

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

**CASE No. 24506**

*OLD INDIAN DRAW BS 8H 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. 24506**

**HEARING PACKAGE  
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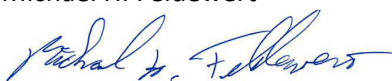
- Compulsory Pooling Application Checklist and Filed Application
- **MEWBOURNE Exhibit A:** Self-affirmed Statement of Thomas Sloan, Landman
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# COMPULSORY POOLING APPLICATION CHECKLIST

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

<b>Case: 24506</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: June 13, 2024</b>	
Applicant	<b>Mewbourne Oil Company</b>
Designated Operator & OGRID (affiliation if applicable)	<b>Mewbourne Oil Company [OGRID 14744]</b>
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
<b>Formation/Pool</b>	
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
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	310.59-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	Laydown
Description: TRS/County	N2S2 of Section 17, and Lots 9-10 and the N2SE4 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 approval of non-standard unit requested in the application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-2
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	<b>Old Indian Draw Uit Com 8H</b> (API No. pending) SHL: 950' FSL & 205' FEL (Unit P) of Sec. 17, T22S, R28E BHL: 2000' FSL & 100' FWL (Lot 10) 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

Completion Target (Formation, TVD and MD)	Exhibit A-3
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$12,000
Production Supervision/Month \$	\$1,200
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	N/A
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	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
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	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
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Michael H. Feldewert
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	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. 24506**

**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 310.59-acre, more or less, horizontal well spacing unit comprised of the N2S2 of Section 17 and Lots 9-10 and the N2SE4 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 8H** well 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.
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

By:  \_\_\_\_\_

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  
agrarkin@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 310.59-acre, more or less, horizontal well spacing unit comprised of the N2S2 of Section 17 and Lots 9-10 and the N2SE4 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 8H** well 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. 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.

**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;

- 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

6/5/2024  
Date

32177435\_v1

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 main rows: 1 API Number (PENDING), 2 Pool Code (15011), 3 Pool Name (CULEBRA BLUFF (BONE SPRING)); 4 Property Code, 5 Property Name (OLD INDIAN DRAW UNIT COM), 6 Well Number (8H); 7 OGRID NO. (14744), 8 Operator Name (MEWBOURNE OIL COMPANY), 9 Elevation (3078')

10 Surface Location

Table with 10 columns: UL or lot no. (P), Section (17), Township (22S), Range (28E), Lot Idn, Feet from the (950), North/South line (SOUTH), Feet From the (205), East/West line (EAST), County (EDDY)

11 Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no. (10), Section (18), Township (22S), Range (28E), Lot Idn, Feet from the (2000), North/South line (SOUTH), Feet from the (100), East/West line (WEST), County (EDDY)

Table with 4 columns: 12 Dedicated Acres (310.59), 13 Joint or Infill, 14 Consolidation Code, 15 Order No.

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

16 GEODETIC DATA, SURFACE LOCATION, BOTTOM HOLE, CORNER DATA, 17 OPERATOR CERTIFICATION, 18 SURVEYOR CERTIFICATION, 19680, Job No: LS19050597D

**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 Unit Tract Plat			
North Half Section 18 T22S-R28E		North Half Section 17 T22S-R28E	
	<b>Tract 2</b> NM 0415688 A 266.69 Acres	<b>Tract 1</b> NM 0415688 A 320 Acres	
<b>Tract 3</b> NM 0415688 A 34.44 Acres			

Tract 3 LOT 11	Tract 2 S/2 OF SECTION 18, L&E LOT 11	Tract 1 S/2 OF SECTION 17
34.440000	266.690000	320.000000
5.544733%	42.936261%	51.519006%

TOTAL UNIT	621.13
TOTAL UNIT	100.000000%

**South Half Unit Ownership by Tract**  
OLD INDIAN DRAW UNIT COM #4H (17-18 W0PM); OLD INDIAN DRAW UNIT COM #9H (17-18 W0IL)

Tract No.	Party	% of Tract
1	Mewbourne Oil Company, et al	100.000000%
<b>Total Tract 1</b>		<b>100.000000%</b>

Tract No.	Party	% of Tract
2	Mewbourne Oil Company, et al	69.545040%
	XTO Delaware Basin LLC	23.885940%
	Marathon Oil Permian LLC	6.569020%
<b>Total Tract 2</b>		<b>100.000000%</b>

Tract No.	Party	% of Tract
3	Mewbourne Oil Company, et al	100.000000%
<b>Total Tract 3</b>		<b>100.000000%</b>

TOTAL SPACING UNIT OWNERSHIP		
Tract No.	Party	% of Spacing unit
1, 2, 3	Mewbourne Oil Company, et al	86.923779%
2	XTO Delaware Basin LLC	10.255730%
2	Marathon Oil Permian LLC	2.820492%
<b>Total Spacing Unit</b>		<b>100.000000%</b>

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

**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 Unit Tract Plat			
North Half Section 18 T22S-R28E		North Half Section 17 T22S-R28E	
<b>Tract 2</b> NM 0415688 A 150.59 Acres		<b>Tract 1</b> NM 0415688 A 160 Acres	

<b>Tract 3</b> N/2SE/4, LOTS 9, 10 OF SECTION 18	<b>Tract 1</b> N/2S/2 OF SECTION 17
150.590000	160.000000
48.485141%	51.514859%

TOTAL UNIT	310.59
TOTAL UNIT	100.000000%

**N/2S/2 Unit Ownership by Tract**  
 OLD INDIAN DRAW UNIT COM #8H (17-18 H3IL).

Tract No.	Party	% of Tract
1	Mewbourne Oil Company, et al	100.000000%
<b>Total Tract 1</b>		<b>100.000000%</b>

