

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JULY 11, 2024**

CASE No. 24509

STONE COLD 523H WELL

LEA COUNTY, NEW MEXICO



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

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR APPROVAL OF AN OVERLAPPING SPACING
UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24509

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24509	APPLICANT'S RESPONSE
Date: July 11, 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, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Devon Energy Production Company
Well Family	Stone Cold
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Mescalero Escarpe; Bone Spring (45793)
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks:	Quarter-Quarter sections
Orientation:	Standup
Description: TRS/County	W2E2 of Sections 23 and 14, Township 18 South, Range 33 East, NMPM, Lea 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	Stone Cold 23/14 Fed Com 523H (API Pending) SHL: 400' FNL & 900' FEL (Unit A) of Sec. 26, T18S, R33E BHL: 100' FNL & 1980' FEL (Unit B) of Sec. 14, T18S, R33E Completion Target: Bone Spring formation Well Orientation: South-North Completion Location expected to be: Standard

Horizontal Well Footprint and Take Points <i>Received by OGD: 7/5/2024 10:22 AM</i>	Exhibit A-1	<i>Page 4 of 3</i>
Completion Target (Formation, TVD and MD)	Exhibit A-3	
AFE Capex and Operating Costs		
Drilling Supervision/Month \$	\$10,000	
Production Supervision/Month \$	\$1,000	
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)	Exhibit D	
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	None	
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	
Target Formation	Exhibit B	
HSU Cross Section	Exhibit B-3	
Depth Severance Discussion	N/A	

<i>Received by OCD: 7/5/2024 1:30:22 PM</i>		<i>Page 5 of 3</i>
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:		5-Jul-24

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

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR APPROVAL OF AN OVERLAPPING SPACING
UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24509

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 (a) approving an a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W2E2 of Sections 23 and 14, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) pooling the uncommitted mineral owners in this proposed spacing unit. 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 **Stone Cold 23/14 Fed Com 523H** well, to be horizontally drilled from a surface location in the NE4 of Section 26, with a first take point in the SW4SE4 (Unit O) of Section 23 and a last take point in the NW4NE4 (Unit B) of Section 14.
3. This proposed spacing unit will overlap an existing 40-acre spacing unit comprised of the NW4NE4 (Unit B) of Section 14 dedicated to the Mescalero Ridge “D” Federal No. 1 (30-025-29508) operated by Seely Oil Company and completed in the Mescalero Escarpe; Bone Spring Pool [45793].

4. 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.

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

Respectfully submitted,

HOLLAND & HART LLP

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 Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre overlapping horizontal well spacing unit in the Bone Spring formation underlying the W2E2 of Sections 23 and 14, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) pooling all the uncommitted mineral owners therein. Said unit will be initially dedicated to the proposed **Stone Cold 23/14 Fed Com 523H** well, to be horizontally drilled from a surface location in the NE4 of Section 26, with a first take point in the SW4SE4 (Unit O) of Section 23 and a last take point in the NW4NE4 (Unit B) of Section 14. This proposed spacing unit will overlap an existing 40-acre spacing unit comprised of the NW4NE4 (Unit B) of Section 14 dedicated to the Mescalero Ridge “D” Federal No. 1 (30-025-29508) operated by Seely Oil Company and completed in the Mescalero Escarpe; Bone Spring Pool [45793]. 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 19 miles southwest of Lovington, New Mexico.

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

APPLICATION OF MEWBOURNE OIL COMPANY FOR APPROVAL OF AN
OVERLAPPING SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

CASE NO. 24509

SELF AFFIRMED STATEMENT OF TYLER JOLLY, LANDMAN

1. My name is Tyler Jolly and I am employed by Mewbourne Oil Company (“Mewbourne”) as a Landman. My responsibilities include the Permian Basin of New Mexico. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.

2. I am familiar with the application filed by Mewbourne in this matter 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 an order pooling all uncommitted interests in the Bone Spring formation underlying the W2E2 of Sections 23 and 14, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico. This standard 320-acre horizontal well spacing unit will be initially dedicated to the proposed **Stone Cold 23/14 Fed Com 523H** well, to be horizontally drilled from a surface location in the NE4 of Section 26, with a first take point in the SW4SE4 (Unit O) of Section 23 and a last take point in the NW4NE4 (Unit B) of Section 14.

4. There are no ownership depth severances within the Bone formation underlying the subject acreage.

5. **Exhibit A-1** contains draft Form A-102 for the proposed initial well. Mewbourne has been informed that this well will be placed in the Mescalero Escarpe; Bone Spring Pool (45793).

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 spacing unit. The working interest owners that Mewbourne seeks to pool are highlighted in red. This acreage is comprised of federal and fee 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 \$10,000 per month while drilling and \$1,000 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. There is a existing vertical well spacing unit in the Bone Spring formation underlying the subject acreage. **Exhibit A-5** contains a sample of the notice letter and a list of the well operator and working interest owners affected by the proposed overlapping spacing unit. Mewbourne has sent this letter to each of these affected parties and did not receive any objection to the overlapping spacing unit.

11. 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.

12. 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.

