnect, ROW Easen	nents		0180-0192	ψ10,000	0180-0292	\$80,000
Company Supervision			0180-0195		0180-0295	\$39,600
Overhead Fixed Rate Contingencies	F9/ /TCP)		0180-0196		0180-0296 0180-0299	\$20,000
Contingencies	5% (TCP) 5% (CC)	TOTAL	0180-0199	\$2,461,500		\$246,300 \$5,172,600
,	TANGIBLE COSTS 0181	TOTAL		Ψ2,401,300		ψ3,172,000
Casing (19.1" – 30")	ANGIBLE COSTS 0101		0181-0793			
Casing (10.1" – 19.0")	750' - 13 3/8" 54.5# J-55 ST&C @ \$47.92	/ft	0181-0794	\$38,400		
Casing (8.1" – 10.0")	2430' - 9 5/8" 40# J-55 LT&C @ \$32.69/ft		0181-0795	\$84,800		
Casing (6.1" – 8.0") Casing (4.1" – 6.0")	8500' - 7" 29# HPP110 BT&C @ \$35.79/ft 10800' - 4 1/2" 13.5# HCP-110 CDC-HTQ		0181-0796	\$324,900	0181-0797	\$232,200
Tubing	8200' - 3 1/2" 9.2# L-80 IPC Tbg @ \$13.7				0181-0798	\$120,400
Drilling Head			0181-0860	\$50,000		
Tubing Head & Upper Section Horizontal Completion Tools	Completion Lines Hanges				0181-0870 0181-0871	\$30,000 \$75,000
Subsurface Equip. & Artificial Lift	Completion Liner Hanger				0181-0871	\$25,000
Service Pumps	(1/4) TP/CP/Circ pump				0181-0886	\$11,000
Storage Tanks	(1/4) (6)OT/(4)WT/(1)GB				0181-0890	\$95,000
Emissions Control Equipment Separation / Treating Equipment	(1/4) (3)VRT/(1)VRU/(1)FLARE/(3)KO/(1)/ (1/4) (1)BULK H SEP/(2)TEST H SEP 500				0181-0892 0181-0895	\$95,000 \$65,000
Automation Metering Equipment	(1/4) (1)BOLK 113LF/(2)1L31 113LF 300	J#/(1) V 3LF 300#/(2)			0181-0898	\$52,000
Oil/Gas Pipeline-Pipe/Valves&Misc					0181-0900	\$25,000
Water Pipeline-Pipe/Valves & Misc					0181-0901	\$140,000
On-site Valves/Fittings/Lines&Misc Wellhead Flowlines - Construction			-		0181-0906 0181-0907	\$100,000 \$168,000
Cathodic Protection					0181-0907	φ100,000
Electrical Installation					0181-0909	\$132,000
Equipment Installation					0181-0910	\$63,000
Oil/Gas Pipeline - Construction Water Pipeline - Construction					0181-0920 0181-0921	\$40,000 \$218,000
Water i penne Gonstraction		TOTAL		\$498,100		\$1,686,600
		SUBTOTAL		\$2,959,600		\$6,859,200
Incompany and for the laint Access		WELL COST		\$9,8	18,800	
Insurance procured for the Joint Accou		vroial Conoral Liabilit	v Pollution La	agal Liability, and I	Evenes/Limb	rolla Inguranca
	overed by Operator's Extra Expense, Comme my proportionate share of the premiums asso					
	chase my own policies for well control and of				licable). By c	pting-out, I
	ponsible for my own coverage and will not be	•		•		
	above, non-operating working interest owner elects will be provided by operator, if available, at the spe	, ,			e to a change i	n market
conditions.	,	operator 100	se and right	,		
Prepared by:	Robin Terrell	Date:	3/15/2024	<u> </u>		
Company Approval:	white	Date:	3/17/2024	<b>!</b>		
				_		
Joint Owner Interest:	Amount:					
Joint Owner Name:		Signature:				

