

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

CASE No. 24507

OLD INDIAN DRAW WC 4H & 9H WELLS

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. 24507


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

| | |
|--|---|
| Case: 24507 | APPLICANT'S RESPONSE |
| Date: June 13, 2024 | |
| Applicant | Mewbourne Oil Company |
| Designated Operator & OGRID (affiliation if applicable) | Mewbourne Oil Company [OGRID 14744] |
| Applicant's Counsel: | Holland & Hart LLP |
| Case Title: | APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO |
| Entries of Appearance/Intervenors: | |
| Well Family | Old Indian Draw |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent: | Wolfcamp |
| Primary Product (Oil or Gas): | Oil |
| Pooling this vertical extent: | N/A |
| Pool Name and Pool Code: | Purple Sage; Wolfcamp Gas (98220) |
| Well Location Setback Rules: | 330' pursuant to Order R-14262 |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 621.13-acres |
| Building Blocks: | Quarter sections |
| Orientation: | Laydown |
| Description: TRS/County | 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. |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in the application? | Yes |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | No |
| Proximity Tracts: If yes, description | No |
| Proximity Defining Well: if yes, description | N/A |
| Applicant's Ownership in Each Tract | Exhibit A-2 |
| Well(s) | |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | |
| Well #1 | Old Indian Draw Unit Com 4H (30-015-55066) SHL: 930' FSL & 205' FEL (Unit P) of Sec. 17, T22S, R28E BHL: 880' 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 |

| | |
|--|---|
| Well #2 | Old Indian Draw Uit Com 9H (30-015-55065) SHL: 970' FSL & 205' FEL (Unit P) of Sec. 17, T22S, R28E BHL: 2310' 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 |
| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | \$12,000 |
| Production Supervision/Month \$ | \$1,200 |
| Justification for Supervision Costs | Exhibit A |
| Requested Risk Charge | 200% |
| Notice of Hearing | |
| 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 |
| Ownership Determination | |
| 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 |
| Joinder | |
| 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 |
| Geology | |
| 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 |
| Release of Fracturing: 6/6/2024 3:56:35 PM | Exhibit B |

| | |
|--|--|
| HSU Cross Section | Exhibit B-3 |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables | |
| 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 |
| Additional Information | |
| Special Provisions/Stipulations | N/A |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. | |
| Printed Name (Attorney or Party Representative): | Michael H. Feldewert |
| Signed Name (Attorney or Party Representative): |  |
| Date: | 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. 24507

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 Wolfcamp formation [Purple Sage Wolfcamp Gas Pool (98220)] underlying a standard 621.13-acre, more or less, horizontal well spacing unit comprised of 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. 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 following proposed wells:

- **Old Indian Draw Unit Com 4H** 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 (SW4 SW4 equivalent) of irregular Section 18; and
- **Old Indian Draw Unit Com 9H** 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 (NE4 SW4 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 wells;
- 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 wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By:  _____

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, NM 87504
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505-983-6043 Facsimile
mfeldewert@hollandhart.com
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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 Wolfcamp formation underlying a standard 621.13-acre, more or less, horizontal well spacing unit comprised of 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. Said unit will be initially dedicated to the following proposed wells:

- **Old Indian Draw Unit Com 4H** 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 (SW4 SW4 equivalent) of irregular Section 18; and
- **Old Indian Draw Unit Com 9H** 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 (NE4 SW4 equivalent) of irregular Section 18.

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

| | | | | | |
|---|--|--|--|--|---------------------------------|
| ¹ API Number 30-015-55066 | | ² Pool Code 98220 | | ³ Pool Name PURPLE SAGE (WOLFCAMP) | |
| ⁴ Property Code | | ⁵ Property Name OLD INDIAN DRAW UNIT COM | | | ⁶ Well Number 4H |
| ⁷ OGRID NO. 14744 | | ⁸ Operator Name MEWBOURNE OIL COMPANY | | | ⁹ Elevation 3078' |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet From the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 17 | 22S | 28E | | 930 | SOUTH | 205 | EAST | EDDY |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 11 | 18 | 22S | 28E | | 880 | SOUTH | 100 | WEST | EDDY |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 621.13 | 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
NAD 83 GRID - NM EAST

SURFACE LOCATION
N: 504935.4 - E: 612744.9
LAT: 32.3879238° N
LONG: 104.1019991° W

BOTTOM HOLE
N: 504930.9 - E: 602800.6
LAT: 32.3879664° N
LONG: 104.1342149° W

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1916"
N: 504054.4 - E: 602698.6

