

CASE NO. 24653

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

EXHIBIT LIST

1. Pooling Checklist
2. Landman's Affidavit
 - 2-A: Plat and C-102
 - 2-B: Title Opinion/List of Interest Owners
 - 2-C: Proposal Letter and Summary of Communications
3. Geologist's Affidavit
 - 3-A: Structure Map
 - 3-B: Cross-Section
 - 3-C: Horizontal Drilling Plans
4. Affidavit of Mailing
 - 4-A: Notice Letter and Green Cards
 - 4-B: Certified Notice Spreadsheet
5. Affidavit of Publication
6. Application and Proposed Notice

} Part I

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24653

Date: July 25, 2024

APPLICANT'S RESPONSE

Applicant

Mewbourne Oil Company

Designated Operator & OGRID (affiliation if applicable)

14744

Applicant's Counsel:

James Bruce

Case Title:

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico

Entries of Appearance/Intervenors:

Well Family

Sandbox Bone Spring Wells

Formation/Pool

Formation Name(s) or Vertical Extent:

Bone Spring formation

Primary Product (Oil or Gas):

Oil

Pooling this vertical extent:

Entire Bone Spring formation

Pool Name and Pool Code (Only if NSP is requested):

Well Location Setback Rules (Only if NSP is Requested):

Spacing Unit

Type (Horizontal/Vertical)

Horizontal

Size (Acres)

320 acres

Building Blocks:

40 acres

Orientation:

East-West

Description: TRS/County

N/2S//2 §12 and N/2S/2 §11, Township 18 South, Range 30 East, NMPPM, Eddy County

Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?

Yes

Other Situations

Depth Severance: Y/N. If yes, description

No

Proximity Tracts: If yes, description

No

Proximity Defining Well: if yes, description

Applicant's Ownership in Each Tract

Not Applicable

Well(s)

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)

Add wells as needed

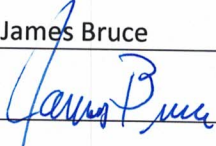
Well #1

Sandbox 12/11 Fed. Com. Well No. 526H
API No. 30-015-54588

Horizontal Well First and Last Take Points	1980 feet FSL and 100 feet FEL §12 1980 feet FSL and 100 feet FWL §11
Completion Target (Formation, TVD and MD)	Second Bone Spring Sand TVD 8322 feet, MVD 19050 feet
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	N/A
Production Supervision/Month \$	N/A
Justification for Supervision Costs	N/A
Requested Risk Charge	N/A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 6
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 5

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Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-B
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	
Pooled Parties (including ownership type)	Exhibit 2-B/Record Title owners
Unlocatable Parties to be Pooled	
Ownership Depth Severance (including percentage above & below)	No severance
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2-B
Chronology of Contact with Non-Joined Record Title Interests	Exhibit 2-C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	N/A
Cost Estimate to Equip Well	N/A
Cost Estimate for Production Facilities	N/A
Geology	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 2-A and Exhibit 3-A

Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-B
Well Orientation (with rationale)	Exhibit 3
Target Formation	Second Bone Spring Sand
HSU Cross Section	Exhibit 3-B
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 2-A
Tracts	Exhibit 2-B
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B
General Location Map (including basin)	Exhibit 3-A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3-B
Cross Section (including Landing Zone)	Exhibit 3-C
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	July 17, 2024

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

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

Case No. 24653

SELF-AFFIRMED STATEMENT OF JOSH ANDERSON

Josh Anderson, being duly sworn upon his oath, deposes and states:

1. I am a landman for Mewbourne Oil Company (“Mewbourne”), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.

2. Pursuant to Division Rules, the following information is submitted in support of this compulsory pooling application.

3. The purpose of this application is to force pool Record Title owners into the Bone Spring horizontal spacing unit described below.

4. In this case Mewbourne seeks an order pooling all uncommitted mineral interest (Record Title) owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 12 and the N/2S/2 of Section 11, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the Sandbox 12/11 Fed. Com. Well No. 526H, a horizontal well with a first take point in the NE/4SE/4 of Section 12 and a last take point in the NW/4SW/4 of Section 11.

