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

CASE NO. 24670

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Ariana Rodrigues
A-1	Application & Proposed Notice of Hearing
A-2	C-102
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties
A-4	Sample Well Proposal Letter & AFEs
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Cole Hatchel
B-1	Location Map
B-2	Subsea Structure Map
B-3	Stratigraphic Cross-Section
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication for July 3, 2024

COMPULSORY POOLING APPLICATION CHECKLIST					
ALL INFORMATION IN THE APPLICATION MUST	BE SUPPORTED BY SIGNED AFFIDAVITS				
Case: 24670	APPLICANT'S RESPONSE				
Date: 7/25/24	7.1.20				
Applicant	Mewbourne Oil Company				
Designated Operator & OGRID (affiliation if applicable)	14744				
Applicant's Counsel:	Hinkle Shanor LLP				
Case Title:	Application of Mewbourne Oil Company for Compulsory				
	Pooling, Lea County, New Mexico.				
Entries of Appearance/Intervenors:	MRC Permian Company				
Well Family	Bushwood				
Formation/Pool					
Formation Name(s) or Vertical Extent:	Bone Spring Formation				
Primary Product (Oil or Gas):	Oil				
Pooling this vertical extent:	Bone Spring Formation				
Pool Name and Pool Code:	Tonto; Bone Spring Pool (Code 59475)				
Well Location Setback Rules:	Statewide				
Spacing Unit					
Type (Horizontal/Vertical)	Horizontal				
Size (Acres)	240 acres				
Building Blocks:	quarter-quarter				
Orientation:	South to North				
Description: TRS/County	W/2 W/2 of Section 16 and the W/2 NW/4 of Section 21, Township 19 South,				
	Range 33 East, Lea County, New Mexico				
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes.				
and is approval of non-standard unit requested in this					
application?					
Other Situations					
Depth Severance: Y/N. If yes, description	No.				
Proximity Tracts: If yes, description	No.				
Proximity Defining Well: if yes, description	N/A				
Applicant's Ownership in Each Tract	Exhibit A-3				
Well(s)					
Name & API (if assigned), surface and bottom hole location,	Add wells as needed				
footages, completion target, orientation, completion status					
(standard or non-standard)					
Well #1	Bushwood 21/16 Fed Com 521H (API # pending)				
	SHL: 2590' FSL & 2430' FEL (Unit J), Section 21, T19S-R33E				
	BHL: 100' FNL & 450' FWL (Unit D), Section 16, T19S-R33E				
	Completion Target: Bone Spring (Approx. 10,030' TVD)				
AFE Capex and Operating Costs					
Drilling Supervision/Month \$	\$10,000				
Production Supervision/Month \$	\$1,000				
Justification for Supervision Costs	Exhibit A-4				
Requested Risk Charge	200%				
Notice of Hearing					
Proposed Notice of Hearing	Exhibit A-1				
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits C-1, C-2, C-3				
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4				
Ownership Determination					
Land Ownership Schematic of the Spacing Unit	Exhibit A-3				
Tract List (including lease numbers and owners)	Exhibit A-3				
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-3				
Unlocatable Parties to be Pooled	N/A				
Ownership Depth Severance (including percentage above &					
below)	N/A				
Joinder					

Sample Copy of Proposal Letter	Exhibit A-4				
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3				
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5				
Overhead Rates In Proposal Letter	Exhibit A-4				
Cost Estimate to Drill and Complete	Exhibit A-4				
Cost Estimate to Equip Well	Exhibit A-4				
Cost Estimate for Production Facilities	Exhibit A-4				
Geology					
Summary (including special considerations)	Exhibit B				
Spacing Unit Schematic	Exhibit B-1				
Gunbarrel/Lateral Trajectory Schematic	N/A				
Well Orientation (with rationale)	Exhibit B				
Target Formation	Exhibit B				
HSU Cross Section	Exhibit B-3				
Depth Severance Discussion	N/A				
Forms, Figures and Tables					
C-102	Exhibit A-2				
Tracts	Exhibit A-3				
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3				
General Location Map (including basin)	Exhibit B-1				
Well Bore Location Map	Exhibit 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):	Dana S. Hardy				
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy				
Date:	7/18/2024				
-					