B: FOUND BRASS CAP "1916"
N: 506707.9 - E: 602704.7

C: FOUND BRASS CAP "1916"
N: 509363.5 - E: 602706.8

D: FOUND BRASS CAP "1943"
N: 509311.6 - E: 607636.8

E: FOUND BRASS CAP "1943"
N: 509316.0 - E: 610289.4

F: FOUND BRASS CAP "1943"
N: 509353.8 - E: 612951.3

G: FOUND BRASS CAP "1943"
N: 506679.8 - E: 612950.3

H: FOUND BRASS CAP "1943"
N: 504006.3 - E: 612949.6

I: FOUND BRASS CAP "1943"
N: 503997.0 - E: 610302.1

J: FOUND BRASS CAP "1943"
N: 503984.6 - E: 607656.7

K: FOUND BRASS CAP "1943"
N: 503977.8 - E: 605000.8

L: FOUND BRASS CAP "1943"
N: 506648.9 - E: 607647.2

LOT ACREAGE

LOT 5: 36.06 AC.
LOT 6: 34.85 AC.
LOT 7: 35.81 AC.
LOT 8: 36.98 AC.
LOT 9: 37.77 AC.
LOT 10: 36.69 AC.
LOT 11: 37.61 AC.
LOT 12: 38.66 AC

17 OPERATOR CERTIFICATION

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

Signature _____ Date _____

Printed Name _____

E-mail Address _____

18 SURVEYOR CERTIFICATION

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

05/17/2019
Date of Survey

Signature and Seal of Professional Surveyor _____

19680
Certificate Number

REV: SH/BH MOVE, NAME CHANGE 3/20/24
Job No: LS19050600

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|------------------------------|--|---|--|---------------------------------------|----------------------|
| 1 API Number 30-015-55065 | | 2 Pool Code 98220 | | 3 Pool Name PURPLE SAGE (WOLFCAMP) | |
| 4 Property Code | | 5 Property Name OLD INDIAN DRAW UNIT COM | | | 6 Well Number 9H |
| 7 OGRID NO. 14744 | | 8 Operator Name MEWBOURNE OIL COMPANY | | | 9 Elevation 3078' |

10 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet From the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 17 | 22S | 28E | | 970 | SOUTH | 205 | EAST | EDDY |

11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 10 | 18 | 22S | 28E | | 2310 | SOUTH | 100 | WEST | EDDY |

| | | | |
|------------------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres 621.13 | 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
NAD 83 GRID - NM EAST
SURFACE LOCATION
N: 504975.4 - E: 612744.9
LAT: 32.3880338° N
LONG: 104.1019989° W
BOTTOM HOLE
N: 506360.6 - E: 602803.9
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LONG: 104.1341956° W
CORNER DATA
NAD 83 GRID - NM EAST
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N: 506707.9 - E: 602704.7
C: FOUND BRASS CAP "1916"
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N: 504006.3 - E: 612949.6
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N: 503997.0 - E: 610302.1
J: FOUND BRASS CAP "1943"
N: 503984.6 - E: 607656.7
K: FOUND BRASS CAP "1943"
N: 503977.8 - E: 605000.8
L: FOUND BRASS CAP "1943"
N: 506648.9 - E: 607647.2

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

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

05/17/2019
Date of Survey

19680
Certificate Number

REV: BH MOVE, NAME CHANGE 3/20/24
Job No: LS19050599D

**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 | |
| | Tract 2 NM 0415688 A 266.69 Acres | Tract 1 NM 0415688 A 320 Acres | |
| Tract 3 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% |
| Total Tract 1 | | 100.000000% |

| 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% |
| Total Tract 2 | | 100.000000% |

| Tract No. | Party | % of Tract |
|----------------------|------------------------------|--------------------|
| 3 | Mewbourne Oil Company, et al | 100.000000% |
| Total Tract 3 | | 100.000000% |

| 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% |
| Total Spacing Unit | | 100.000000% |

** 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 | |
| Tract 2 NM 0415688 A 150.59 Acres | | Tract 1 NM 0415688 A 160 Acres | |
| | | | |

| | |
|---|--|
| Tract 3 N/2SE/4, LOTS 9, 10 OF SECTION 18 | Tract 1 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% |
| Total Tract 1 | | 100.000000% |

| 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% |
| Total Tract 2 | | 100.000000% |

| 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% |
| Total Spacing Unit | | 100.000000% |

**** 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, T2S, 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 T2S-R28E </div> | | <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> North Half Section 17 T2S-R28E </div> |
| Tract 3 NM 0415688 A 34.44 Acres | Tract 2 NM 0415688 A 116.1 Acres | Tract 1 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% |
| Total Tract 1 | | 100.000000% |

| 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% |
| Total Tract 2 | | 100.000000% |

| Tract No. | Party | % of Tract |
|----------------------|------------------------------|--------------------|
| 3 | Mewbourne Oil Company, et al | 100.000000% |
| Total Tract 3 | | 100.000000% |

| 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% |
| Total Spacing Unit | | 100.000000% |