Tract No.	Party	% of Tract
2	Mewbourne Oil Company, et al	69.545040%
	XTO Delaware Basin LLC	23.885940%
	Marathon Oil Permian LLC	6.569020%
<b>Total Tract 2</b>		<b>100.000000%</b>

TOTAL SPACING UNIT OWNERSHIP		
Tract No.	Party	% of Spacing unit
1, 2	Mewbourne Oil Company, et al	85.233870%
2	XTO Delaware Basin LLC	11.581132%
2	Marathon Oil Permian LLC	3.184999%
<b>Total Spacing Unit</b>		<b>100.000000%</b>

**\*\* 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		
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;">                     North Half Section 18 T22S-R28E                 </div>	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;">                     North Half Section 17 T22S-R28E                 </div>	
<b>Tract 3</b> NM 0415688 A 34.44 Acres	<b>Tract 2</b> NM 0415688 A 116.1 Acres	<b>Tract 1</b> NM 0415688 A 160 Acres

Tract 3 LOT 11	Tract 2 S/2 OF SECTION 18, L&E LOT 11	Tract 1 S/2S/2 OF SECTION 17
34.440000	116.100000	160.000000
11.090359%	37.386488%	51.523153%

TOTAL UNIT	310.54
TOTAL UNIT	100.000000%

**S/2S/2 Unit Ownership by Tract  
 OLD INDIAN DRAW UNIT COM #6H (17-18 H3PM)**

Tract No.	Party	% of Tract
1	Mewbourne Oil Company, et al	100.000000%
<b>Total Tract 1</b>		<b>100.000000%</b>

Tract No.	Party	% of Tract
2	Mewbourne Oil Company, et al	69.545040%
	XTO Delaware Basin LLC	23.885940%
	Marathon Oil Permian LLC	6.569020%
<b>Total Tract 2</b>		<b>100.000000%</b>

Tract No.	Party	% of Tract
3	Mewbourne Oil Company, et al	100.000000%
<b>Total Tract 3</b>		<b>100.000000%</b>

TOTAL SPACING UNIT OWNERSHIP		
Tract No.	Party	% of Spacing unit
1, 2, 3	Mewbourne Oil Company, et al	88.613960%
2	XTO Delaware Basin LLC	8.930114%
2	Marathon Oil Permian LLC	2.455926%
<b>Total Spacing Unit</b>		<b>100.000000%</b>

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

**MEWBOURNE OIL COMPANY**

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

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](mailto: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. 24506



### MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

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 (18)	County:	Eddy
ST:	NM		
Sec.:	17	Blk:	
Survey:		TWP:	22S
RNG:	28E	Prop. TVD:	9400
TMD:	19300		

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$50,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$200,000	0180-0206	\$60,000
Daywork / Turnkey / Footage Drilling	17 days drlg / 3 days comp @ \$28000/d	\$508,400	0180-0210	\$89,700
Fuel	1700 gal/day @ \$3.9/gal	\$120,400	0180-0214	\$295,000
Alternate Fuels	0180-0115		0180-0215	\$67,000
Mud, Chemical & Additives	0180-0120	\$55,000	0180-0220	
Mud - Specialized	0180-0121	\$260,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$200,000
Stimulation Toe Preparation			0180-0223	\$25,000
Cementing	0180-0125	\$160,000	0180-0225	\$50,000
Logging & Wireline Services	0180-0130	\$34,000	0180-0230	\$366,000
Casing / Tubing / Snubbing Services	0180-0134	\$45,000	0180-0234	\$16,000
Mud Logging	0180-0137	\$15,000		
Stimulation	61 Stg 25.3 MM gal / 25.3 MM lb		0180-0241	\$2,742,000
Stimulation Rentals & Other			0180-0242	\$256,000
Water & Other	50% PW f/ San Mateo @ \$0.25/bbl, 50% BW f/ S	\$40,000	0180-0245	\$305,000
Bits	0180-0148	\$64,100	0180-0248	
Inspection & Repair Services	0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services	0180-0154		0180-0254	\$10,000
Testing & Flowback Services	0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig			0180-0260	\$10,500
Rig Mobilization	0180-0164	\$150,000		
Transportation	0180-0165	\$30,000	0180-0265	\$50,000
Welding, Construction & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision	0180-0170	\$114,000	0180-0270	\$72,000
Directional Services	Includes Vertical Control	\$266,000		
Equipment Rental	0180-0180	\$125,300	0180-0280	\$40,000
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$5,000	0180-0285	
Intangible Supplies	0180-0188	\$15,000	0180-0288	\$1,000
Damages	0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements	0180-0192		0180-0292	\$80,000
Company Supervision	0180-0195	\$72,000	0180-0295	\$39,600
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	\$122,000	0180-0299	\$244,300
<b>TOTAL</b>		<b>\$2,562,200</b>		<b>\$5,129,600</b>

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
Casing (19.1" - 30")	0181-0793			
Casing (10.1" - 19.0")	750' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft	\$38,400		
Casing (8.1" - 10.0")	2430' - 9 5/8" 40# J-55 LT&C @ \$32.69/ft	\$84,800		
Casing (6.1" - 8.0")	8950' - 7" 29# HPP110 BT&C @ \$35.79/ft	\$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		0181-0798	\$127,800
Drilling Head	0181-0860	\$50,000		
Tubing Head & Upper Section			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		0181-0886	\$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)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			0181-0900	\$25,000
Water Pipeline-Pipe/Valves & Misc			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			0181-0909	\$132,000
Equipment Installation			0181-0910	\$63,000
Oil/Gas Pipeline - Construction			0181-0920	\$40,000
Water Pipeline - Construction			0181-0921	\$218,000
<b>TOTAL</b>		<b>\$515,300</b>		<b>\$1,689,700</b>

<b>SUBTOTAL</b>		<b>\$3,077,500</b>		<b>\$6,819,300</b>
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**TOTAL WELL COST** **\$9,896,800**

Insurance procured for the Joint Account by Operator

**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.

**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.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's insurance.