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

CASE NO. 24670

SELF-AFFIRMED STATEMENT OF ARIANA RODRIGUES

- 1. I am employed by Mewbourne Oil Company ("Mewbourne") as a landman. I am over 18 years of age, have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record.
- 2. I am familiar with the land matters involved in the above-referenced case. Copies of Mewbourne's Application and proposed hearing notice are attached as **Exhibit A-1**.
- 3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.
- 4. Mewbourne applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizonal spacing unit comprised of the W/2 W/2 of Section 16 and the W/2 NW/4 of Section 21, Township 19 South, Range 33 East, Lea County, New Mexico ("Unit").
- 5. Mewbourne seeks to dedicate the Unit to the **Bushwood 21/16 Fed Com #521H** well ("Well"), to be drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 21 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 16. The Well will be completed in the Tonto; Bone Spring Pool (Code 59475).
 - 6. The completed interval of the Well will be orthodox.

Mewbourne Oil Company Case No. 24670 Exhibit A

- 7. **Exhibit A-2** contains the C-102 for the Well.
- 8. **Exhibit A-3** contains a plat that identifies ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Mewbourne seeks to pool highlighted in yellow.
- 9. **Exhibit A-4** contains a sample well proposal letter and AFE sent to the working interest owners for the Well. The estimated costs reflected on the AFE are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
- 10. Mewbourne has conducted a diligent search of all county public records, including telephone directories and computer databases, to locate the interest owners in the Unit. Mewbourne has located all of the parties it seeks to pool.
- 11. In my opinion, Mewbourne made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-5**.
- 12. Mewbourne requests overhead and administrative rates of \$1,000 per month while the Well is being drilled and \$10,000 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Mewbourne and other operators in the vicinity.
- 13. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 14. In my opinion, the granting of Mewbourne's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 15. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony 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.

Ariana Rodrigues

Date

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

CASE NO. 24670

APPLICATION

Pursuant to NMSA § 70-2-17, Mewbourne Oil Company, (OGRID No. 14744) ("Applicant") applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizonal spacing unit comprised of the W/2 W/2 of Section 16 and the W/2 NW/4 of Section 21, Township 19 South, Range 33 East, Lea County, New Mexico ("Unit"). In support of its application, Mewbourne states the following:

- 1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
- 2. The Unit will be dedicated to the **Bushwood 21/16 Fed Com #521H** well ("Well"), to be drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 21 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 16.
 - 3. The completed interval of the Well will be orthodox.
- 4. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.
- 5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

Mewbourne Oil Company Case No. 24670 Exhibit A-1 6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Well and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 11, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the
 Well;
- E. 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
- F. Imposing a 200% penalty 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,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy
Jaclyn M. McLean
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com

Counsel for Mewbourne Oil Company

Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico.

Mewbourne Oil Company ("Applicant") applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 16 and the W/2 NW/4 of Section 21, Township 19 South, Range 33 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Bushwood 21/16 Fed Com #521H** well ("Well"), to be drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 21 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 16. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well.

The Well is located approximately 27 miles southwest of Lovington, New Mexico.

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 Phone: (377) 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 DLAT