13. Exhibits A-1 through A-5 were either prepared by me or compiled under my direction from company business records.

14. 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 Jolly

7/5/24
Date

32365760_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

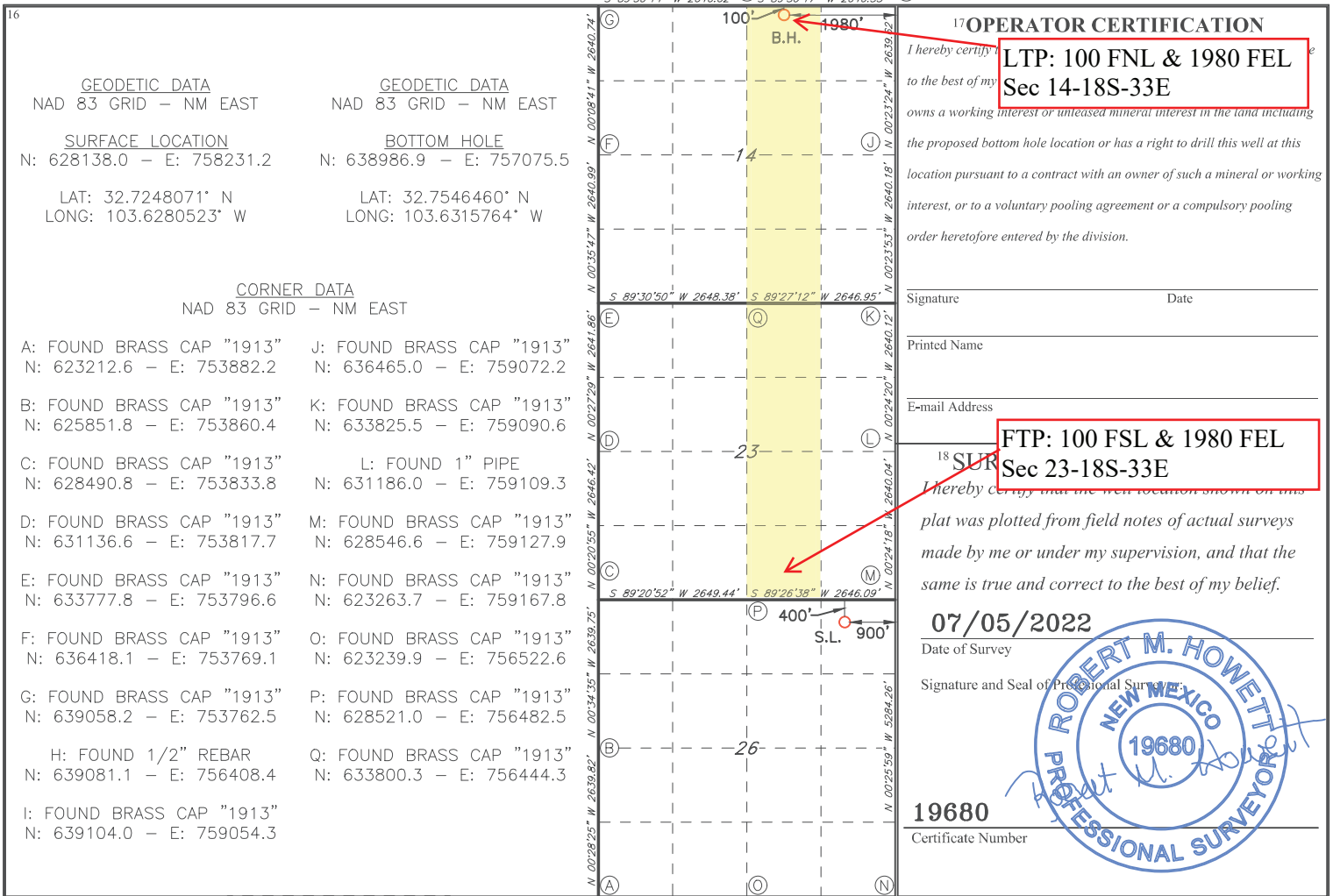
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

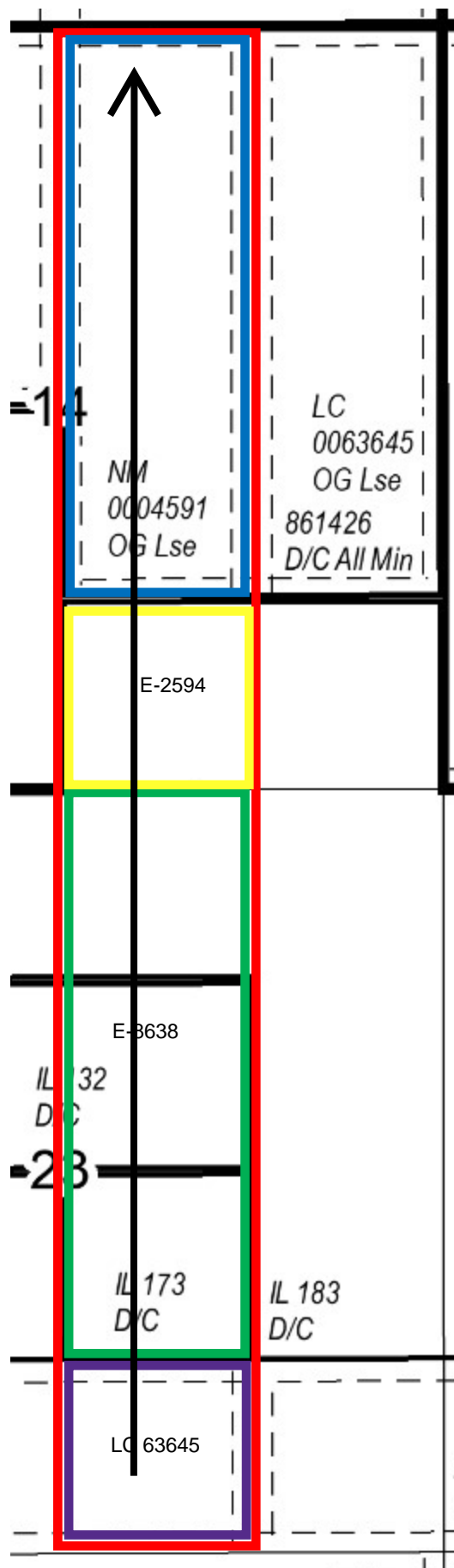
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number Pending		2 Pool Code 45793		3 Pool Name MESCALERO ESCARPE; BONE SPRING					
4 Property Code		5 Property Name STONE COLD 23/14 FED COM				6 Well Number #523H			
7 OGRID NO. 14744		8 Operator Name MEWBOURNE OIL COMPANY				9 Elevation 3845'			
10 Surface Location									
UL or lot no. A	Section 26	Township 18S	Range 33E	Lot Idn	Feet from the 400	North/South line NORTH	Feet From the 900	East/West line EAST	County LEA
11 Bottom Hole Location If Different From Surface									
UL or lot no. B	Section 14	Township 18S	Range 33E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 1980	East/West line EAST	County LEA
12 Dedicated Acres 320	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.





BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. A-2
 Submitted by: Mewbourne Oil Company
 Hearing Date: July 11, 2024
 Case No. 24509

Ownership by Tract
STONE COLD 23/14 FED COM #523H

Tract 1: SW4SE4 of Section 23 - NMLC 63645

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company, et al.	91.000000%	40.000	36.4000000000
COG Operating LLC	8.850000%	40.000	3.5400000000
Concho Oil & Gas LLC	0.150000%	40.000	0.0600000000
Total	100.000000%	40.000	40.0000000000

Tract 2: NW4SE4 of Section 23 - E-8638

Entity/Individual	Interest	Gross Acres	Net Acres
COG Operating LLC	85.000000%	40.00	34.00000000
Concho Oil & Gas LLC	5.000000%	40.00	2.00000000
Legion Production Partners, LLC	7.000000%	40.00	2.80000000
Avant Operating, LLC	1.500000%	40.00	0.60000000
Double Cabin Minerals, LLC	1.500000%	40.00	0.60000000
Total	100.000000%	40.00	40.0000000000

Tract 3: SW4NE4 of Section 23 - E-8638

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company, et al.	97.500000%	40.00	39.00000000
Bass Energy, Inc.	2.500000%	40.00	1.00000000
Total	100.000000%	40.00	40.00000000

Tract 4: NW4NE4 of Section 23 - E-8638

Entity/Individual	Interest	Gross Acres	Net Acres
COG Operating LLC	79.000000%	40.00	31.60000000
Concho Oil & Gas LLC	5.000000%	40.00	2.00000000
Legion Production Partners, LLC	11.200000%	40.00	4.48000000
Avant Operating, LLC	2.400000%	40.00	0.96000000
Double Cabin Minerals, LLC	2.400000%	40.00	0.96000000
Total	100.000000%	40.00	40.0000000000

Tract 5: SW4SE4 of Section 14 - E-2594

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company, et al.	97.000000%	40.00	38.80000000
Maverick Permian LLC	3.000000%	40.00	1.20000000
Total	97.000000%	40.00	40.00000000

Tract 6: NW4SE4 and W2NE4 of Section 14 - NMLC 63645

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company, et al.	100.000000%	120.00	120.00000000
Total	100.000000%	120.00	120.00000000

Tract 1: SW4SE4 of Section 23 - NMLC 63645

Mewbourne Oil Company, et al.
 COG Operating LLC
 Concho Oil & Gas LLC
 Avant Operating, LLC
 Legion Production Partners, LLC
 Double Cabin Minerals, LLC

Tract 2: NW4SE4 of Section 23 - E-8638

COG Operating LLC
 Concho Oil & Gas LLC
 Avant Operating, LLC
 Legion Production Partners, LLC
 Double Cabin Minerals, LLC

Tract 3: SW4NE4 of Section 23 - E-8638

Mewbourne Oil Company, et al.
 Bass Energy, Inc.

Tract 4: NW4NE4 of Section 23 - E-8638

COG Operating LLC
 Concho Oil & Gas LLC
 Tularosa Oil Company, LLC

Tract 5: SW4SE4 of Section 14 - E-2594

Mewbourne Oil Company, et al.
 Maverick Permian LLC

Tract 6: NW4SE4 and W2NE4 of Section 14 - NMLC 63645

Mewbourne Oil Company, et al.

RECAPITULATION
STONE COLD 23/14 FED COM #523H

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
1	40.000	12.50000%
2	40.000	12.50000%
3	40.000	12.50000%
4	40.000	12.50000%
5	40.000	12.50000%
6	120.000	37.50000%
TOTAL	320.000	100.000000%

Spacing Unit Ownership
STONE COLD 23/14 FED COM #523H

Entity	Interest	Net Acres	Interest
Mewbourne Oil Company, et al.	73.187500%	234.20000000	73.187500000000%
COG Operating LLC	21.606250%	69.14000000	21.606250000000%
Legion Production Partners, LLC	2.275000%	7.28000000	2.275000000000%
Concho Oil & Gas LLC	1.268750%	4.06000000	1.268750000000%
Maverick Permian LLC	0.375000%	1.20000000	0.375000000000%
Bass Energy, Inc.	0.312500%	1.00000000	0.312500000000%
Avant Operating, LLC	0.487500%	1.56000000	0.487500000000%
Double Cabin Minerals, LLC	0.487500%	1.56000000	0.487500000000%
Total	100.000000%	320.00000000	100.000000000000%

Parties in Red are being pooled - 26.8125000%

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020
Midland, Texas 79701
Phone (432) 682-3715

April 8, 2024

Certified Mail

COG Operating LLC
One Concho Center
600 W. Illinois Avenue
Midland, Texas 79701
Attn: New Mexico Land Manager

Re: **Stone Cold 23/14 Working Interest Unit**
E/2 of Section 23 and E/2 of Section 14
T18S, R33E, Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("MOC"), as Operator, hereby proposes creating a working interest unit comprising the E/2 of Section 23 and E/2 of Section 14, T18S, R33E, Lea County, New Mexico covering the Bone Spring formation. As part of the initial development, MOC proposes drilling and completing the following wells:

- 1) Stone Cold 23/14 Fed Com #521H (B2PA) – API #pending
Surface Location: 400' FNL, 870' FEL, Section 26, T18S, R33E
Bottom Hole Location: 100' FNL, 660' FEL, Section 14, T18S, R33E
Proposed Total Vertical Depth: 9650'
Proposed Total Measured Depth: 19950'
Target: 2nd Bone Spring Sand
- 2) Stone Cold 23/14 Fed Com #523H (B2OB) – API #pending
Surface Location: 400' FNL, 900' FEL, Section 26, T18S, R33E
Bottom Hole Location: 100' FNL, 1980' FEL, Section 14, T18S, R33E
Proposed Total Vertical Depth: 9650'
Proposed Total Measured Depth: 19950'
Target: 2nd Bone Spring Sand

The wells are planned to be pad drilled using one (1) rig with the first well tentatively scheduled to spud 4th quarter 2024. In the event you elect to participate in the proposed wells, please execute the enclosed Operating Agreement and AFEs before returning them to the undersigned within thirty (30) days. Please enclose your most current well information requirements so that we may provide well data when available.

Please contact me at (432) 682-3715 or via email at tjolly@mewbourne.com if you have any questions or need more information.

Very truly yours,

MEWBOURNE OIL COMPANY



Tyler Jolly
Landman

Summary of Communications
Stone Cold 23/14 Fed Com #521H
Stone Cold 23/14 Fed Com #523H

COG Operating LLC

Concho Oil & Gas LLC

1. April 8, 2024 – mailed well proposal letter, AFEs, and Operating Agreement via certified mail.
2. April 15, 2024 to July 3, 2024 – email correspondence between Jess Ritter with COG Operating LLC and Tyler Jolly with Mewbourne discussing the well proposal.

Legion Production Partners, LLC

Avant Operating, LLC

Double Cabin Minerals, LLC

1. April 8, 2024 – mailed well proposal letter, AFEs, and Operating Agreement via certified mail.
2. July 3, 2024 – email correspondence between Sophia Guerra with Legion Production Partners, LLC, Avant Operating, LLC, and Double Cabin Minerals, LLC and Tyler Jolly with Mewbourne discussing the well proposal.

Maverick Permian LLC

1. April 8, 2024 – mailed well proposal letter, AFEs, and Operating Agreement via certified mail.
2. July 3, 2024 – email correspondence between Emma Whelton with Maverick and Tyler Jolly with Mewbourne discussing the well proposal.

Bass Energy, Inc.

1. April 8, 2024 – mailed well proposal letter, AFEs, and Operating Agreement via certified mail.
2. April 20, 2024 – indexed county records, searched the internet, and made phone calls attempting to contact Bass Energy, Inc.

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020
Midland, Texas 79701
Phone (432) 682-3715

May 30, 2024

Apache Corporation
2000 Post Oak Blvd., Suite 100
Houston, Texas 77056-4400
Attn: Blake Johnson

Re: Notice of Overlapping Spacing
Mescalero Escarpe Bone Spring; Pool Code 45793
Stone Cold 23/14 Fed Com #523H – API #pending
Spacing Unit: W/2E/2 of Section 23 and W/2E/2 of
Section 14, Lea County, New Mexico

To Whom It May Concern:

Mewbourne Oil Company has proposed the above referenced well for the initial development of the Bone Spring formation underlying the above referenced spacing unit. This letter is to advise you that this proposed development plan will require the formation of the following spacing unit for the proposed well:

- 1) Stone Cold 23/14 Fed Com #523H – API #pending
Surface Location: 400' FNL, 900' FEL, Section 26, T18S, R33E
Bottom Hole Location: 100' FNL, 1980' FEL, Section 14, T18S, R33E
Proposed Total Vertical Depth: 9650'
Proposed Total Measured Depth: 19950'
Target: Bone Spring
Spacing Unit: W/2E/2 of Section 23 and W/2E/2 of Section 14
Lea County, New Mexico
Spacing Unit Acres: 320

The proposed spacing unit will overlap the following existing spacing unit and well:

- 1) Mescalero Ridge D. Federal #001 – API #30-025-29508
Operator: Seely Oil Co.
Surface Location: 330' FNL, 2000' FEL, Section 14, T18S, R33E
Total Vertical Depth: 9150'
Producing Formation: Bone Spring
Spacing Unit: NW/4NE/4 (Unit Letter B)
of Section 14, T18S, R33E, Lea County, New Mexico
Spacing Unit Acres: 40

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-5
Submitted by: Mewbourne Oil Company
Hearing Date: July 11, 2024
Case No. 24509

Pursuant to NMAC 19.15.16.15.B(9) and 19.15.15.12.B, you have a right to object these overlapping spacing units by delivering a written statement of objection to our office within twenty (20) days of the mailing of this notice. If no objection is received within this 20-day period, we will proceed with obtaining the necessary regulatory approvals for these proposed overlapping spacing unit.

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

Very truly yours,

MEWBOURNE OIL COMPANY

A handwritten signature in blue ink, appearing to read "Tyler Jolly".