**** 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 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. 24507

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

| | | | |
|------------|---|------------|----------------|
| 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) | 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 | | | 0180-0215 | \$67,000 |
| Mud, Chemical & Additives | | \$55,000 | 0180-0220 | |
| Mud - Specialized | | \$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 | | \$64,100 | 0180-0248 | |
| Inspection & Repair Services | | \$50,000 | 0180-0250 | \$5,000 |
| Misc. Air & Pumping Services | | | 0180-0254 | \$10,000 |
| Testing & Flowback Services | | \$12,000 | 0180-0258 | \$24,000 |
| Completion / Workover Rig | | | 0180-0260 | \$10,500 |
| Rig Mobilization | | \$150,000 | | |
| Transportation | | \$30,000 | 0180-0265 | \$50,000 |
| Welding, Construction & Maint. Services | | \$4,000 | 0180-0268 | \$16,500 |
| Contract Services & Supervision | | \$114,000 | 0180-0270 | \$72,000 |
| Directional Services | Includes Vertical Control | \$266,000 | | |
| Equipment Rental | | \$125,300 | 0180-0280 | \$40,000 |
| Well / Lease Legal | | \$5,000 | 0180-0284 | |
| Well / Lease Insurance | | \$5,000 | 0180-0285 | |
| Intangible Supplies | | \$15,000 | 0180-0288 | \$1,000 |
| Damages | | \$10,000 | 0180-0290 | \$10,000 |
| Pipeline Interconnect, ROW Easements | | | 0180-0292 | \$80,000 |
| Company Supervision | | \$72,000 | 0180-0295 | \$39,600 |
| Overhead Fixed Rate | | \$10,000 | 0180-0296 | \$20,000 |
| Contingencies | 5% (TCP) 5% (CC) | \$122,000 | 0180-0299 | \$244,300 |
| TOTAL | | \$2,562,200 | | \$5,129,600 |

| 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 | 0181-0794 | |
| Casing (8.1" – 10.0") | 2430' - 9 5/8" 40# J-55 LT&C @ \$32.69/ft | \$84,800 | 0181-0795 | |
| Casing (6.1" – 8.0") | 8950' - 7" 29# HPP110 BT&C @ \$35.79/ft | \$342,100 | 0181-0796 | |
| 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 | | \$50,000 | 0181-0860 | |
| 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 |
| TOTAL | | \$515,300 | | \$1,689,700 |

| | | | | |
|------------------------|--------------------|--------------------|--|--------------------|
| SUBTOTAL | | \$3,077,500 | | \$6,819,300 |
| 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: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

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 | | | 0180-0215 | \$67,000 |
| Mud, Chemical & Additives | | \$55,000 | 0180-0220 | |
| Mud - Specialized | | \$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 | | \$64,100 | 0180-0248 | |
| Inspection & Repair Services | | \$50,000 | 0180-0250 | \$5,000 |
| Misc. Air & Pumping Services | | | 0180-0254 | \$10,000 |
| Testing & Flowback Services | | \$12,000 | 0180-0258 | \$24,000 |
| Completion / Workover Rig | | | 0180-0260 | \$10,500 |
| Rig Mobilization | | \$150,000 | | |
| Transportation | | \$30,000 | 0180-0265 | \$50,000 |
| Welding, Construction & Maint. Services | | \$4,000 | 0180-0268 | \$16,500 |
| Contract Services & Supervision | | \$114,000 | 0180-0270 | \$72,000 |
| Directional Services | Includes Vertical Control | \$266,000 | | |
| Equipment Rental | | \$125,300 | 0180-0280 | \$40,000 |
| Well / Lease Legal | | \$5,000 | 0180-0284 | |
| Well / Lease Insurance | | \$5,000 | 0180-0285 | |
| Intangible Supplies | | \$15,000 | 0180-0288 | \$1,000 |
| Damages | | \$10,000 | 0180-0290 | \$10,000 |
| Pipeline Interconnect, ROW Easements | | | 0180-0292 | \$80,000 |
| Company Supervision | | \$72,000 | 0180-0295 | \$39,600 |
| Overhead Fixed Rate | | \$10,000 | 0180-0296 | \$20,000 |
| Contingencies | 5% (TCP) 5% (CC) | \$122,000 | 0180-0299 | \$244,300 |
| TOTAL | | \$2,562,200 | | \$5,129,600 |

| 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 | | \$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 |
| TOTAL | | \$515,300 | | \$1,689,700 |

| | | | | |
|-----------------|--|--------------------|--|--------------------|
| SUBTOTAL | | \$3,077,500 | | \$6,819,300 |
|-----------------|--|--------------------|--|--------------------|

| | | | | |
|------------------------|--|--------------------|--|--|
| 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: <u>Ryan McDaniel</u> | Date: <u>3/14/2024</u> |
| Company Approval: <u><i>M. Whittaker</i></u> | Date: <u>3/17/2024</u> |

| | |
|---|-------------------------|
| Joint Owner Interest: _____ Amount: _____ | Signature: _____ |
| Joint Owner Name: _____ | |