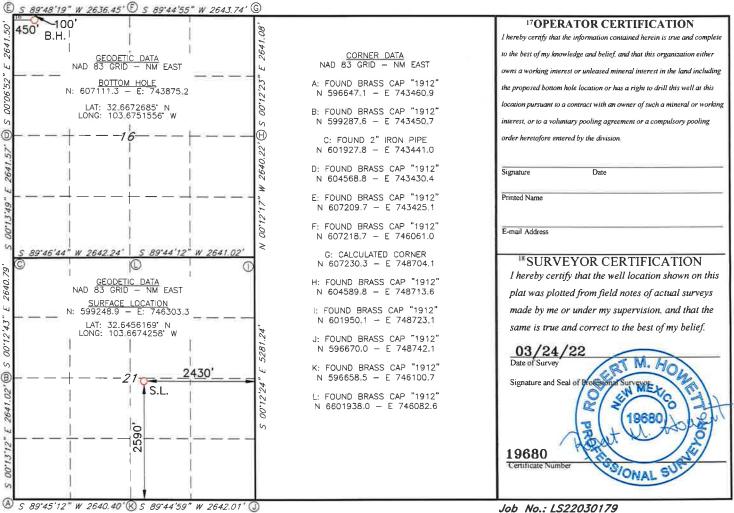
	WELL LOCATION AND ACREAGE DEDICATION PLAT						
l API Number		² Pool Code		3 Pool Name			
		59475	Tonto; Bone Spring				
⁴ Property Code	4Property Code 5 Pro		perty Name		6 Well Number		
	BUSHWOO				521H		
7OGRID NO.	8 Operator Name				9Elevation		
14744		MEWBOURNE	OIL COMPANY		3622'		

Surface Location

	UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
L	J	21	19S	33E		2590	SOUTH	2430	EAST	LEA
	Bottom Hole Location If Different From Surface									
Г	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Fast/West line	County

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	16	19S	33E		100	NORTH	450	WEST	LEA
240.00	is 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.

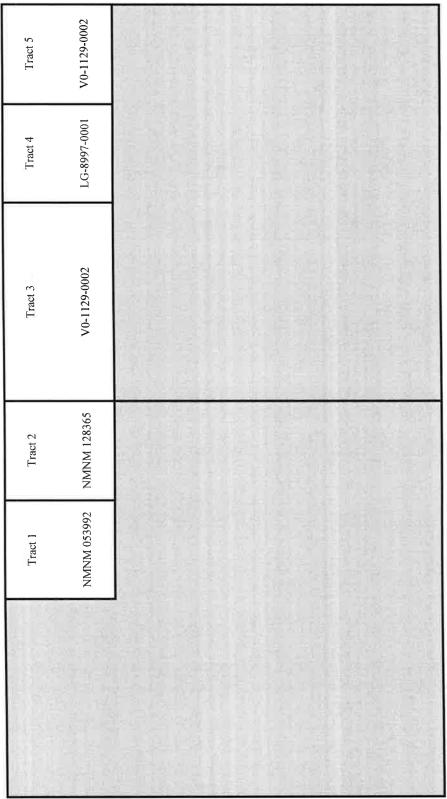


Job No.: LS22030179

Section Plat Bushwood 21/16 Fed Com #521H W2W2 of Section 16 & W2NW4 of Section 21

T19S, R33E, Lea County, New Mexico

Section 16



Section 21

RECAPITULATION

Tract Number	Number of Acres Committeed	Percentage of Interest in Communitized Area
1	40.00	16.6667%
2	40.00	16.6667%
3	80.00	33.3333%
4	40.00	16.6667%
5	40.00	16.6666%
TOTAL	240.00	100.0000%

Mewbourne Oil Company Case No. 24670 Exhibit A-3

TRACT OWNERSHIP

Bushwood 21/16 Fed Com #521H W2W2 of Section 16 & W2NW4 of Section 21 T19S, R33E, Lea County, New Mexico

Ownership by Tract

Tract 1: SWNW of Section 21 - Federal Lease NMNM 053992

Entity/Individual	Interest		Gross Acres	Net Acres
Mewbourne Oil Company et. al.		100.000000%	40.00	40.000000000
Total		100.000000%		40.000000000

Tract 2: NWNW of Section 21 - Federal Lease NMNM 128365

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company	100.000000%	40.00	40.000000
Total	100.000000%		40.000000

Tract 3: W2SW of Section 16 - State Lease V0-1129-2

Entity/Individual	Interest		Gross Acres	Net Acres
Mewbourne Oil Company et. al.		73.926703%	80.00	59.141362
Abell Family LLC		12.500000%	80.00	10.000000
MRC Delaware Resources LLC		12.008868%	80.00	9.607094
ZPZ Delaware I LLC		1.562500%	80.00	1,250000
Maverick Oil & Gas Corp.		0.001929%	80.00	0.001543
Total		100.000000%		80.000000