Tyler Jolly
Landman

Entity Name	Address Line 1	Address Line 2	City	State Code	ZIP
Everett L Andrews Jr Trustee	Everett L Andrews Jr Trust	5221 BYERS	FORT WORTH	TX	76107
MATTHEW ANDREWS TRUST	EVERETT ANDREWS TRUSTEE	3928 DEXTER AVE.	FORT WORTH	TX	76107
BOSWELL INTERESTS, LTD.	1320 LAKE STREET		FORT WORTH	TX	76102
BURNETT OIL COMPANY	BURNETT PLAZA - SUITE 1500	801 CHERRY ST.- UNIT #9	FORT WORTH	TX	76102-6881
CEB OIL COMPANY	1320 LAKE STREET		FORT WORTH	TX	76102
HUNT CIMARRON, LP	P.O. BOX 1592		Roswell	NM	88202-1592
MERLYA HOLLAND WRIGHT FAMILY TRUST	6300 RIDGLEA PLACE STE 611		FT WORTH	TX	76116
AMY VERNAE DAHLIN TRUST	6300 RIDGLEA PLACE STE 611		FT WORTH	TX	76116
Devon Energy Production Co. LP	333 West Sheridan Ave.		Oklahoma City	OK	73102-5010
EAB Oil Company	1320 Lake Street		Fort Worth	TX	76102
Ozark Exploration, Inc.	3100 MONTICELLO AVE. #575		Dallas	TX	75205
Michael J. Havel	14902 Preston Road	#404-768	Dallas	TX	75254
David Henderson	815 West 10th Street		Fort Worth	TX	76102
HHE II, LLC	500 WEST 7TH ST, SUITE 1212		FORT WORTH	TX	76102
John P. Oil Company	1320 Lake Street		Fort Worth	TX	76102
PVB Oil Company	1320 Lake Street		Fort Worth	TX	76102
LEA ANNE SEELY	815 W. 10TH ST.		FORT WORTH	TX	76102
CHARLES W. SEELY JR	815 W. 10TH ST.		FORT WORTH	TX	76102
Seely Petroleum Partners LP	815 West 10th St.		Fort Worth	TX	76102
SIERRA MADRE ENERGY LLC	9975 J2 RANCH RD.		INEZ	TX	77968
J.CLEO THOMPSON & JAMES CLEO THOMPSON, JR. LP	325 North St. Paul	Suite 4300	Dallas	TX	752013993
WES-TEX Drilling Company, L.P.	PO Box 3739		Abilene	TX	79604
Apache Corporation	2000 Post Oak Blvd., Suite 100		Houston	Texas	77056-4400
Avant Operating, LLC	1515 Wynkoop Street, Suite 700		Denver	Colorado	80202
Bass Energy, Inc.	4205 Oro Court		Georgetown	Texas	78628
COG Operating LLC	600 W. Illinois Avenue		Midland	Texas	79701
Concho Oil & Gas LLC	600 W. Illinois Avenue		Midland	Texas	79701
Double Cabin Minerals, LLC	1515 Wynkoop Street, Suite 700		Denver	Colorado	80202
Express Air Drilling, Inc.	3100 Monticello Ave. Ste. 575		Dallas	Texas	75205
Highland (Texas) Energy Company	11886 Greenville Ave., Suite 106		Dallas	Texas	75243
Legion Production Partners, LLC	1515 Wynkoop Street, Suite 700		Denver	Colorado	80202
Maverick Permian LLC	1000 Main Street, Suite 2900		Houston	Texas	77002

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

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

CASE NOS. 24508 & 24509

SELF-AFFIRMED STATEMENT OF TYLER HILL

1. My name is Tyler Hill. I work for Mewbourne Oil Company (“Mewbourne”) as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Mewbourne in these cases, and I have conducted a geologic study of the lands in the subject area.
4. Mewbourne is targeting the Second Bone Spring interval of the Bone Spring formation in this case.
5. **Mewbourne Exhibit B-1** is a general locator map.
6. **Mewbourne Exhibit B-2** is a subsea structure map that I prepared for the base of the Second Bone Spring sand. The contour intervals are 100 feet. The area comprising the proposed spacing units is outlined in green with the approximate location and orientation of the initial wells noted with dashed green arrows. The structure map shows the targeted formation gently dipping to the North. The structure appears consistent across the proposed spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Mewbourne Oil Company
Hearing Date: July 11, 2024
Case No. 24509

7. Mewbourne Exhibit B-2 also shows a line of cross-section through the proposed horizontal spacing unit from A to A'. I chose the logs from these wells to create the cross-section because they penetrate the targeted interval, are of good quality and have been subjected to petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.

8. **Mewbourne Exhibit B-3** is a stratigraphic cross-section that I prepared using the logs from the representative wells shown in Exhibit B-2. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells is marked on the cross-section with a green arrow. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

9. In my opinion, standup orientation of the proposed wells is the appropriate orientation for horizontal well development in this area because it is more near perpendicular to the maximum horizontal stress of the area.

10. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will contribute more-or-less equally to the production from the wellbore. I have not identified any geologic impediments to drilling horizontal wells in the area of the spacing unit proposed.

11. In my opinion, the proposed horizontal wells will efficiently develop this acreage, and that approving Mewbourne's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

12. **Mewbourne Exhibits B-1 through B-3** were either prepared by me or compiled under my direction and supervision.

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.