Joint owner agrees that item 0180-0245 will be provided by operator, if available, at the specified rate. Operator reserves the right to adjust the rate due to a change in market conditions.

Prepared by: Ryan McDaniel Date: 3/14/2024

Company Approval: *M. Whittaker* Date: 3/17/2024

Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_

Joint Owner Name: \_\_\_\_\_ Signature: \_\_\_\_\_

### MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

Well Name:	OLD INDIAN DRAW UNIT COM #6H (17/18 H3PM)	Prospect:	LITTLE RASCALS
Location:	SL: 910 FSL & 205 FEL (17); BHL: 330 FSL & 100 FWL (18)	County:	Eddy ST: NM
Sec. 17	Blk:	Survey:	TWP: 22S RNG: 28E Prop. TVD: 8400 TMD: 19000

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$50,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$200,000	0180-0206	\$60,000
Daywork / Turnkey / Footage Drilling 16 days drlg / 3 days comp @ \$28000/d	0180-0110	\$478,500	0180-0210	\$89,700
Fuel 1700 gal/day @ \$3.9/gal	0180-0114	\$113,300	0180-0214	\$295,000
Alternate Fuels	0180-0115		0180-0215	\$67,000
Mud, Chemical & Additives	0180-0120	\$50,000	0180-0220	
Mud - Specialized	0180-0121	\$250,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$200,000
Stimulation Toe Preparation			0180-0223	\$25,000
Cementing	0180-0125	\$150,000	0180-0225	\$50,000
Logging & Wireline Services	0180-0130	\$34,000	0180-0230	\$367,000
Casing / Tubing / Snubbing Services	0180-0134	\$45,000	0180-0234	\$16,000
Mud Logging	0180-0137	\$15,000		
Stimulation 61 Stg 25.3 MM gal / 25.3 MM lb			0180-0241	\$2,776,000
Stimulation Rentals & Other			0180-0242	\$262,000
Water & Other 50% PW f/ San Mateo @ \$0.25/bbl, 50% BW f/ S	0180-0145	\$40,000	0180-0245	\$305,000
Bits	0180-0148	\$64,100	0180-0248	
Inspection & Repair Services	0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services	0180-0154		0180-0254	\$10,000
Testing & Flowback Services	0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig			0180-0260	\$10,500
Rig Mobilization	0180-0164	\$150,000		
Transportation	0180-0165	\$30,000	0180-0265	\$50,000
Welding, Construction & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision	0180-0170	\$108,300	0180-0270	\$72,000
Directional Services Includes Vertical Control	0180-0175	\$247,000		
Equipment Rental	0180-0180	\$119,800	0180-0280	\$40,000
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$4,900	0180-0285	
Intangible Supplies	0180-0188	\$15,000	0180-0288	\$1,000
Damages	0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements	0180-0192		0180-0292	\$80,000
Company Supervision	0180-0195	\$68,400	0180-0295	\$39,600
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)	0180-0199	\$117,200	0180-0299	\$246,300
<b>TOTAL</b>		<b>\$2,461,500</b>		<b>\$5,172,600</b>

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
Casing (19.1" - 30")	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") 8500' - 7" 29# HPP110 BT&C @ \$35.79/ft	0181-0796	\$324,900		
Casing (4.1" - 6.0") 10800' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$20.13/ft			0181-0797	\$232,200
Tubing 8200' - 3 1/2" 9.2# L-80 IPC Tbg @ \$13.75/ft			0181-0798	\$120,400
Drilling Head	0181-0860	\$50,000		
Tubing Head & Upper Section			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			0181-0886	\$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)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			0181-0900	\$25,000
Water Pipeline-Pipe/Valves & Misc			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			0181-0909	\$132,000
Equipment Installation			0181-0910	\$63,000
Oil/Gas Pipeline - Construction			0181-0920	\$40,000
Water Pipeline - Construction			0181-0921	\$218,000
<b>TOTAL</b>		<b>\$498,100</b>		<b>\$1,686,600</b>
<b>SUBTOTAL</b>		<b>\$2,959,600</b>		<b>\$6,859,200</b>

**TOTAL WELL COST \$9,818,800**

Insurance procured for the Joint Account by Operator

**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.

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If neither box is checked above, non-operating working interest owner elects to be covered by Operator's insurance.

Joint owner agrees that item 0180-0245 will be provided by operator, if available, at the specified rate. Operator reserves the right to adjust the rate due to a change in market conditions.