5. There is no depth severance in the Bone Spring formation.

6. A plat and C-102 outlining the unit being pooled are submitted as Exhibit 2-A.

7. Exhibit 2-B is a portion of a title opinion setting forth the Record Title ownership of federal leases in Sections 11 and 12, as well as their percentage interests. The persons being pooled are highlighted in yellow.

8. The interest owners being pooled have been contacted regarding the proposed well unit, but have failed or refused to voluntarily execute a communitization agreement.

EXHIBIT

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9. In order to locate the interest owners, Mewbourne examined the county and federal records, performed internet searches, checked telephone records, and searched Accurint and Whitepages. Mewbourne has made a good faith effort to locate all Record Title owners in the well unit.

10. Exhibit 2-C contains a sample copy of the letters sent to the Record Title owners in the well unit. Mewbourne has made a good faith effort to obtain the voluntary joinder of the Record Title interest in the well unit.

11. Only Record Title owners of several federal leases are being pooled. This is necessary in order to obtain Bureau of Land Management approval of the communitization agreement for the well and well unit.

12. Because only Record Title owners, who own no working interest in the well, are being pooled, Mewbourne does not seek recovery of costs by this application. Therefore, an Authorization for Expenditure, overhead and administrative rates, and a risk charge are not provided or requested.

13. Mewbourne requests that it be designated operator of the well.

14. The attachments to this affidavit were prepared by me or compiled from company business records.

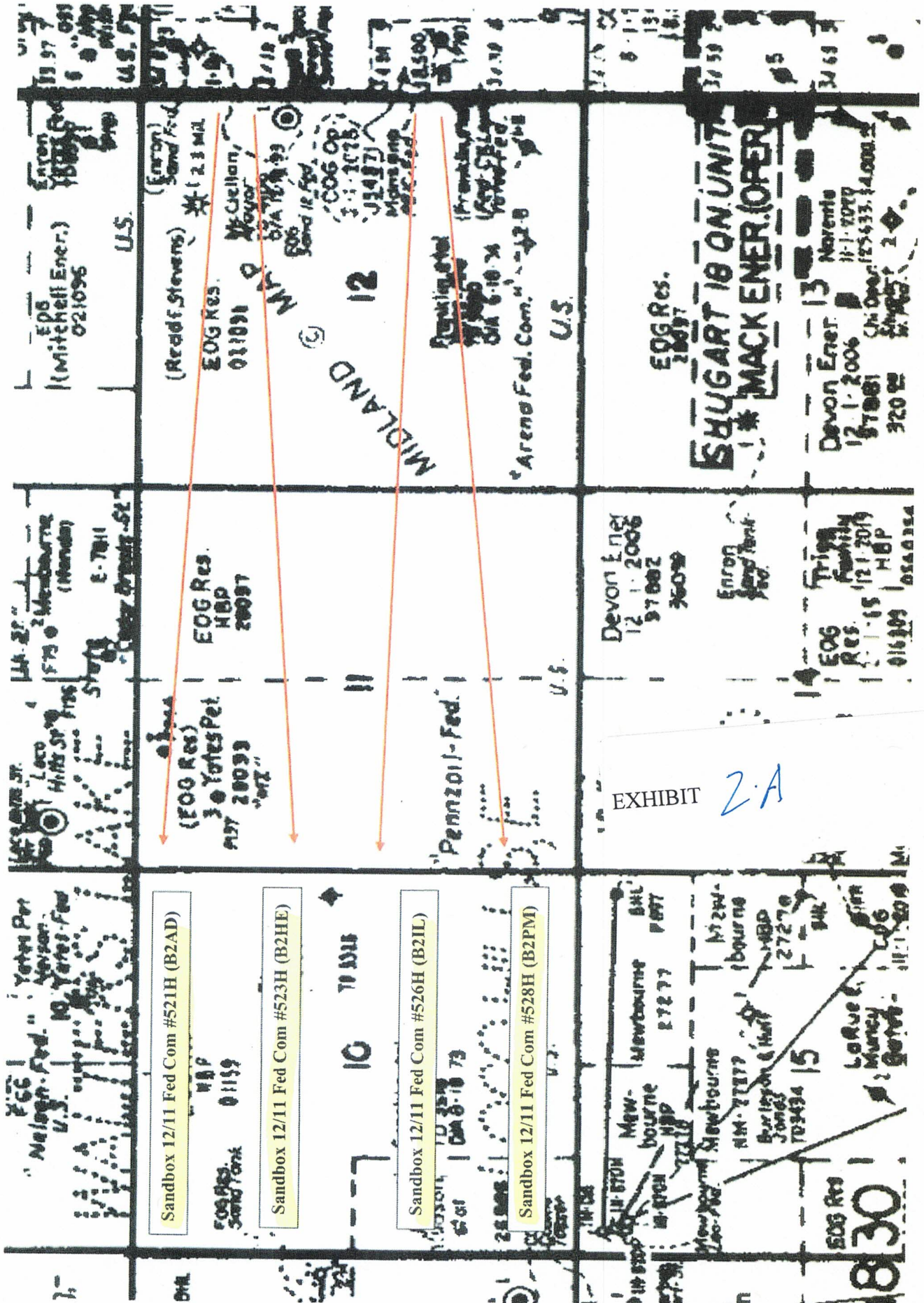
15. Granting this application is in the interests of conservation and the prevention of waste.