Tract 4: SWNW of Section 16 - State Lease LG-8997-1

Tract 4. Switt wor Section 10 - State Deas	E LU-077/-1			
Entity/Individual	Interest		Gross Acres	Net Acres
Mewbourne Oil Company et. al.		73.926703%	40.00	29.570681
Abell Family LLC		12.500000%	40.00	5.000000
MRC Delaware Resources LLC		12.008868%	40.00	4.803547
ZPZ Delaware I LLC		1.562500%	40.00	0.625000
Maverick Oil & Gas Corp.		0.001929%	40.00	0.000772
Total		100.000000%		40.000000

Tract 5: NWNW of Section 16 - State Lease V0-1129-2

Tract 5. 1101111 of Section 10 - State Bease 10-112						
Entity/Individual	Interest	Gross Acres	Net Acres			
Mewbourne Oil Company et. al.	73,926703%	40.00	29.570681			
Abell Family LLC	12.500000%	40.00	5.000000			
MRC Delaware Resources LLC	12.008868%	40.00	4.803547			
ZPZ Delaware I LLC	1.562500%	40.00	0.625000			
Mayerick Oil & Gas Corp.	0.001929%	40.00	0.000772			
Total	100.000000%		40.000000			

Spacing Unit Ownership

	Percentage	
Mewbourne Oil Company, et al.	82.617802%	198.282725
Abell Family LLC*	8.333333%	20.000000
MRC Delaware Resources LLC*	8.005912%	19,214189
ZPZ Delaware I LLC*	1.041667%	2.500000
Maverick Oil & Gas Corp.*	0.001286%	0.003086
Tota	1 100.000000%	240.000000

^{*}Parties highlighted are being pooled

MEWBOURNE OIL COMPANY

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

May 30, 2024

Certified Mail

«Owners»
«Attn»
«Address_Line_1»
«Address_Line_2»
«City», «State» «Zip_Code»

Re:

Bushwood 21/16 Working Interest Unit and Well Proposals W2 of Section 16 & the NW4 of Section 21, T19S, R33E Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("MOC"), as Operator, hereby proposes creating a working interest unit comprising of W2 of Section 16 & the NW4 of Section 21, T19S, R33E, Lea County, New Mexico. As part of the initial development of this unit, MOC hereby proposes the following wells targeting the Bone Spring formation:

1) BUSHWOOD 21/16 FED COM #521H – API # - pending

Surface Location: 2590 FSL & 2430 FEL, Section 21, T19S, R33E Bottom Hole Location: 100 FNL & 450 FWL, Section 16, T19S, R33E

Proposed Total Vertical Depth: 10,030' Proposed Total Measured Depth: 18,500'

2) BUSHWOOD 21/16 FED COM #523H - API # - pending

Surface Location: 2590 FSL & 2400 FEL, Section 21, T19S, R33E Bottom Hole Location: 100 FNL & 1880 FWL, Section 16, T19S, R33E

Proposed Total Vertical Depth: 10,080' Proposed Total Measured Depth: 18,250'

MOC will drill these wells back-to-back, utilizing a "walking rig", to maximize cost efficiencies by reducing mobilization charges. Estimated spud: Q4 2024.

Regarding the above, enclosed for your further handling is our Operating Agreement dated May 1, 2024, along with an extra set of signature pages and our AFEs dated April 18, 2024 for the captioned proposed wells.

In the event you/your firm elects to participate in the proposed wells, please execute the enclosed extra set of JOA signature/notary pages and the AFEs before mailing them back to my attention to the address on the letterhead above within thirty (30) days. Please provide your most current well information requirements so that we may update our records.

Also enclosed regarding the above referenced wells, please find a Federal and State Communitization Agreement for your review and execution. I have provided extra signature and acknowledgement pages for your execution. The stapled agreement is your copy to keep. Please have two (2) sets of signature and acknowledgment pages executed before mailing them back to my attention to the address on the letterhead above.

Please contact me at (432) 682-3715 or <u>arodrigues@mewbourne.com</u> if you have any questions or need additional information.