Prepared by: Ryan McDaniel Date: 3/14/2024

Company Approval: *M. Whittier* Date: 3/17/2024

Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_

Joint Owner Name: \_\_\_\_\_ Signature: \_\_\_\_\_

### MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

Well Name:	OLD INDIAN DRAW UNIT COM #8H (17/18 H3IL)	Prospect:	LITTLE RASCALS
Location:	SL: 970 FSL & 205 FEL (17); BHL: 2000 FSL & 100 FWL (18)	County:	Eddy ST: NM
Sec. 17	Blk:	Survey:	TWP: 22S RNG: 28E Prop. TVD: 8400 TMD: 19000

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$50,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$200,000	0180-0206	\$60,000
Daywork / Turnkey / Footage Drilling 16 days drlg / 3 days comp @ \$28000/d	0180-0110	\$478,500	0180-0210	\$89,700
Fuel 1700 gal/day @ \$3.9/gal	0180-0114	\$113,300	0180-0214	\$295,000
Alternate Fuels	0180-0115		0180-0215	\$67,000
Mud, Chemical & Additives	0180-0120	\$50,000	0180-0220	
Mud - Specialized	0180-0121	\$250,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$200,000
Stimulation Toe Preparation			0180-0223	\$25,000
Cementing	0180-0125	\$150,000	0180-0225	\$50,000
Logging & Wireline Services	0180-0130	\$34,000	0180-0230	\$367,000
Casing / Tubing / Snubbing Services	0180-0134	\$45,000	0180-0234	\$16,000
Mud Logging	0180-0137	\$15,000		
Stimulation 61 Stg 25.3 MM gal / 25.3 MM lb			0180-0241	\$2,776,000
Stimulation Rentals & Other			0180-0242	\$262,000
Water & Other 50% PW f/ San Mateo @ \$0.25/bbl, 50% BW f/ S	0180-0145	\$40,000	0180-0245	\$305,000
Bits	0180-0148	\$64,100	0180-0248	
Inspection & Repair Services	0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services	0180-0154		0180-0254	\$10,000
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Rig Mobilization	0180-0164	\$150,000		
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Welding, Construction & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
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Directional Services Includes Vertical Control	0180-0175	\$247,000		
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Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$4,900	0180-0285	
Intangible Supplies	0180-0188	\$15,000	0180-0288	\$1,000
Damages	0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements	0180-0192		0180-0292	\$80,000
Company Supervision	0180-0195	\$68,400	0180-0295	\$39,600
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)	0180-0199	\$117,200	0180-0299	\$246,300
<b>TOTAL</b>		<b>\$2,461,500</b>		<b>\$5,172,600</b>

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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") 8500' - 7" 29# HPP110 BT&C @ \$35.79/ft	0181-0796	\$324,900		
Casing (4.1" - 6.0") 10800' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$20.13/ft			0181-0797	\$232,200
Tubing 8200' - 3 1/2" 9.2# L-80 IPC Tbg @ \$13.75/ft			0181-0798	\$120,400
Drilling Head	0181-0860	\$50,000		
Tubing Head & Upper Section			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			0181-0886	\$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)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			0181-0900	\$25,000
Water Pipeline-Pipe/Valves & Misc			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			0181-0909	\$132,000
Equipment Installation			0181-0910	\$63,000
Oil/Gas Pipeline - Construction			0181-0920	\$40,000
Water Pipeline - Construction			0181-0921	\$218,000
<b>TOTAL</b>		<b>\$498,100</b>		<b>\$1,686,600</b>
<b>SUBTOTAL</b>		<b>\$2,959,600</b>		<b>\$6,859,200</b>

**TOTAL WELL COST \$9,818,800**

Insurance procured for the Joint Account by Operator

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**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.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's insurance.

Joint owner agrees that item 0180-0245 will be provided by operator, if available, at the specified rate. Operator reserves the right to adjust the rate due to a change in market conditions.

Prepared by: Robin Terrell Date: 3/15/2024

Company Approval: *M. Whittaker* Date: 3/17/2024

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. 24506

**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 AFFIRMATION 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  
Exhibit No. B  
Submitted by: Mewbourne Oil Company  
Hearing Date: June 13, 2024  
Case No. 24506