I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 15 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date:

7/17/24


Josh Anderson



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 30-015-54588		² Pool Code 56405		³ Pool Name SHUGAR NORTH; BONE SPRING	
⁴ Property Code 335182		⁵ Property Name SANDBOX 12/11 FED COM			⁶ Well Number 526 H
⁷ OGRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY			⁹ Elevation 3559'

¹⁰ Surface Location

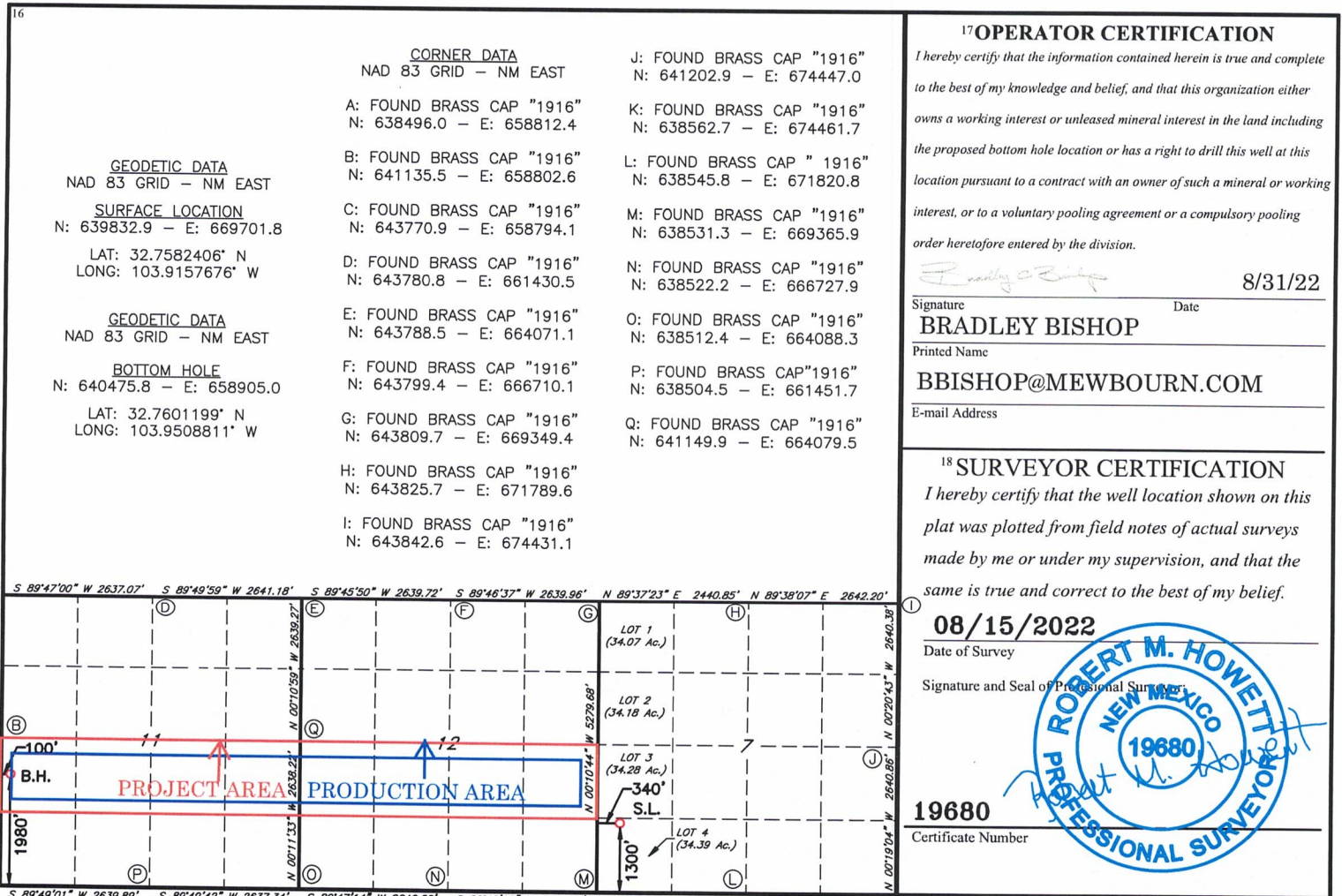
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
4	7	18S	31E		1300	SOUTH	340	WEST	EDDY