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 |
| TOTAL | | \$2,461,500 | | \$5,172,600 |

| 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 |
| TOTAL | | \$498,100 | | \$1,686,600 |
| SUBTOTAL | | \$2,959,600 | | \$6,859,200 |

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.

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. 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 |
| 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 |
| TOTAL | | \$2,461,500 | | \$5,172,600 |

| TANGIBLE COSTS 0181 | CODE | TCP | CODE | CC |
|--|-----------|--------------------|-----------|--------------------|
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| 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 |
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| 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 |
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| 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 |
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| TOTAL | | \$498,100 | | \$1,686,600 |
| SUBTOTAL | | \$2,959,600 | | \$6,859,200 |

TOTAL WELL COST \$9,818,800

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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: <u>Robin Terrell</u> | Date: <u>3/15/2024</u> |
| Company Approval: <u><i>M. Whittier</i></u> | Date: <u>3/17/2024</u> |
| Joint Owner Interest: _____ Amount: _____ | Signature: _____ |
| Joint Owner Name: _____ | |

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. 24507

**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. 24507**

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

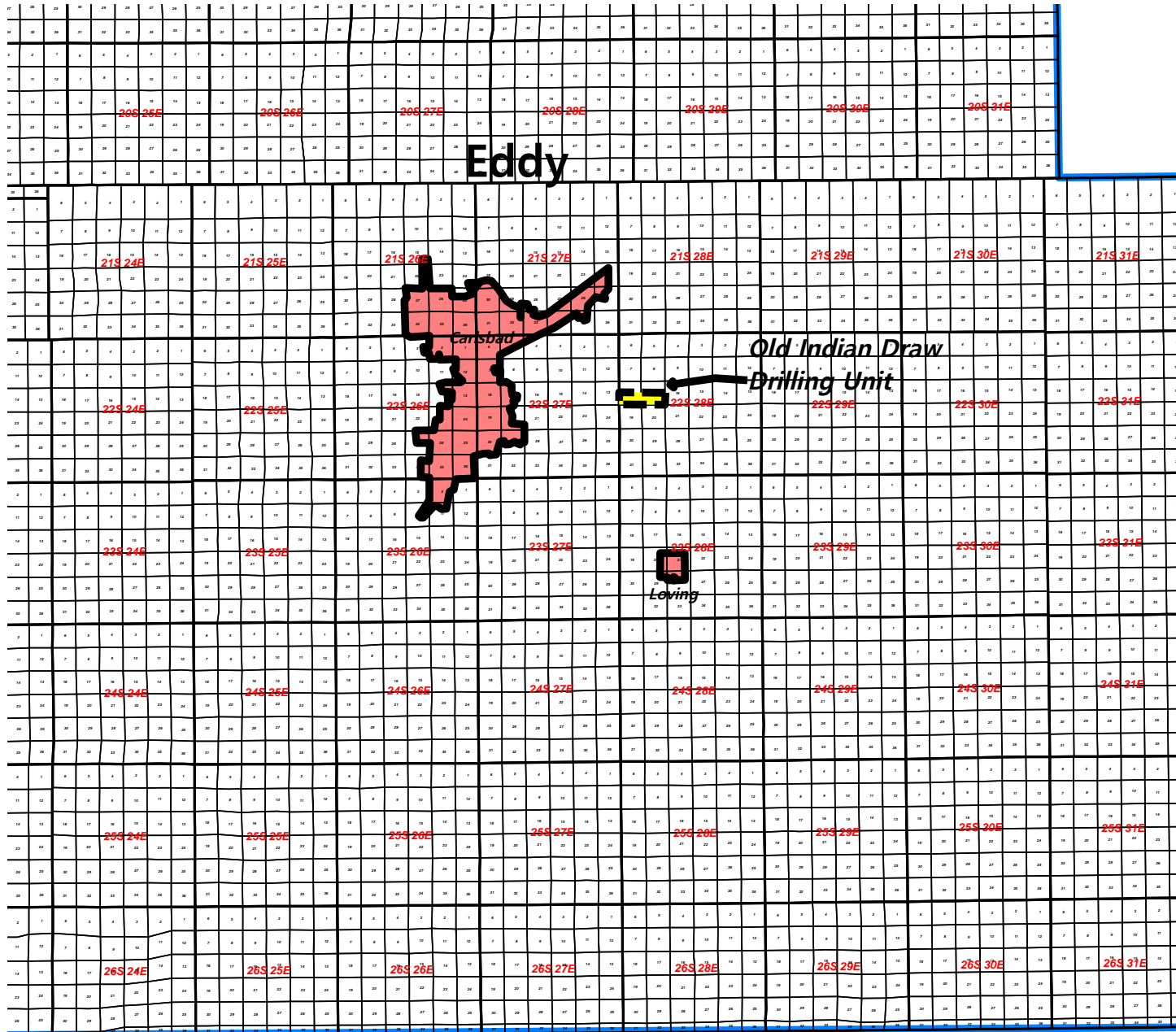
Santa Fe, New Mexico

Exhibit No. B-1

Submitted by: Mewbourne Oil Company

Hearing Date: June 13, 2024

Case No. 24507

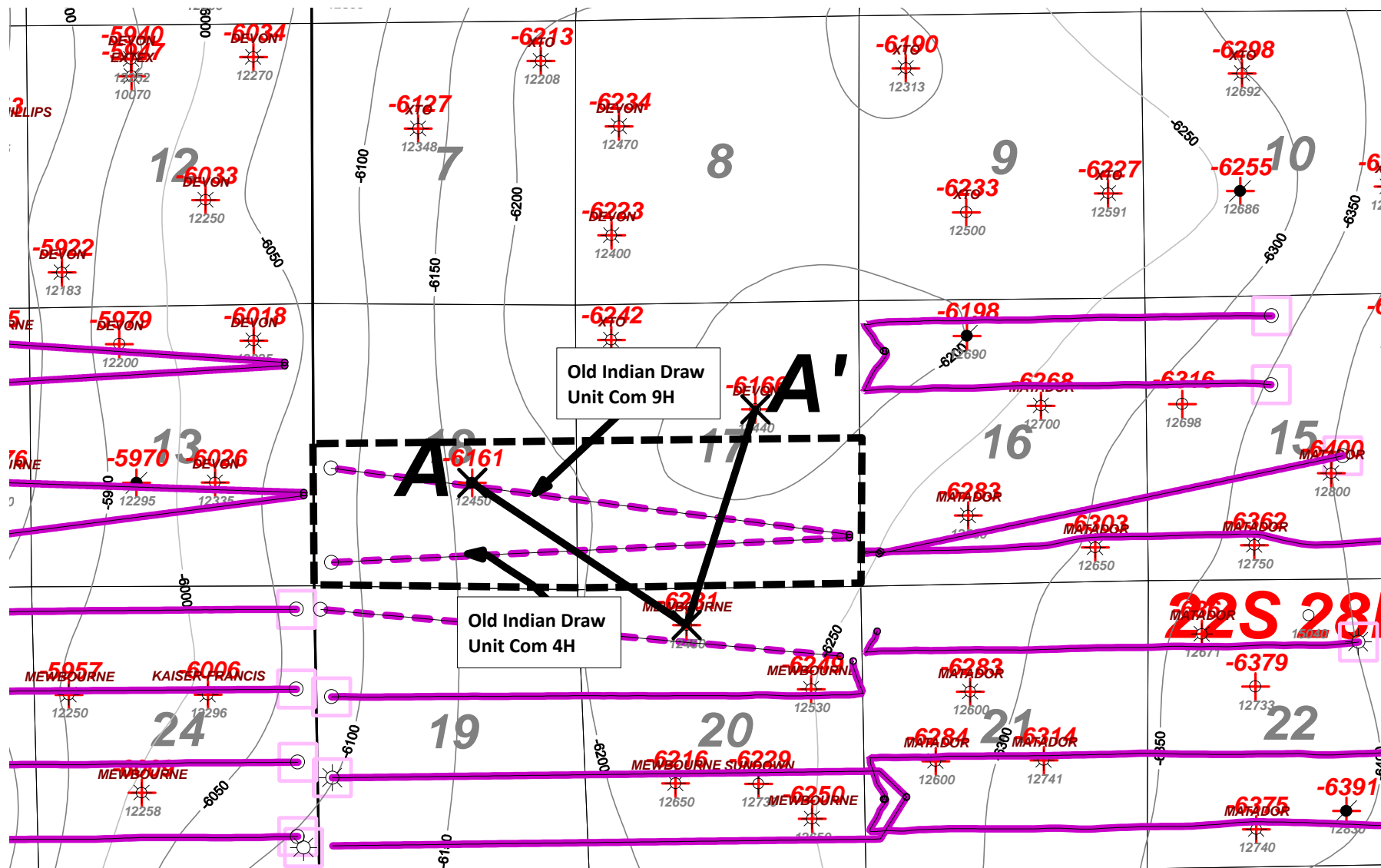


Lea



| | | |
|---|-------|-----------------------|
| MOC Mewbourne Oil Company | | |
| <i>Old Indian Draw Unit Eddy County Locator Map</i> | | |
| Author: T. Hill | NM/TX | Date: 3 June, 2024 |
| Scale: 1.0"=34868' | | |