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  
Tyler Hill

6/4/24  
Date

BEFORE THE OIL CONSERVATION DIVISION

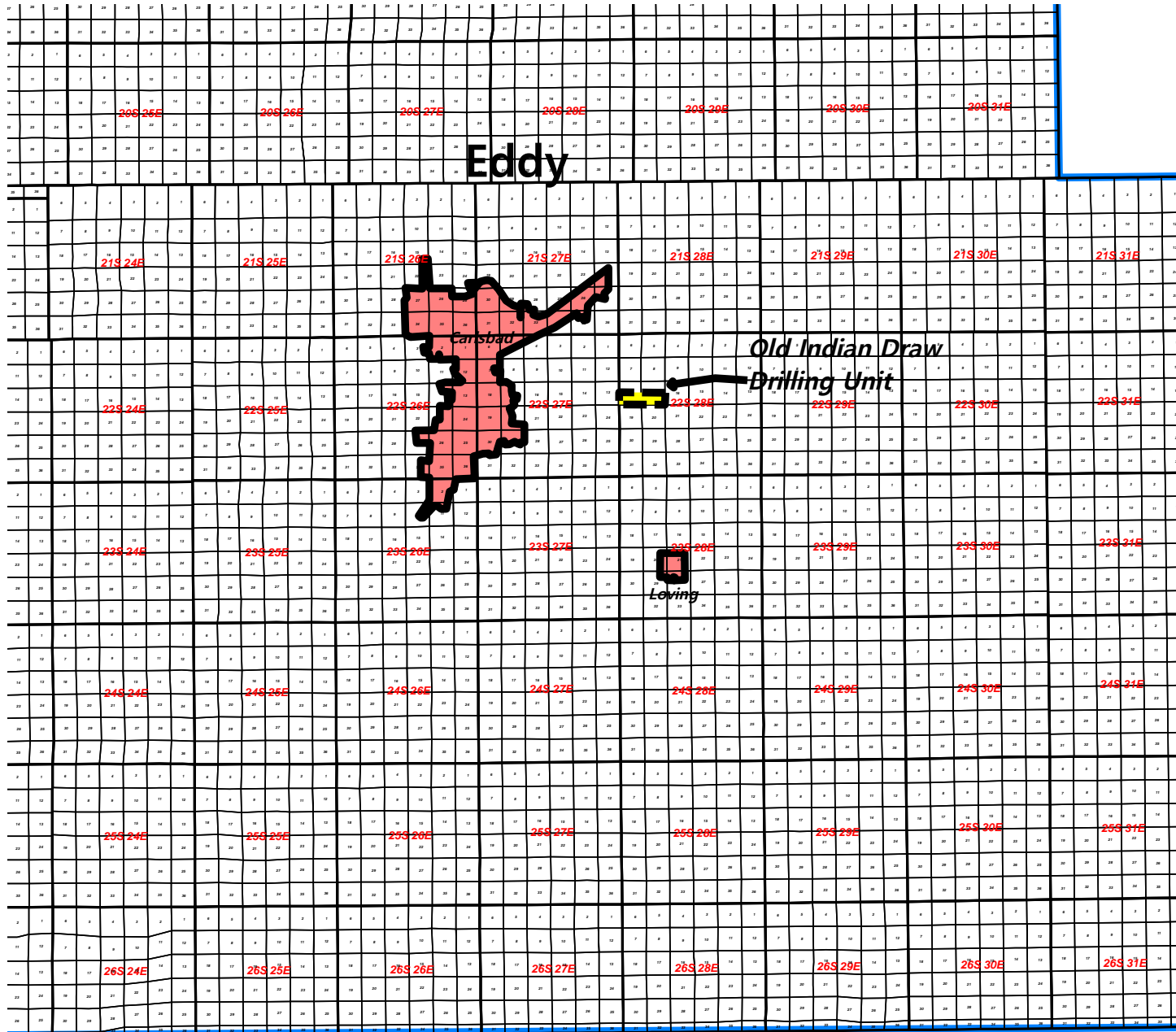
Santa Fe, New Mexico

Exhibit No. B-1

Submitted by: Mewbourne Oil Company

Hearing Date: June 13, 2024

Case No. 24506



Lea

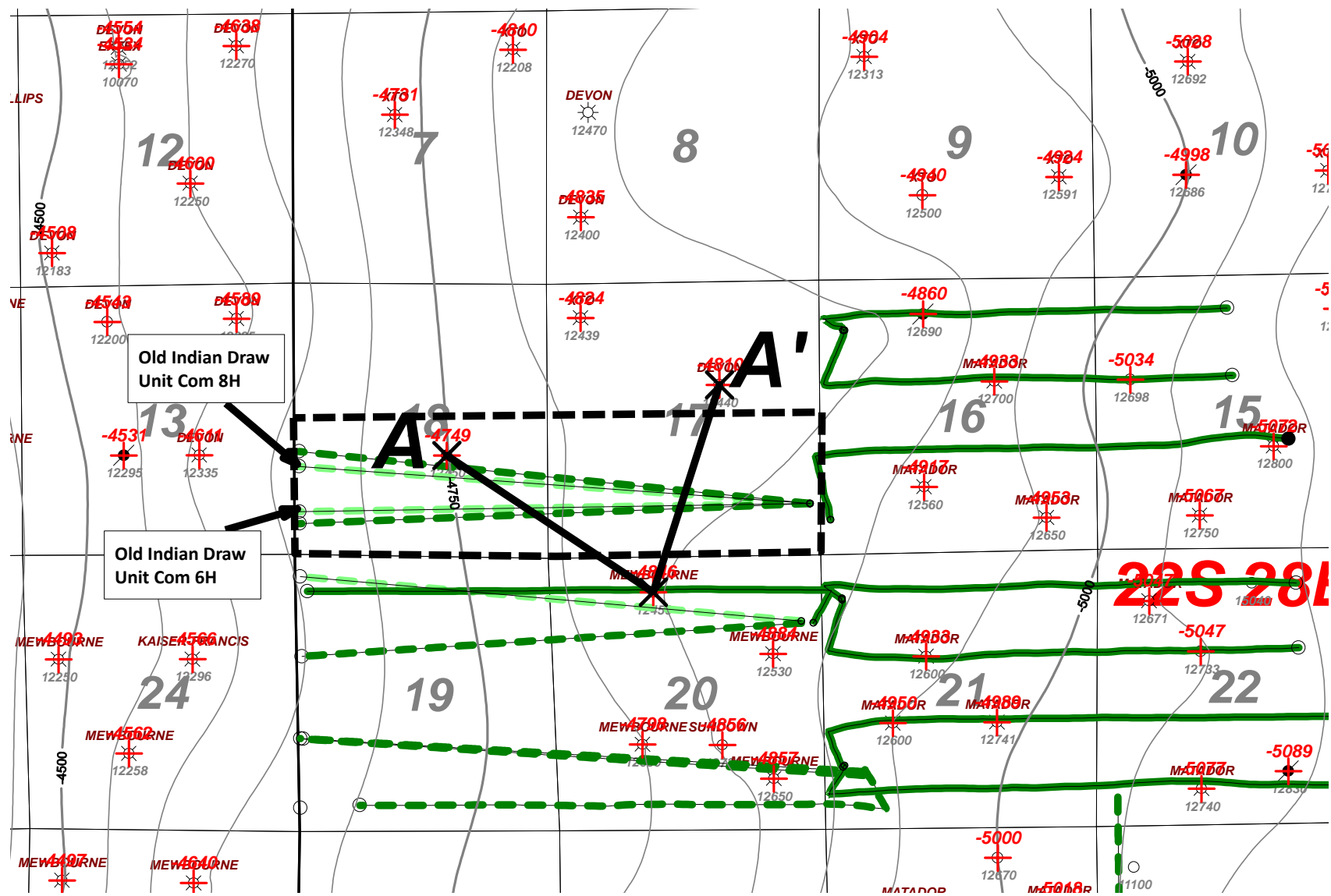
Texas



MOC Mewbourne Oil Company

Old Indian Draw Unit  
Eddy County Locator Map

Author: T. Hill	NM/TX	Date: 3 June, 2024
Scale: 1.0"=34868'		



**DLWR Basin Activity Color Code**

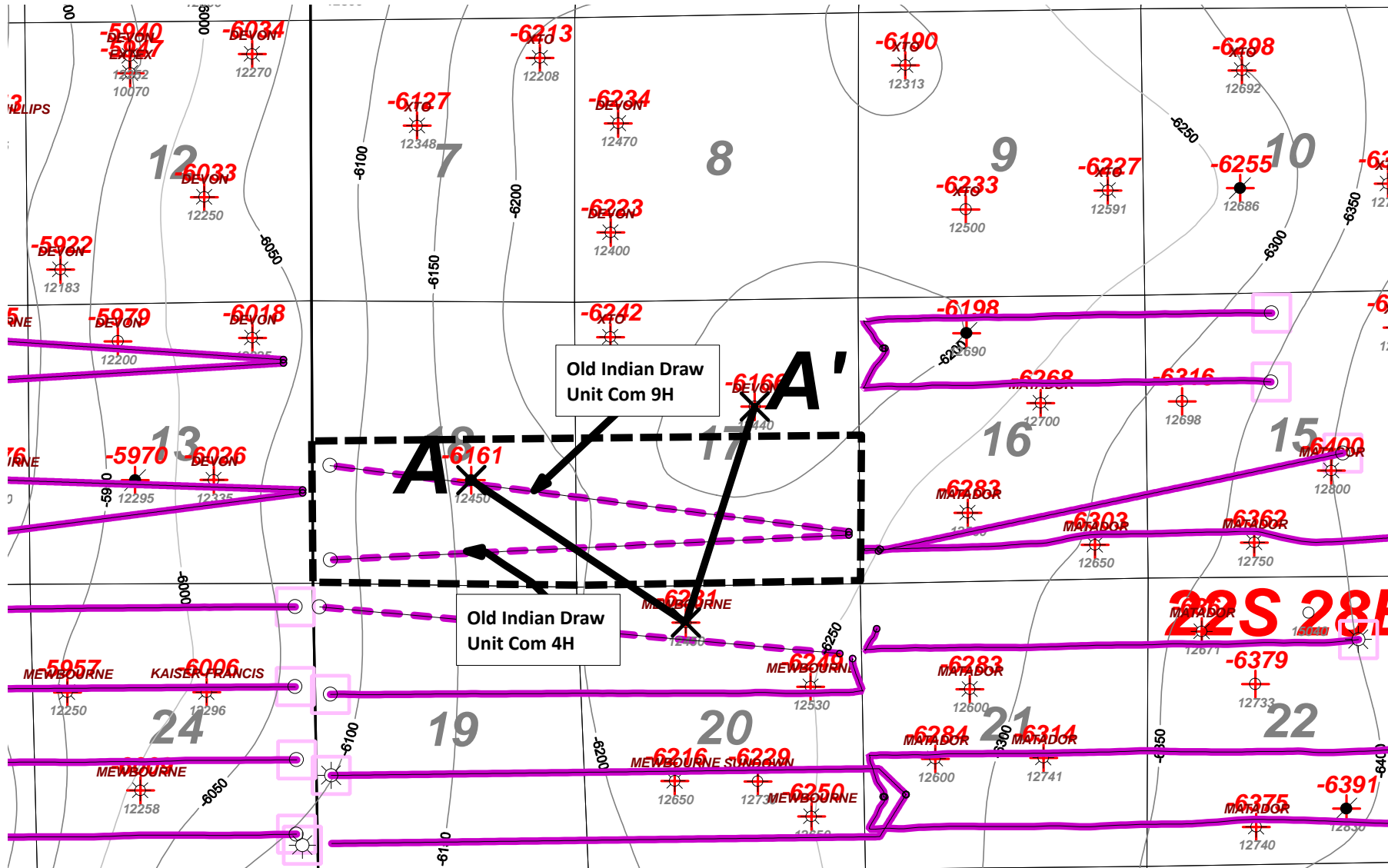
Delaware	3rd BS Sand
Avalon Shale	Wolfcamp Sand
1st BS Sand	Wolfcamp A Shale
1st BS Shale	Wolfcamp B Shale
2nd BS Sand	Wolfcamp C Shale
Harkey Sand	Wolfcamp D Shale
3rd BSPG Shale	Wolfcamp (No Survey)

Permit: - - - -  
 Drilled: ————



**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**  
**Exhibit No. B-2**  
**Submitted by: Mewbourne Oil Company**  
**Hearing Date: June 13, 2024**  
**Case No. 24506**

<b>Mewbourne Oil Company</b>		
Old Indian Draw Unit Com 6H Old Indian Draw Unit Com 8H Structure top 2nd BS Sd (C.I. 50')		
Author: T. Hill	County: Eddy	Date: 4 June, 2024
Scale: 1.0"=2800'		