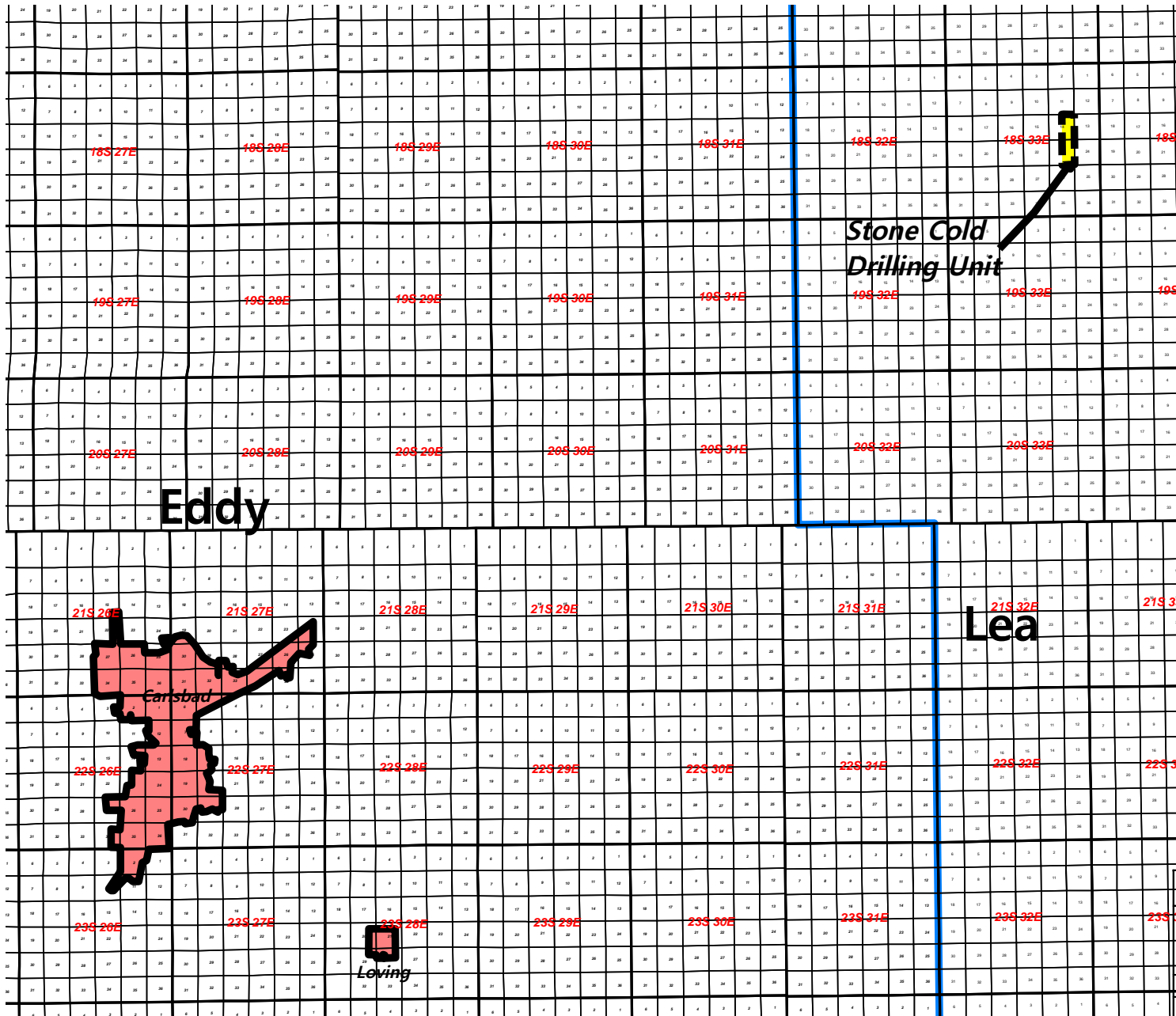
Tyler Hill

Tyler Hill

7/5/24

Date

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-1
Submitted by: Mewbourne Oil Company
Hearing Date: July 11, 2024
Case No. 24509



Stone Cold 23/14 Locator Map		
Author: T. Hill	NM	Date: 5 July, 2024
Scale: 1.0"=34868'		