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
L	11	18S	30E		1980	SOUTH	100	WEST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



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] **8/31/22**
Signature Date
BRADLEY BISHOP
Printed Name
BBISHOP@MEWBOURN.COM
E-mail Address

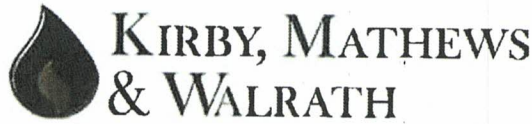
¹⁸ SURVEYOR CERTIFICATION

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.

08/15/2022
Date of Survey
Signature and Seal of Professional Surveyor
19680
Certificate Number



Job No.: LS22080975



Drew Potts, Attorney at Law
Licensed in Texas and New Mexico
Certified in Oil, Gas, and Mineral Law
by the Texas Board of Legal Specialization
apotts@kmwenergylaw.com

December 28, 2023

Mewbourne Oil Company
500 West Texas Avenue, Suite 1020
Midland, Texas 79701

Attention: Ms. Natalie Stephens

THIS INFORMATION OR OPINION IS
FURNISHED AT YOUR REQUEST AS
A MATTER OF ACCOMMODATION AND
YOU AGREE BY YOUR ACCEPTANCE
HEREOF THAT ANY USE OF OR
RELIANCE THEREON SHALL BE
WITHOUT RECOURSE TO MEWBOURNE
OIL COMPANY.

2ND REVISED SUPPLEMENTAL TITLE OPINION ¹

EXHIBIT

2/B

Re: NM-28099, NM-28097 & NM-021096
1,280.00 acres of land, more or less
Section 11, Township 18S, Range 30E
Section 12, Township 18S, Range 30E
NMPM, Eddy County, New Mexico
409-00001

Ladies & Gentlemen:

Pursuant to the request of Mewbourne Oil Company ("Mewbourne"), this Supplemental Title Opinion ("Opinion") contains an examination of the record title to the following described tract of land in Eddy County, New Mexico, in particular with regard to record title ownership of oil, gas, and related hydrocarbons and the right to explore, develop, and produce same therefrom. Said land is described as follows:

1,280.00 acres, more or less, being Section 11 and Section 12, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico; and consisting of the following seven (7) leasehold tracts: (1) NW4 Section 11, (2) SW4 Section 11, (3) NE4 Section 11, (4) SE4 Section 11, (5) W2 Section 12, (6) E2 less SE4SE4 Section 12, and (7) SE4SE4 Section 12.