#### OLD INDIAN DRAW UNIT / LITTLE RASCALS – SUMMARY OF COMMUNICATIONS

OLD INDIAN DRAW UNIT COM #4H (17-18 W0PM); OLD INDIAN DRAW UNIT COM #9H (17-18 W0IL); OLD INDIAN DRAW UNIT COM #6H (17-18 H3PM); OLD INDIAN DRAW UNIT COM #8H (17-18 H3IL). S/2 17 & 18, T22S, R28E, Eddy County Prepared by Thomas Sloan – June 5, 2024

#### **Working Interest Owners:**

XTO Delaware Basin LLC (Working Interest Owner – Tract 2)

22777 Springwoods Village Parkway Spring, TX 77389

Attn: W. Greg Davis

- 1. April 15, 2024 Mewbourne Oil Company Landman Thomas Sloan sent Well Proposal letter, AFEs, and Operating Agreement via certified mail.
- 2. June 4, 2024 Mewbourne Oil Company Landman Thomas Sloan followed up via E-Mail to Bryan Cifuentes check in on the status of the subject Well Proposal.
- 3. June 5, 2024 Mewbourne Oil Company Landman Thomas Sloan discussed Well Proposal via Telephone conversation with Bryan Cifuentes.

## Marathon Oil Permian LLC (Working Interest Owner – Tract 2)

990 Town & Country Blvd. Houston, Texas 77024

Attn: Sam Cox

- 1. April 15, 2024 Mewbourne Oil Company Landman Thomas Sloan sent Well Proposal letter, AFEs, and Operating Agreement via certified mail to an old address.
- 2. May 14, 2024 Mewbourne Oil Company Landman Thomas Sloan sent Well Proposal letter, AFEs, and Operating Agreement via Overnight mail to address where delivery received.
- 3. May 14, 2024 Mewbourne Oil Company Landman Thomas Sloan sent Well Proposal letter, AFEs, and Operating Agreement via E-Mail to Sam Cox.
- 4. June 4, 2024 Mewbourne Oil Company Landman Thomas Sloan followed up via E-Mail to check in on the status of the subject Well Proposal.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-4
Submitted by: Mewbourne Oil Company
Hearing Date: June 13, 2024
Case No. 24505

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. 24505, 24506 & 24507

SELF AFFIRMENT STATEMENT OF TYLER HIL, GEOLOGIST

1. My name is Tyler Hill, 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 Bone Spring Harkey Sands

and the Wolfcamp Sands.

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

in yellow, with the approximate location to Carlsbad and Loving NM.

5. Exhibit B-2 contains two structure maps, one for the Second Bone Spring Sand

and the second for the Wolfcamp Sands. The contour intervals are 50 feet. The area comprising

the proposed spacing units is outlined in black dashed lines. The structure map shows the Bone

Spring formation dipping to the East, and the Wolfcamp formation similarly dipping to the East.

The structure for both formations appears consistent across the proposed spacing units, and I do

not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.

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 cross sections because they