Texas



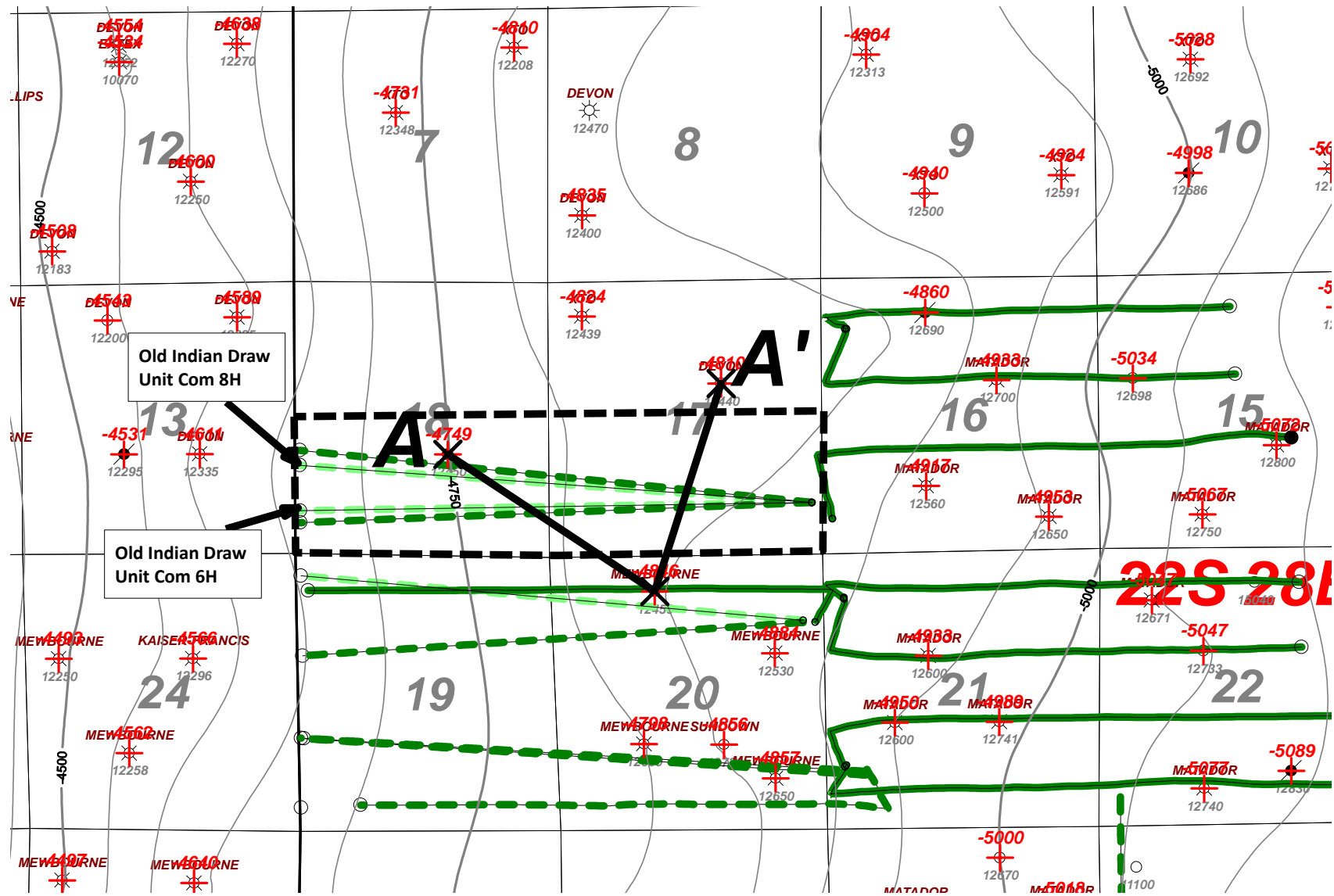
Activity Color Code

- Wolfcamp Sand (Permitted)
- Wolfcamp Sand (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. 24507



| | | |
|--|---------|-----------------------|
| M_{OC} Mewbourne Oil Company | | |
| <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' | | |