The above-described land ("Captioned Land") is illustrated on the plat attached hereto as Addendum "D."

¹ Revisions are limited to the interests credited as being assigned by Assignment 40 (1158/1050 Eddy) and Assignment 41 (1158/1195 and 1159/372 Eddy), and corresponding revisions to the Division of Interest for the West-half (W2) of Section 11, as to depths below 4,000'.

808 Travis, Suite 1625
Houston, Texas 77002

www.kmwenergylaw.com

Telephone: (713) 489-4620
Telecopier: (713) 489-4619

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Mewbourne Oil Company
December 28, 2023
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LEASEHOLD ESTATE: NE4 SEC 11
(BONE SPRING FORMATION)

<u>LAND OFFICE "RECORD TITLE"</u>	<u>SOURCE</u>	<u>COMMENTS</u>	<u>INTEREST</u>
EOG Resources, Inc. (0.65625000 + 0.10000000) Record Title	L2	C13	0.75625000
Burlington Resources Oil & Gas Company LP 0.05500000 Record Title	L2	BL	0.05500000
Read & Stevens, Inc 0.09375000 Record Title	L2		0.09375000
Charles A. Aston, III 0.00900000 Record Title	L2		0.00900000

2nd Revised 409-00001 – S11 & S12 T18S R30E Eddy PRIVILEGED AND CONFIDENTIAL

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LEASEHOLD ESTATE: NE4 SEC 11 (CONT.)
 (BONE SPRING FORMATION)

<u>LAND OFFICE "RECORD TITLE" (CONT.)</u>	<u>SOURCE</u>	<u>COMMENTS</u>	<u>INTEREST</u>
Valeria Kobal 0.00900000 Record Title	L2		0.00900000
Ellen Paull 0.00900000 Record Title	L2		0.00900000
Audrey Bean 0.00900000 Record Title	L2		0.00900000
Sharon A. Olsen, Trustee of the Sharon A. Olsen Trust dated July 31, 1931 0.00900000 Record Title	L2		0.00900000
Paul Slayton 0.02000000 Record Title	L2		0.02000000
Paula Dooley, Personal Representative of the Estate of William Patrick Dooley, deceased 0.02333333 Record Title	L2		0.02333333
Terence P. Perkins 0.00666667 Record Title	L2		<u>0.00666667</u>
TOTAL:			<u>1.00000000</u>

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LEASEHOLD ESTATE: SE4 SEC 11
 (BONE SPRING FORMATION)

<u>LAND OFFICE "RECORD TITLE"</u>	<u>SOURCE</u>	<u>COMMENTS</u>	<u>INTEREST</u>
EOG Resources, Inc. (0.65625000 + 0.10000000) Record Title	L2	C13	0.75625000
Burlington Resources Oil & Gas Company LP 0.05500000 Record Title	L2	BL	0.05500000
Read & Stevens, Inc 0.09375000 Record Title	L2		0.09375000
Charles A. Aston, III 0.00900000 Record Title	L2		0.00900000
Valeria Kobal 0.00900000 Record Title	L2		0.00900000
Ellen Paull 0.00900000 Record Title	L2		0.00900000
Audrey Bean 0.00900000 Record Title	L2		0.00900000
Sharon A. Olsen, Trustee of the Sharon A. Olsen Trust dated July 31, 1931 0.00900000 Record Title	L2		0.00900000
Paul Slayton 0.02000000 Record Title	L2		0.02000000
Paula Dooley, Personal Representative of the Estate of William Patrick Dooley, deceased 0.02333333 Record Title	L2		0.02333333
Terence P. Perkins 0.00666667 Record Title	L2		0.00666667
TOTAL:			1.00000000