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

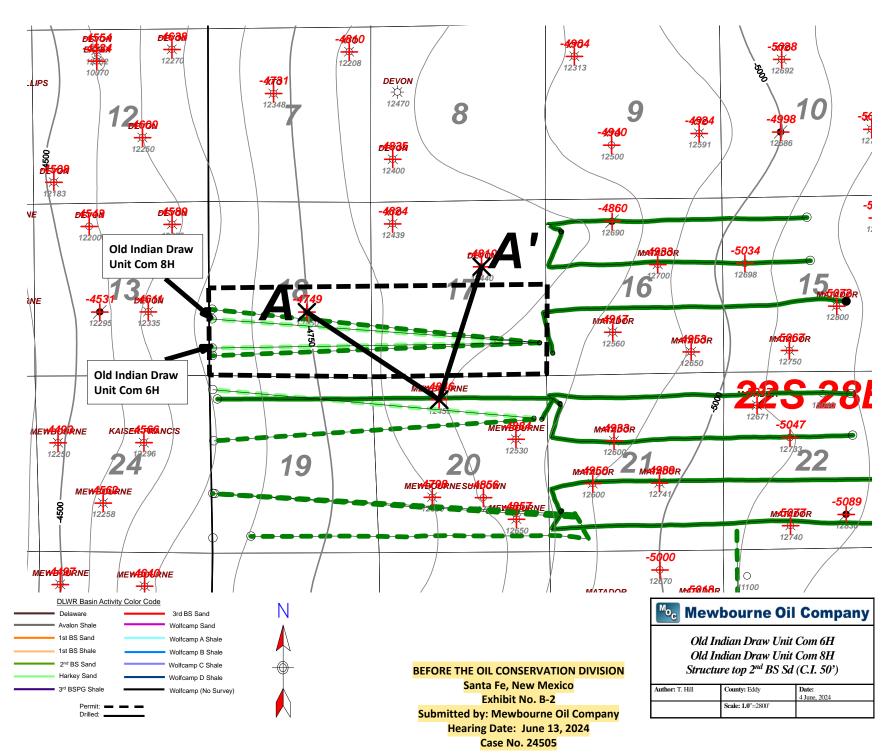
penetrate the targeted interval, and are of good quality. In my opinion, these well logs are representative of the geology in the subject area.

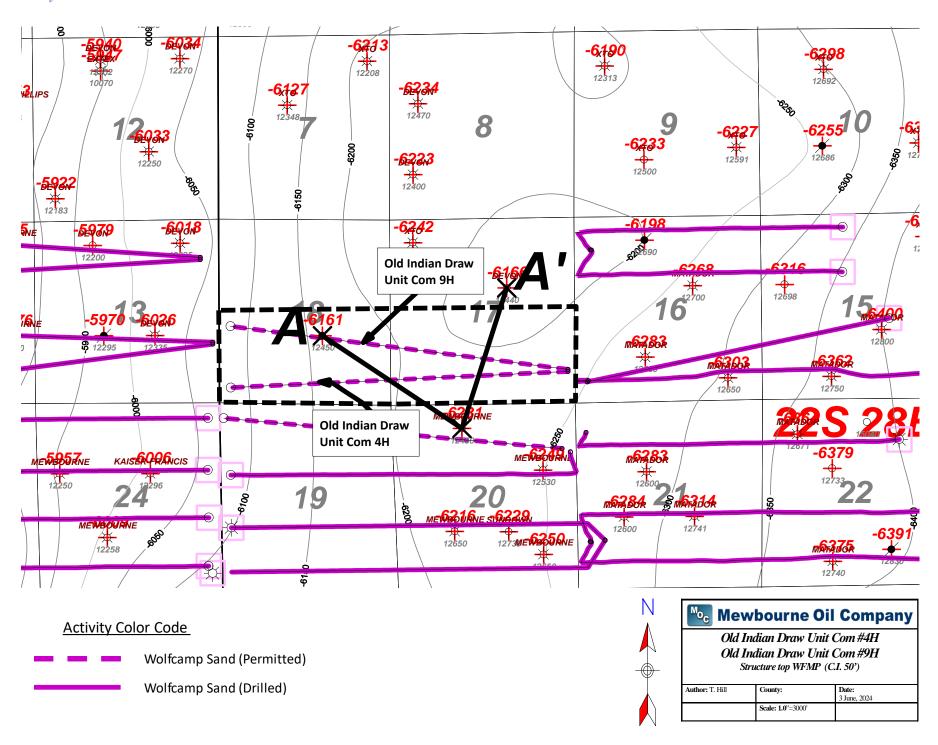
- 7. **Exhibit B-3** contains two structural cross-sections that I prepared using the logs from the representative wells shown on Exhibit B-1. One cross-section covers the Bone Spring formation, and the other cross-section covers the Wolfcamp formation. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target intervals for the proposed wells are marked on the cross section with a red arrow. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.
- 8. My geologic study indicates the Bone Spring and Wolfcamp formations underlying the subject area are 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 and Wolfcamp 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.