Very truly yours,

MEWBOURNE OIL COMPANY

Ariana Rodrigues Landman Received by OCD: 7/18/2024 4:32:56 PM

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

	ect: [BO	SHWOOD 21/16		
ocation: SL: 2590 FSL & 2430 FEL (21); BHL: 100 FNL & 450 FWL (16)	inty: Le	a		ST: NM
Sec. 21 Blk: Survey: TWP: 19S	RNG-	33E Prop. TVD	10030	TMD: 18500
THE SUITOY.	KNG.	33E F10p. 140	. 10030	1WID. 18300
INTANGIBLE COSTS 0180	CODE	ТСР	CODE	cc
	0180-0100		0180-0200	
	0180-0105		0180-0205	\$30,00
	0180-0106		0180-0206	\$75,00
	0180-0110		0180-0210	\$89,70
	0180-0114		0180-0214	\$150,00
	0180-0115		0180-0215	\$53,00
	0180-0120		0180-0220	
	0180-0121	\$250,000	0180-0221	
orizontal Drillout Services			0180-0222	\$150,00
imulation Toe Preparation			0180-0223	\$25,00
	0180-0125	\$200,000	0180-0225	\$55,00
	0180-0130	\$35,000	0180-0230	\$228,00
asing / Tubing / Snubbing Services	0180-0134	\$40,000	0180-0234	\$15,00
	0180-0137	\$15,000		
imulation 37 stg 14.9 MM gal/14.9 MM lb			0180-0241	\$1,728,00
imulation Rentals & Other			0180-0242	\$196,00
	0180-0145			\$209,00
	0180-0148		-	
	0180-0150		0180-0250	
	0180-0154		0180-0254	
	0180-0158	\$12,000		
ompletion / Workover Rig			0180-0260	\$10,50
	0180-0164	+		
	0180-016		0180-0265	
	0180-0168		0180-0268	
	0180-0176		0180-0270	\$60,00
irectional Services	0180-017	\$228,000		
	0180-0180	\$125,300	0180-0280	\$120,00
/ell / Lease Legal	0180-0184	4 \$5,000	0180-0284	
	0180-018	5 \$4,800	0180-0285	
tangible Supplies	0180-018	\$8,000	0180-0288	\$1,00
	0180-019	\$10,000	0180-0290	\$1,00
	0180-019	2	0180-0292	\$10,00
ompany Supervision	0180-019	5 \$72,000	0180-0295	\$28,80
verhead Fixed Rate	0180-019	\$10,000	0180-0296	\$20,00
ontingencies 5% (TCP) 5% (CC)	0180-019	\$113,700	0180-0299	\$168,30
TOTAL		\$2,388,000		\$3,534,80
		1.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		12,223,23
TANGIBLE COSTS 0181 Casing (19.1" – 30")	0404 070			
	0181-079			
	0181-079			
	0181-079		-	
Casing (4.1" – 6.0") 8900' - 4 1/2" 13,5# HCP-110 CDC-HTQ @ \$19,44/ft	0101-075	\$337,700	0181-0797	\$184,80
ubing 9550' - 2 7/8" 6.5# L-80 IPC Tbg @ \$10.75/ft			0181-0797	
Series Co.	0181-086	0 \$50,000	0101-0700	\$100,00
ubing Head & Upper Section	0101 000	0 \$00,000	0181-0870	\$75,00
Horizontal Completion Tools			0181-0871	
Subsurface Equip. & Artificial Lift			0181-0880	
Service Pumps (1/2) TP/CP/CIRC PUMP			0181-0886	
Storage Tanks (1/2) (4)OT/(3)WT/(1)GB	-		0181-0890	
Emissions Control Equipment (1/2) (2)VRT/(1)VRU/(1)FLARE/(3)KO/(1)AIR			0181-0892	-
Separation / Treating Equipment (1/2) (2)TEST H SEP 500#/(1)V SEP 500#/(2)VHT			0181-0895	
Automation Metering Equipment			0181-0898	
Dil/Gas Pipeline-Pipe/Valves&Misc		1	0181-0900	