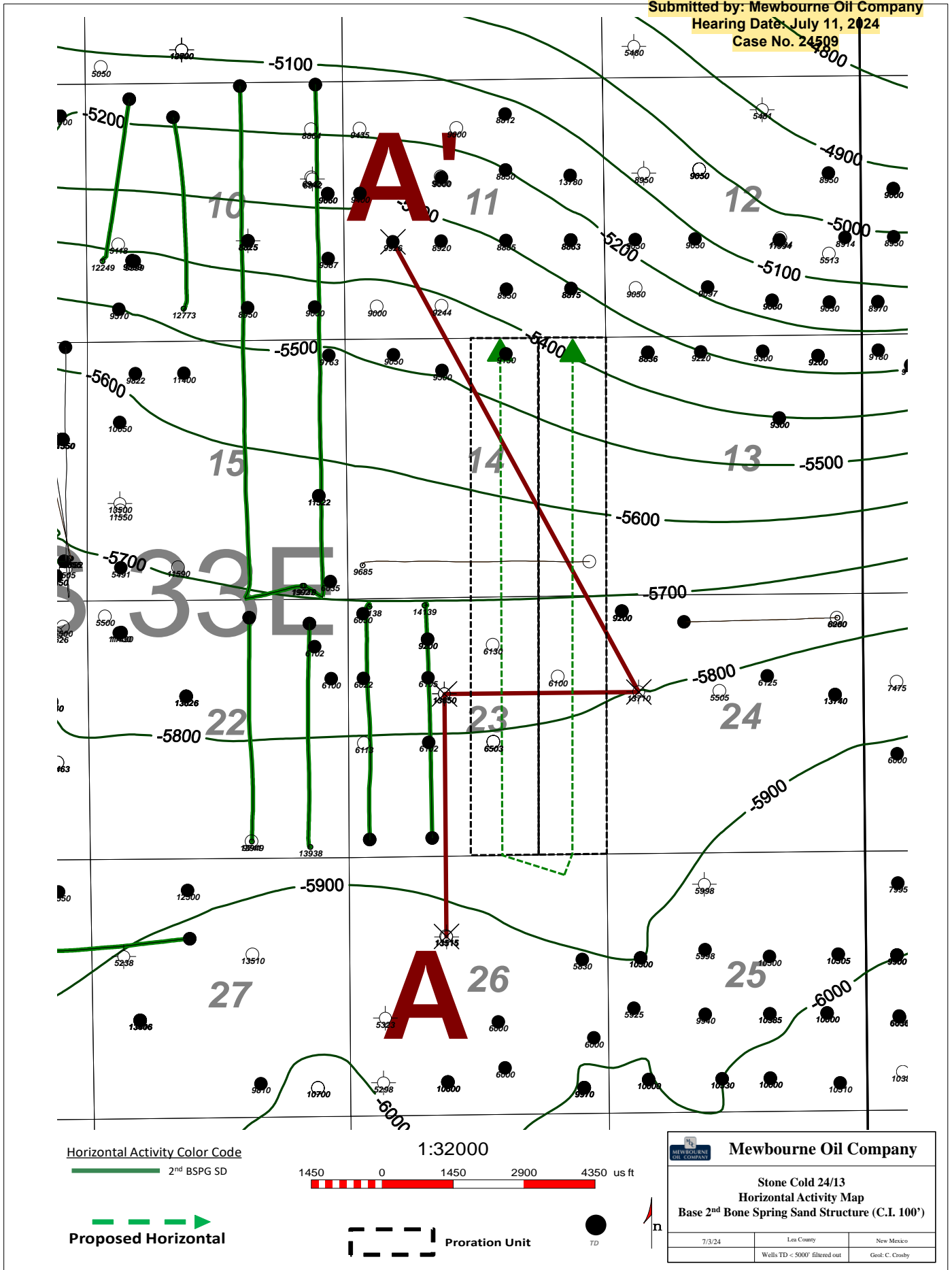
Santa Fe, New Mexico

Exhibit No. B-2

Submitted by: Mewbourne Oil Company

Hearing Date: July 11, 2024

Case No. 24509



Horizontal Activity Color Code

2nd BSPG SD

1:32000

1450 0 1450 2900 4350 us ft

Proposed Horizontal

Proration Unit

TD

Mewbourne Oil Company

Stone Cold 24/13
Horizontal Activity Map
Base 2nd Bone Spring Sand Structure (C.I. 100')

7/3/24	Lea County	New Mexico
	Wells TD < 5000' filtered out	Geol: C. Crosby

A
S

A'
N

30025302680000
4952 ft
MANZANO OIL CORP
SUN FEDERAL COM 1
Datum=3847.00
1650 FNL 1980 FWL
TWP: 18 S - Range: 33 E - Sec. 26

30025369950000
3970 ft
MARBOB ENERGY CORP
SCOOCH STATE COM 1
Datum=3898.00
1980 FNL 1980 FWL
TWP: 18 S - Range: 33 E - Sec. 23

30025369960000
10477 ft
MARBOB ENERGY CORP
SCRATCH STATE COM 1
Datum=3910.00
1980 FNL 660 FWL
TWP: 18 S - Range: 33 E - Sec. 24

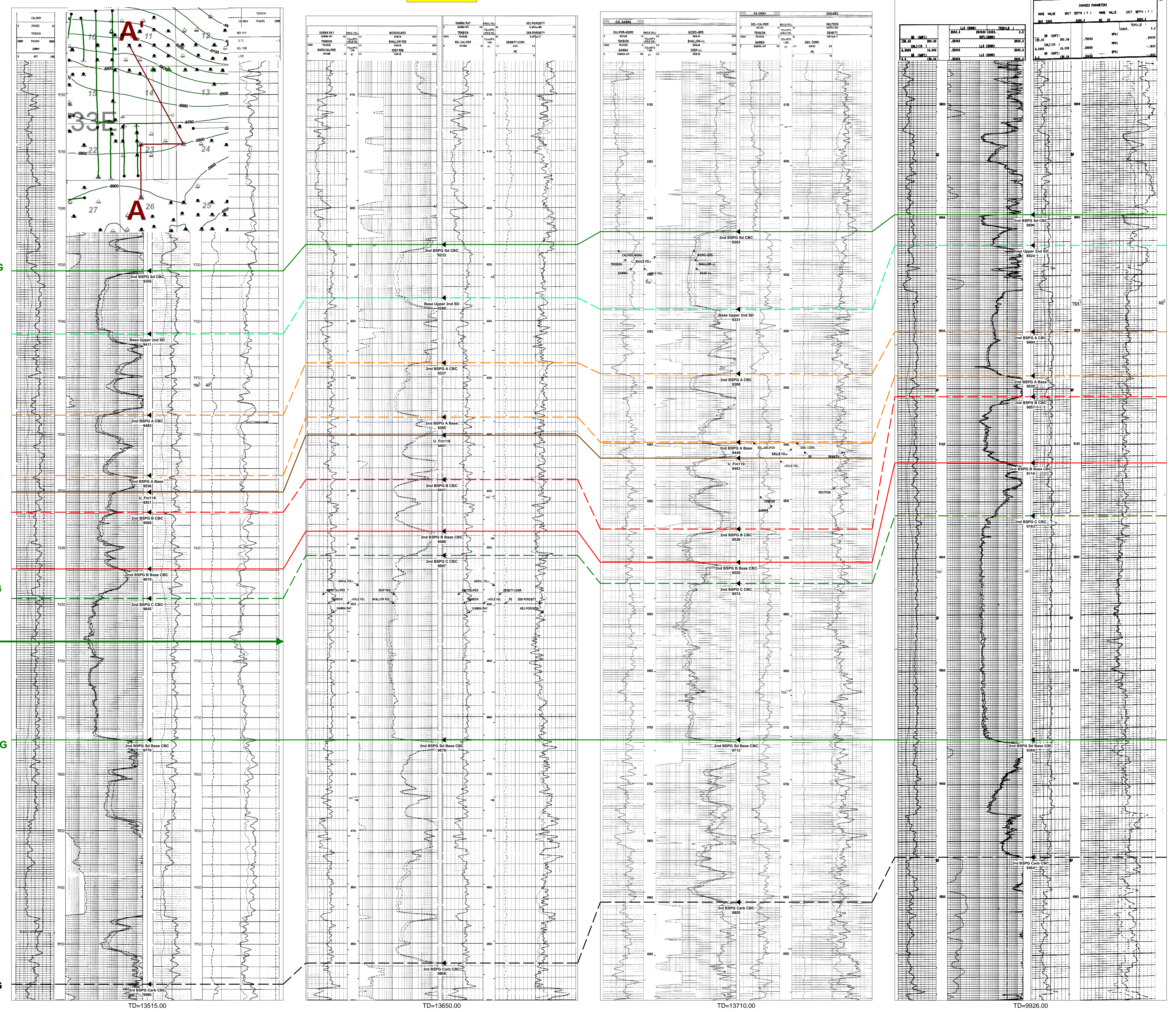
30025296980000
YATES HARVEY E CO
CAVINNESS' 11' FED 1
Datum=4009.00
1980 FSL 990 FWL
TWP: 18 S - Range: 33 E - Sec. 11