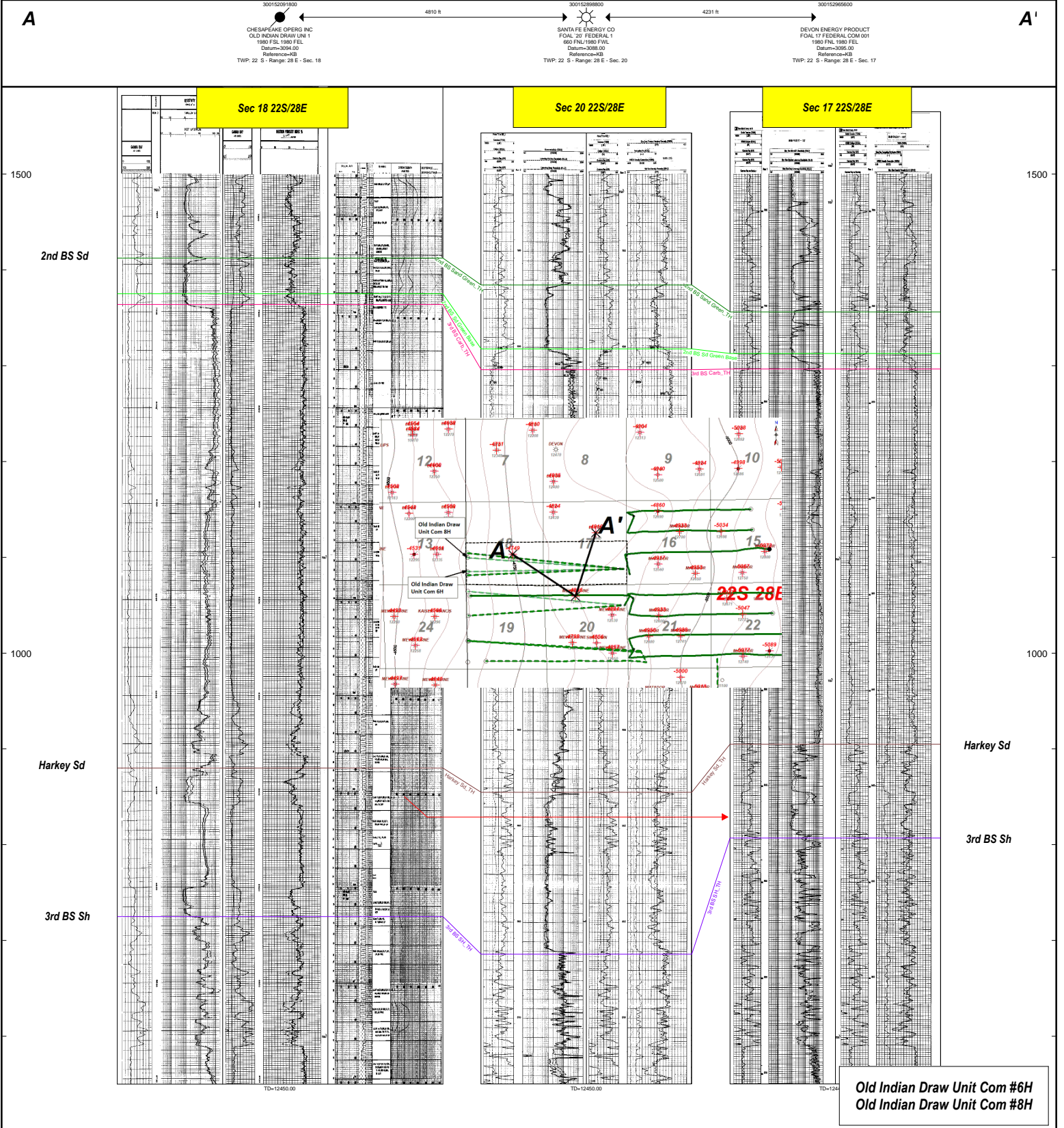
Activity Color Code

- Wolfcamp Sand (Permitted)
- Wolfcamp Sand (Drilled)