Vater Pipeline-Pipe/Valves & Misc			0181-0901	-
			0181-0906	
)n-site Valves/Fittings/Lines&Misc	-		0181-0907	
			0181-0908	
On-site Valves/Fittings/Lines&Misc Vellhead Flowlines - Construction Cathodic Protection				
Vellhead Flowlines - Construction Cathodic Protection			1	. ψυυυ,υ
Vellhead Flowlines - Construction Cathodic Protection Electrical Installation			0181-0909	\$100.0
Vellhead Flowlines - Construction Cathodic Protection Electrical Installation Equipment Installation			0181-0909 0181-0910	
Vellhead Flowlines - Construction Cathodic Protection Clectrical Installation Cquipment Installation Dil/Gas Pipeline - Construction			0181-0909 0181-0910 0181-0920	\$100,0
Vellhead Flowlines - Construction Eathodic Protection Electrical Installation Equipment Installation Dil/Gas Pipeline - Construction Vater Pipeline - Construction			0181-0909 0181-0910 0181-0920 0181-0921	\$100,0 \$22,0
Vellhead Flowlines - Construction Cathodic Protection Electrical Installation Equipment Installation		\$644,900	0181-0909 0181-0910 0181-0920 0181-0921	\$100,0
Vellhead Flowlines - Construction Cathodic Protection Electrical Installation Equipment Installation Dil/Gas Pipeline - Construction Vater Pipeline - Construction		\$644,900 \$3,032,900	0181-0909 0181-0910 0181-0920 0181-0921	\$100,0 \$22,0
Vellhead Flowlines - Construction Sathodic Protection Selectrical Installation Quipment Installation Oil/Gas Pipeline - Construction Vater Pipeline - Construction TOTAL SUBTOTAL TOTAL WELL COST		\$3,032,900	0181-0909 0181-0910 0181-0920 0181-0921	\$100,0 \$22,0 \$1,793,
Vellhead Flowlines - Construction athodic Protection lectrical Installation quipment Installation quipment Installation Vater Pipeline - Construction TOTAL SUBTOTAL TOTAL WELL COST Surance procured for the Joint Account by Operator Opt-in I elect to be covered by Operator's Extra Expense, Commercial General Liability Policies, and will pay my proportionate share of the premiums associated with these installation of the procured for the Joint Account by Operator's Extra Expense, Commercial General Liability Policies, and will pay my proportionate share of the premiums associated with these installation of the premium of the proposition of the premium of the procured of the premium of the premium of the premium of the procured of the premium of th	urance cov ements, or under oper	\$3,032,900 \$8,3 Legal Liability, and verages through join to self-insure (if ap- ator's policies.	0181-0905 0181-0910 0181-0921 0181-0921 0181-0921 0181-0921 0181-0921 0181-0921	\$100,0 \$22,0 \$1,793,- \$5,328,- brella Insurance llings. opting-out, I
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Summary of Communications