26F

23F

24E

11L



500

500

Top 2nd BSPG SD

Stone Cold 23/14 2nd BSPG SD Target

Base 2nd BSPG SD

Top 3rd BSPG Cabonate

TD=13515.00

TD=13650.00

TD=13710.00

TD=9926.00

Stone Cold 23/14 2nd BSPG SD Cross Section Exhibit (A-A')

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-3
Submitted by: Mewbourne Oil Company
Hearing Date: July 11, 2024
Case No. 24509

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

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR APPROVAL OF AN OVERLAPPING SPACING
UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24509

**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 July 1, 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: July 11, 2024
Case No. 24509**



Michael H. Feldewert

July 3, 2024

Date

MOC - Stone Cold 521H and 523H wells - Case nos. 24508-24509
Postal Delivery Report

9414811898765462487127	Avant Operating, LLC	1515 Wynkoop St Ste 700	Denver	CO	80202-2062	Your item was delivered to an individual at the address at 12:57 pm on May 28, 2024 in DENVER, CO 80202.
9414811898765462487103	Legion Production Partners, LLC	1515 Wynkoop St Ste 700	Denver	CO	80202-2062	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765462487141	Double Cabin Minerals, LLC	1515 Wynkoop St Ste 700	Denver	CO	80202-2062	Your item was delivered to an individual at the address at 12:57 pm on May 28, 2024 in DENVER, CO 80202.
9414811898765462487189	COG Operating LLC	Attn New Mexico Land Manager, 600 W Illinois Ave One Concho Center	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:44 am on May 29, 2024 in MIDLAND, TX 79701.
9414811898765462487172	Maverick Permian LLC	Attn Emma Whelton, 1000 Main St Ste 2900	Houston	TX	77002-6342	Your item was delivered to the front desk, reception area, or mail room at 1:52 pm on May 30, 2024 in HOUSTON, TX 77002.
9414811898765462487318	Bass Energy, Inc.	Attn James Howard Bass, 4205 Oro Ct	Georgetown	TX	78628-1508	Your item has been delivered to the original sender at 10:08 am on June 17, 2024 in SANTA FE, NM 87501.

MOC - Stone Cold 521H and 523H wells - Case nos. 24508-24509
 Postal Delivery Report

9414811898765462487356	Concho Oil & Gas LLC	Attn New Mexico Land Manager, 600 W Illinois Ave One Concho Center	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:44 am on May 29, 2024 in MIDLAND, TX 79701.
9414811898765462487363	Tularosa Oil Company, LLC	PO Box 471349	Fort Worth	TX	76147-1349	Your item has been delivered and is available at a PO Box at 10:33 am on May 28, 2024 in FORT WORTH, TX 76147.
9414811898765462487301	Highland Texas Energy Company	Attn Steve M. Burr, 11886 Greenville Ave Ste 106	Dallas	TX	75243-3569	Your item has been delivered to an agent for final delivery in DALLAS, TX 75243 on May 29, 2024 at 1:41 pm.
9414811898765462487394	Burnett Oil Company	801 Cherry St Unit 9, Burnett Plaza Suite 1500,	Fort Worth	TX	76102-6803	Your item was delivered to an individual at the address at 1:44 pm on May 28, 2024 in FORT WORTH, TX 76102.

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
May 30, 2024
and ending with the issue dated
May 30, 2024.



Publisher

Sworn and subscribed to before me this
30th day of May 2024.



Business Manager

My commission expires

January 29, 2027
STATE OF NEW MEXICO
(Seal) NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE May 30, 2024

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 freya.tschantz@emnrd.nm.gov.

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

If you are an individual with a disability who needs a reader, 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: 267 851 609 747
Passcode: zjuWpG

Dial-in by phone:
[+1 505-312-4308](tel:+15053124308), [130592067#](tel:+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: Avant Operating, LLC; Legion Production Partners, LLC; Double Cabin Minerals, LLC; COG Operating LLC; Maverick Permian LLC; Bass Energy, Inc.; Concho Oil & Gas LLC; Tularosa Oil Company, LLC; Highland (Texas) Energy Company; and Burnett Oil Company.

Case No. 24509: Application of Mewbourne Oil Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre overlapping horizontal well spacing unit in the Bone Spring formation underlying the W2E2 of Sections 23 and 14, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) pooling all the uncommitted mineral owners therein. Said unit will be initially dedicated to the proposed **Stone Cold 23/14 Fed Com 523H** well, to be horizontally drilled from a surface location in the NE4 of Section 26, with a first take point in the SW4SE4 (Unit O) of Section 23 and a last take point in the NW4NE4 (Unit B) of Section 14. This proposed spacing unit will overlap an existing 40-acre spacing unit comprised of the NW4NE4 (Unit B) of Section 14 dedicated to the Mescalero Ridge "D" Federal No. 1 (30-025-29508) operated by Seely Oil Company and completed in the Mescalero Escarpe; Bone Spring Pool [45793]. 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 19 miles southwest of Lovington, New Mexico.
#00290738

67100754

00290738

HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
SANTA FE, NM 87501

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Mewbourne Oil Company
Hearing Date: July 11, 2024
Case No. 24509