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LEASEHOLD ESTATE: W2 SEC 12
 (BONE SPRING FORMATION)

<u>LAND OFFICE "RECORD TITLE"</u>	<u>SOURCE</u>	<u>COMMENTS</u>	<u>INTEREST</u>
EOG Resources, Inc. (0.71125000 + 0.10000000) Record Title	L3	C13	0.81125000
Read & Stevens, Inc 0.09375000 Record Title	L3		0.09375000
R. Rogers Aston and NationsBank of Texas, N.A., Trustees of the "C" Trusts u/w/o Bert Aston, deceased 0.04500000 Record Title	L3		0.04500000
Paul Slayton 0.02000000 Record Title	L3		0.02000000
Paula Dooley, Personal Representative of the Estate of William Patrick Dooley, deceased 0.02333333 Record Title	L3		0.02333333

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LEASEHOLD ESTATE: W2 SEC 12 (CONT.)
(BONE SPRING FORMATION)

<u>LAND OFFICE "RECORD TITLE" (CONT.)</u>	<u>SOURCE</u>	<u>COMMENTS</u>	<u>INTEREST</u>
Terence P. Perkins 0.00666667 Record Title	L3		<u>0.00666667</u>
TOTAL:			<u>1.00000000</u>

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LEASEHOLD ESTATE: E2 LESS SE4SE4 SEC 12
 (BONE SPRING FORMATION)

<u>LAND OFFICE "RECORD TITLE"</u>	<u>SOURCE</u>	<u>COMMENTS</u>	<u>INTEREST</u>
EOG Resources, Inc. (0.71125000 + 0.10000000) Record Title	L3	C13	0.81125000
Read & Stevens, Inc 0.09375000 Record Title	L3		0.09375000
R. Rogers Aston and NationsBank of Texas, N.A., Trustees of the "C" Trusts u/w/o Bert Aston, deceased 0.04500000 Record Title	L3		0.04500000
Paul Slayton 0.02000000 Record Title	L3		0.02000000
Paula Dooley, Personal Representative of the Estate of William Patrick Dooley, deceased 0.02333333 Record Title	L3		0.02333333
Terence P. Perkins 0.00666667 Record Title	L3		0.00666667
TOTAL:			<u>1.00000000</u>

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Mewbourne Oil Company
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LEASEHOLD ESTATE: SE4SE4 SEC 12
 (BONE SPRING FORMATION)

<u>LAND OFFICE "RECORD TITLE"</u>	<u>SOURCE</u>	<u>COMMENTS</u>	<u>INTEREST</u>
EOG Resources, Inc. (0.71125000 + 0.10000000) Record Title	L3	C13	0.81125000
Read & Stevens, Inc 0.09375000 Record Title	L3		0.09375000
R. Rogers Aston and NationsBank of Texas, N.A., Trustees of the "C" Trusts u/w/o Bert Aston, deceased 0.04500000 Record Title	L3		0.04500000
Paul Slayton 0.02000000 Record Title	L3		0.02000000
Paula Dooley, Personal Representative of the Estate of William Patrick Dooley, deceased 0.02333333 Record Title	L3		0.02333333
Terence P. Perkins 0.00666667 Record Title	L3		0.00666667
TOTAL:			<u>1.00000000</u>

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MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

November 29, 2023

Via Certified Mail

William P. Dooley Estate
C/O Paula Dooley
1006 South Second Street
Artesia, New Mexico 88210

Re: Sandbox "12/11" Fed Com No. 521H
Sandbox "12/11" Fed Com No. 523H
Sandbox "12/11" Fed Com No. 526H
Sandbox "12/11" Fed Com No. 528H Comm Agreements
Section 12/11, T18S, R30E
Eddy County, New Mexico

To Whom It May Concern:

Enclosed for your further handling are our proposed Federal Communitization Agreements dated December, 1 2023 covering the captioned lands and 3 sets of extra signature pages of same, for each Communitization Agreement. These agreements communitizes the leases covering the captioned lands from the Bone Spring formation. The captioned wells are horizontal wells with the N/2N/2 of the captioned Section 12 & the N/2N/2 of the captioned Section 11, the S/2N/2 of the captioned Section 12 & the S/2N/2 of the captioned Section 11, the N/2S/2 of the captioned Section 12 & the N/2S/2 of the captioned Section 11, and the S/2S/2 of the captioned Section 12 & the S/2S/2 of the captioned Section 11, being dedicated to the wells as the proration units, respectively.

In reference to the above, please have the agreements executed and return only the extra sets of signature pages to me for further handling. Please retain the copy of the Communitization Agreements for your file.

Should you have any questions regarding the above, please email me at janderson@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Josh Anderson, RPL
Landman

EXHIBIT

2. C

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Record Title Owner
Summary of Communications

Sandbox 12/11 Fed Com #521H (B2AD) N/2N/2 of Section 12 & 11-T18S-R30E, Eddy County, NM &

Sandbox 12/11 Fed Com #523H (B2HE) S/2N/2 of Section 12 & 11-T18S-R30E, Eddy County, NM &

Sandbox 12/11 Fed Com #526H (B2IL) N/2S/2 of Section 12 & 11-T18S-R30E, Eddy County, NM &

Sandbox 12/11 Fed Com #528H (B2PM) S/2S/2 of Section 12 & 11-T18S-R30E, Eddy County, NM

William P. Dooley Estate:

11/29/2023: Mailed Sandbox 12/11 Fed Com #521H (B2AD), Sandbox 12/11 Fed Com #523H (B2HE), Sandbox 12/11 Fed Com #526H (B2IL), & Sandbox 12/11 Fed Com #528H (B2PM) Federal Communitization Agreements to the above listed party.

12/9/2023: The above listed party received and signed for the certified mailing of the above captioned Federal Communitization Agreements.

Ongoing: Mewbourne is currently negotiating with the William P. Dooley Estate to execute the above captioned Federal Communitization Agreements.

Valeria Kobal:

11/29/2023: Mailed Sandbox 12/11 Fed Com #521H (B2AD), Sandbox 12/11 Fed Com #523H (B2HE), Sandbox 12/11 Fed Com #526H (B2IL), & Sandbox 12/11 Fed Com #528H (B2PM) Federal Communitization Agreements to the above listed party.

12/11/2023: The above listed party received and signed for the certified mailing of the above captioned Federal Communitization Agreements.

Ongoing: Mewbourne is currently negotiating with the Valeria Kobal to execute the above captioned Federal Communitization Agreements.

Ellen Aston Paull:

11/29/2023: Mailed Sandbox 12/11 Fed Com #521H (B2AD), Sandbox 12/11 Fed Com #523H (B2HE), Sandbox 12/11 Fed Com #526H (B2IL), & Sandbox 12/11 Fed Com #528H (B2PM) Federal Communitization Agreements to the above listed party.

12/11/2023: The above listed party received and signed for the certified mailing of the above captioned Federal Communitization Agreements.

Ongoing: Mewbourne is currently negotiating with the Ellen Aston Paull to execute the above captioned Federal Communitization Agreements.

Audrey Aston Bean:

11/29/2023: Mailed Sandbox 12/11 Fed Com #521H (B2AD), Sandbox 12/11 Fed Com #523H (B2HE), Sandbox 12/11 Fed Com #526H (B2IL), & Sandbox 12/11 Fed Com #528H (B2PM) Federal Communitization Agreements to the above listed party.

12/11/2023: The above listed party received and signed for the certified mailing of the above captioned Federal Communitization Agreements.

Ongoing: Mewbourne is currently negotiating with the Audrey Aston Bean to execute the above captioned Federal Communitization Agreements.

EXHIBIT

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