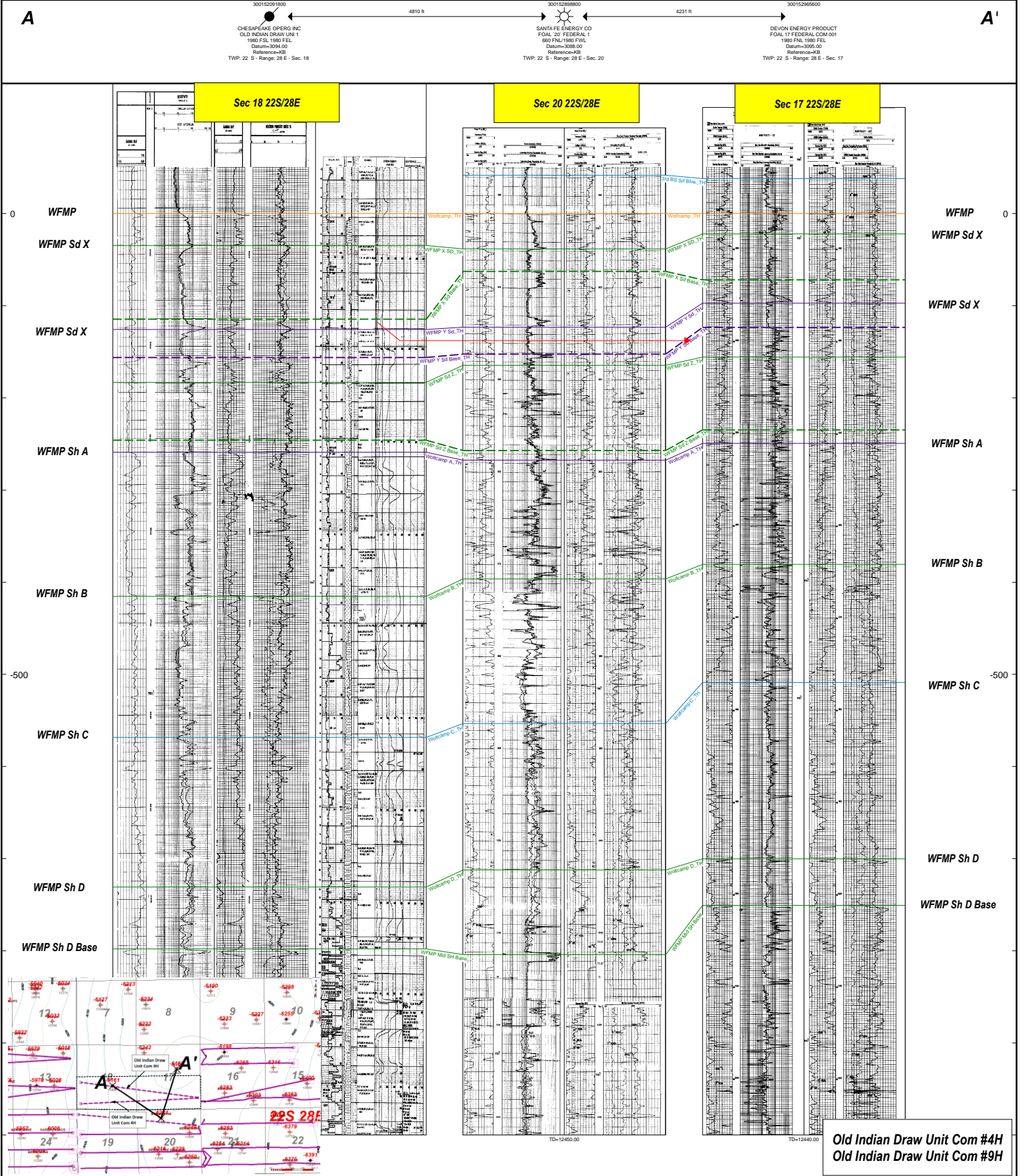
DLWR Basin Activity Color Code

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

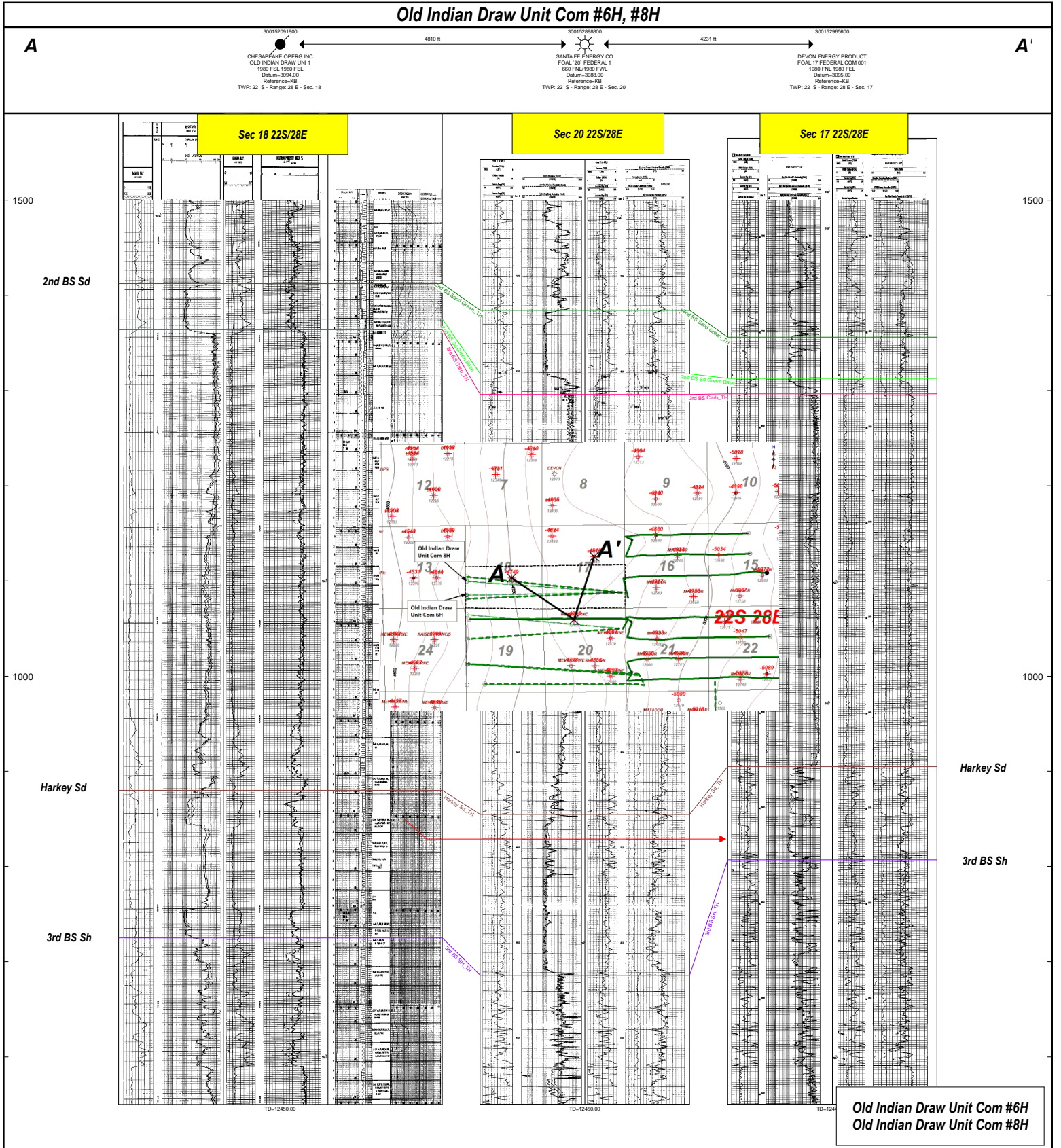
Permit:
 Drilled:

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

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



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. 24507



**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. 24507

**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. 24507**



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 4H and 9H wells**

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.

Sincerely,

Michael H. Feldewert
ATTORNEY FOR MEWBOURNE OIL COMPANY

Location
110 North Guadalupe, Suite 1
Santa Fe, NM 87501-1849

Mailing Address
P.O. Box 2208
Santa Fe, NM 87504-2208

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

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

MOC - 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. Robert

Legal Clerk

Kathleen Allen

Notary, State of WI, County of Brown

1-7-25

My commission expires

Publication Cost: \$250.00
Order No: 10216074 # of Copies:
Customer No: 1360634 1
PO #: Case No. 24507

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 lreya.tschantz@emnrd.nm.gov.

Documents filed in these cases may be viewed at <http://ocimage.emnrd.state.nm.us/imagina/CaseFileCriteria.0502>.

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
Meeting ID: 601 831 609 747
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.

Case No. 24507: 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 Wolfcamp formation underlying a standard 621.13-acre, more or less, horizontal well spacing unit comprised of 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. Said unit will be initially dedicated to the following proposed wells:

- Old Indian Draw Unit Com 4H 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; and
 - Old Indian Draw Unit Com 9H 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 (NE4 SW4 equivalent) of irregular Section 18.
- Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 7 miles north of the Town of Loving, New Mexico.
#10216074; 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. 24507