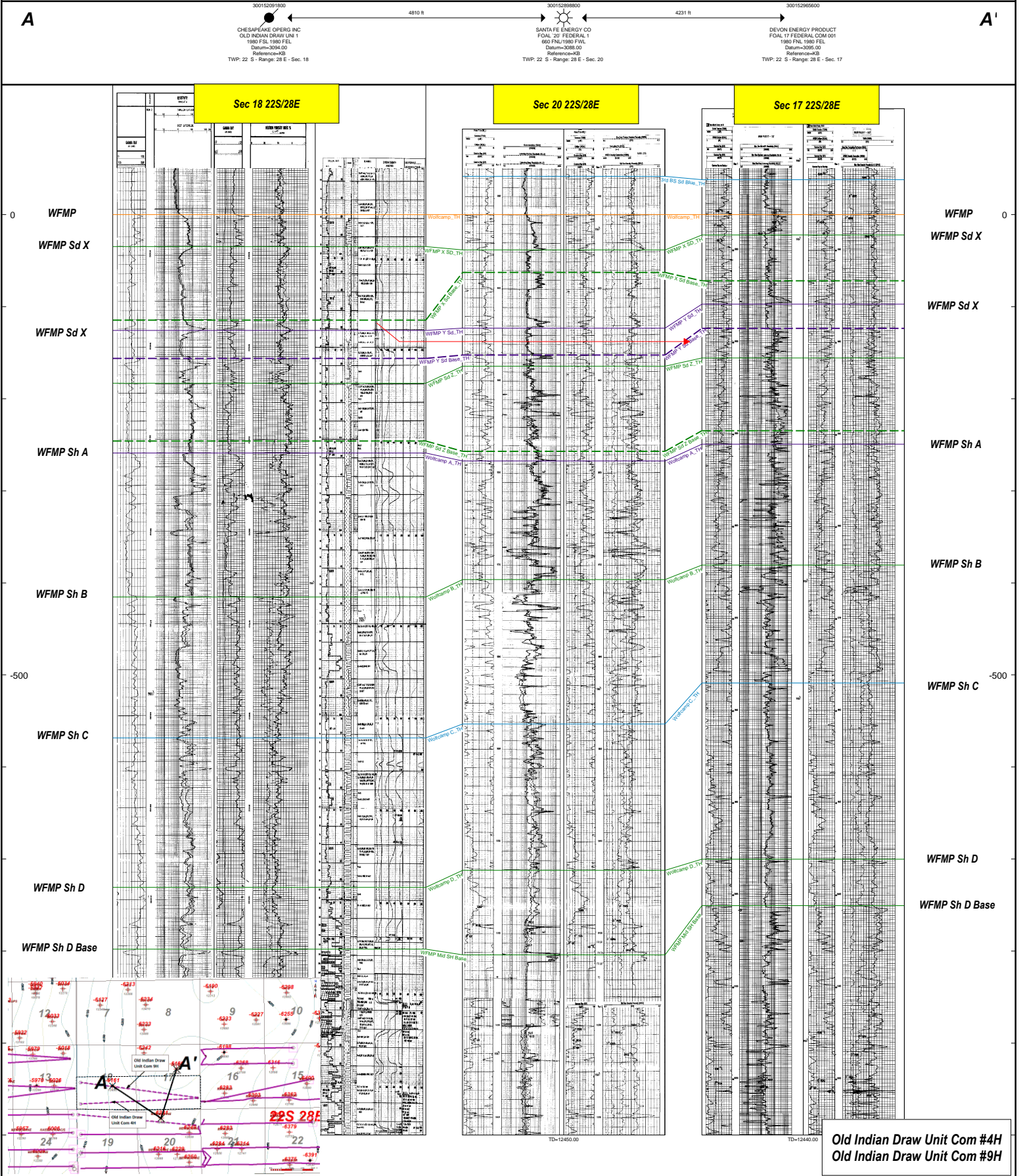
<b>M<sub>OC</sub> Newbourne Oil Company</b>		
<i>Old Indian Draw Unit Com #4H Old Indian Draw Unit Com #9H Structure top WFMP (C.I. 50')</i>		
Author: T. Hill	County:	Date: 3 June, 2024
Scale: 1.0"=3000'		

### Old Indian Draw Unit Com #6H, #8H



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. 24506

### Old Indian Draw Unit Com #4H, #9H



**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. 24506**

**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. 24506**





Michael H. Feldewert

6/6/2024

Date



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

May 24, 2024

**VIA CERTIFIED MAIL**  
**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 8H**

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 <https://www.emnrd.nm.gov/ocd/>.

**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: <https://www.emnrd.nm.gov/ocd/hearing-info/>.**

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](mailto: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](http://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 - Old Indian BS 6H, 8H and WC 4H and 9H wells - Case nos. 24505-24507

Postal Delivery Report

9214 8901 9403 8363 2590 48	XTO Delaware Basin LLC ATTN: W Greg Davis 22777 Springwoods Village Parkway Spring TX 77389	Delivered
9214 8901 9403 8363 2590 55	Marathon Oil Permian LLC 5555 San Felipe Street Houston TX 77056	In-Transit



PO Box 631667 Cincinnati, OH 45263-1667

**AFFIDAVIT OF PUBLICATION**

Joe Stark  
Joe Stark EENR Specialist  
Holland & Hart  
222 South Main Street  
Suite 2200  
Salt Lake City UT 84101

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:

05/29/2024

and that the fees charged are legal.  
Sworn to and subscribed before on 05/29/2024

*D. Roberts*  
\_\_\_\_\_  
Legal Clerk

*Kathleen Allen*  
\_\_\_\_\_  
Notary, State of WI, County of Brown

*6-7-25*

My commission expires

Publication Cost: \$229.20  
Order No: 10216145 # of Copies:  
Customer No: 1360634 1  
PO #: Case No. 24506

**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  
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 fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa 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, <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from the OCD law clerk, at (505) 469-5527 or [treva.lschantz@emnrd.nm.gov](mailto:treva.lschantz@emnrd.nm.gov).

Documents filed in these cases may be viewed at <http://ocdimagc.emnrd.state.nm.us/imagina/CaseFileCriteria.aspx>.

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 the OCD law 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](http://www.microsoft.com/en-us/microsoft-teams/join-a-meeting)  
Meeting ID: 267 851 609 747  
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.

Case No. 24506: Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling oil uncommitted mineral owners in the Bone Spring formation underlying a standard 310.59-acre, more or less, horizontal well spacing unit comprised of the N2S2 of Section 17 and Lots 9-10 and the N2SE4 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 8H well to be horizontally drilled from a surface location in the SE4 of Section 17, with a first take point in the NE4SE4 (Unit 1) of Section 17 and a last take point in Lot 10 (NW4SW4 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.  
#10216145; Current Argus; May 29, 2024

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
Exhibit No. D  
Submitted by: Mewbourne Oil Company  
Hearing Date: June 13, 2024  
Case No. 24506