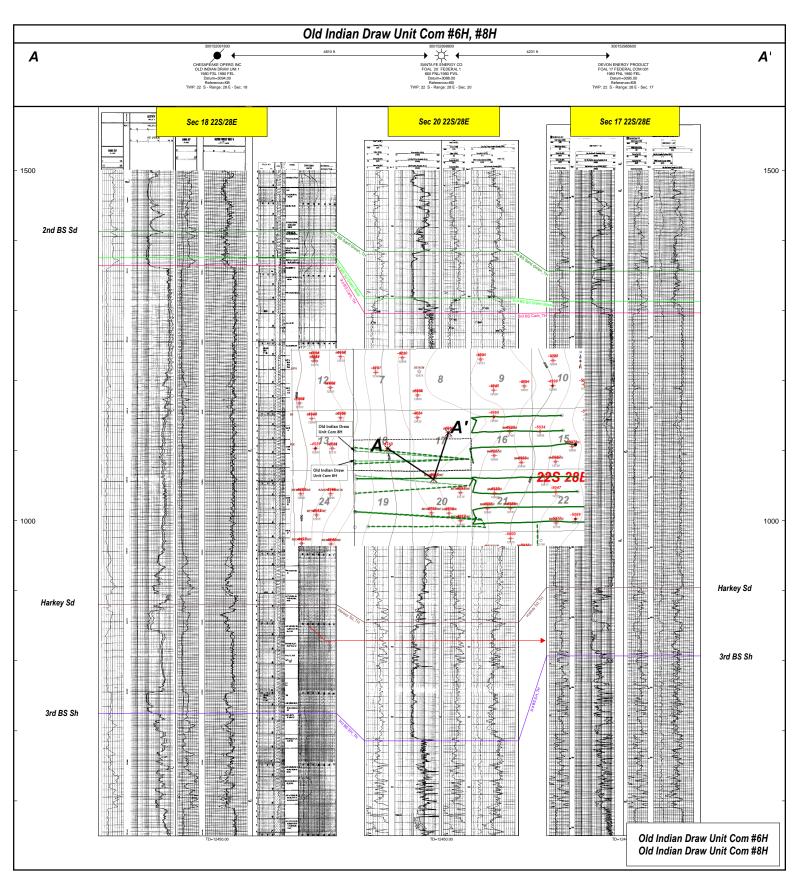
Tyler Hill

Date

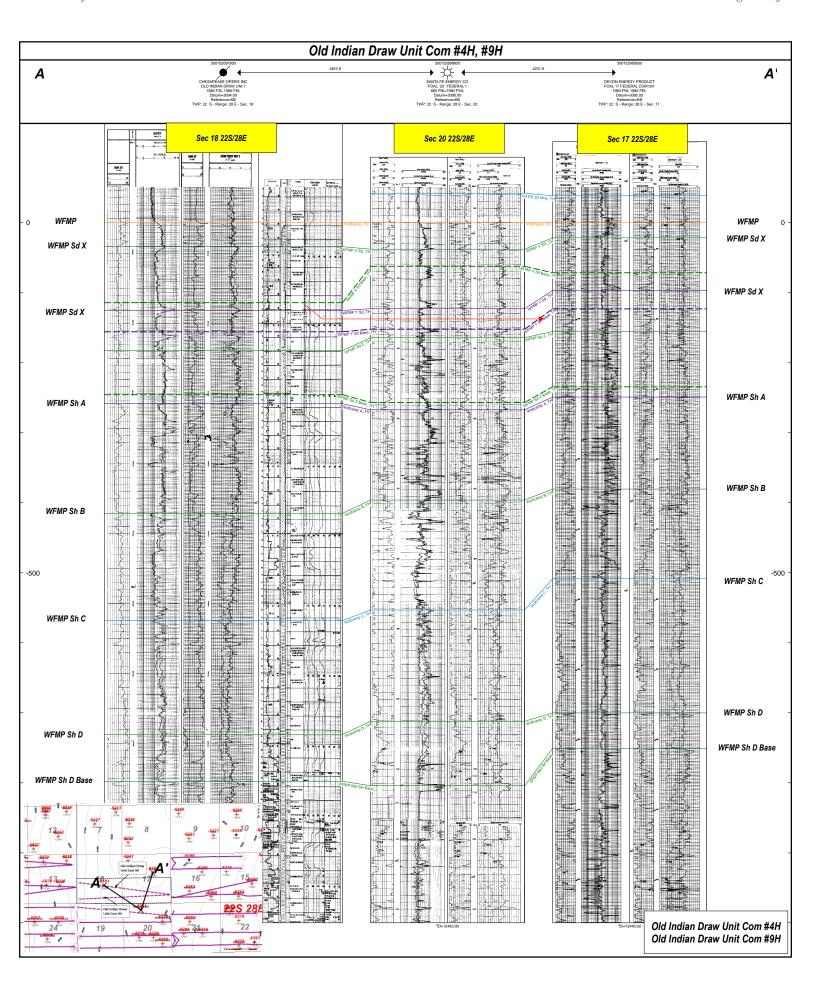
**Texas** 







BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-3
Submitted by: Mewbourne Oil Company
Hearing Date: June 13, 2024
Case No. 24505



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. 24505** 

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 this matter 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 June 5, 2024.

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

An affidavit of publication from the publication's legal clerk with a copy of the notice

publication is attached herein.

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

the foregoing statement 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

Hearing Date: June 13, 2024 Case No. 24505 Michael H. Feldewert

6/6/2024

Date



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

May 24, 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: Old Indian Draw Unit Com 6H

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 June 13, 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 Thomas Sloan at (432) 234-2856, or at tsloan@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.

Received by OCD: 6/6/2024 3:27:15 PM

### MOC - Old Indian BS 6H, 8H and WC 4H and 9H wells - Case nos. 24505-24507 Postal Delivery Report

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#### 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:

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KATHLEEN ALLEN Notary Public State of Wisconsin STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO

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 for the below listed cases. The hearings will be conducted in a hybrid dashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell China Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Sonta Fe, NM 87505 and via the MS Teams virtual meeting platform (sign-in information below) on Thursday, June 13, 2024, at 8:30 a.m.

To participate in the hearings, see the instructions posted below. The docket may be viewed electronically on the Division's website, <a href="http://www.emnrd.state.nm.us/CD/hearings.html">http://www.emnrd.state.nm.us/CD/hearings.html</a> or obtained from the OCD low clerk, at (505) 469-5527 or <a href="mailto:freelings.html">freelings.html</a> or <a href="mailto:freel

Documents filed in these cases may be viewed at http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx.

If you are an individual with a disability who needs a reader, amplitier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact the OCD low clerk using the contact information above, or at the New Mexico Relay Network, 1-800-659-1779, no later than Monday, June 3, 2024.

Persons may view and participate in the hearings through the following link:

www.microsoft.com/en-us/microsoft-teams/join-a-meeting Meeting 1D: 267 831 609 747

Passcode: ziuWpG

Dial-in by phone: +1 505-312-4308,,130592067# -or-(505) 312-4308 Phone conference ID: 130 592 067#

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: XTO Delaware Basin LLC; and Marathon Oil Permian LLC.

Delaware Basin LLC; and Marathon Oil Permian LLC.

Case No. 2450s: 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 310,54-acre, more or less, horizontal well spacing unit comprised of the \$252 of Section 17 and Lots 11-12 and the \$25E4 of irregular Section 18, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Old Indian Draw Unit Com 6H well to be horizontally drilled from a surface location in the \$E45E4 (Unit P) of Section 17 and a last take point in the \$E45E4 (Unit P) of Section 17 and a last take point in the SE45E4 (Unit P) of Section 17 and a last take point in the SE45E4 (Unit P) of Section 17 and a last take point in the section 18 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 the well. The subject area is located approximately 7 miles north of the Town of Loving, New Mexico.

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

**Exhibit No. D** Submitted by: Mewbourne Oil Company Hearing Date: June 13, 2024 Case No. 24505

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