Bushwood 21/16 Fed Com #521H

W2W2 of Section 16 & W2NW4 of Section 21 T19S, R33E, Lea County, New Mexico

MRC Delaware Resources LLC:

6/11/2024: Mailed and Emailed Working Interest Unit and Well Proposal to the above listed party.
6/11/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.
7/18/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

ZPZ Delaware I LLC:

6/11/2024: Mailed and Emailed Working Interest Unit and Well Proposal to the above listed party.
6/11/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.
6/19/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

Maverick Oil & Gas Corp:

6/3/2024: Emailed Working Interest Unit and Well Proposal to the above listed party.
6/11/2024: Mailed Working Interest Unit and Well Proposal to the above listed party.
6/11/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

Abell Family, LLC

6/11/2024: Mailed Working Interest Unit and Well Proposal to the above listed party to two different addresses.

6/19/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposal. 6/20/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposal. 6/24/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

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

CASE NOS. 24670-24671

SELF-AFFIRMED STATEMENT OF COLE HATCHEL

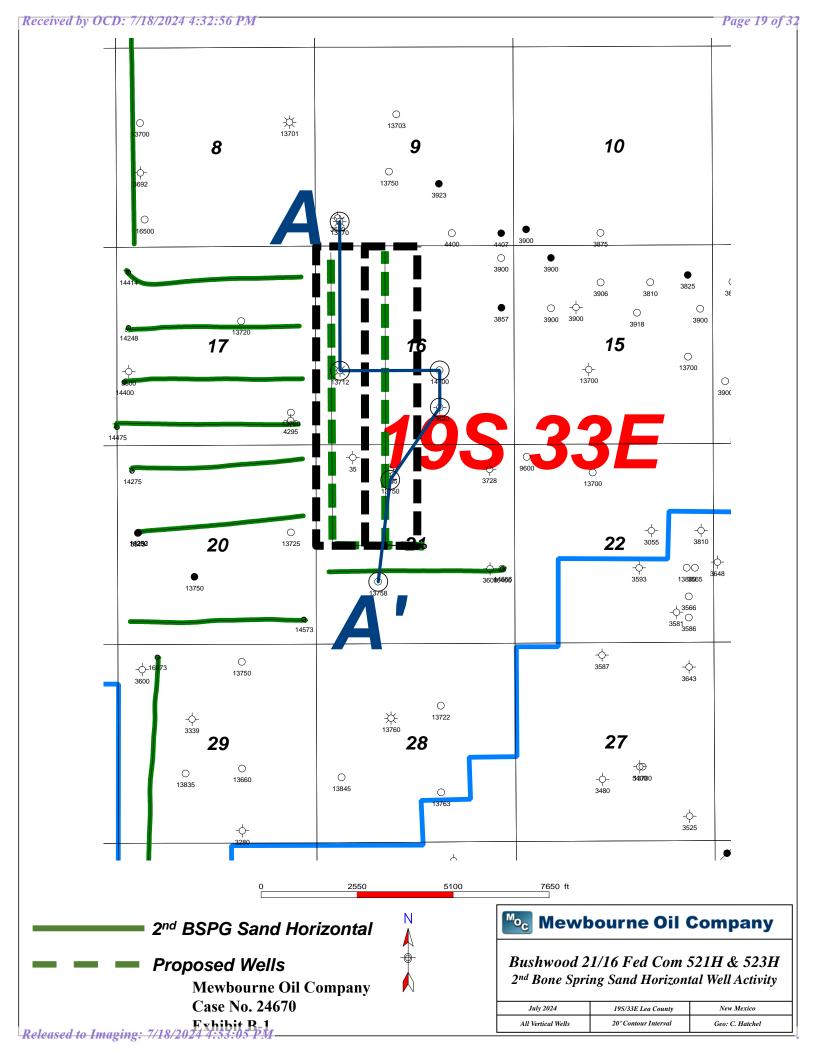
- 1. I am employed by Mewbourne Oil Company ("Mewbourne") as a geologist. I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my credentials as an expert in petroleum geology matters were accepted and made a matter of record.
 - 2. I am familiar with the geological matters that pertain to the above-referenced case.
- 3. **Exhibit B-1** is a general location map that depicts the Bushwood 21/16 Fed Com spacing units.
- 4. **Exhibit B-2** is a subsea structure map for the Bone Spring formation that is representative of the targeted intervals. The contour intervals are 20' feet. The approximate wellbore paths for the Bushwood 21/16 Fed Com 521H and 523H Wells are depicted by dashed lines. Existing producing wells in the targeted interval are represented by solid green lines. The map demonstrates the formation is gently dipping to the southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.
- 5. Exhibit B-2 also identifies six wells penetrating the targeted intervals that I used to prepare a structural cross-section from A to A'. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.

Mewbourne Oil Company Case No. 24670 Exhibit B

- 6. **Exhibit B-3** is a stratigraphic cross-section that I prepared using the logs from the representative wells shown on Exhibit B-2. Each well log on the cross-section contains gamma ray, resistivity and porosity. The proposed landing zones for the wells are labeled on the exhibit. This cross-section demonstrates that the target interval is continuous across the Units.
- 7. In my opinion, a standup orientation for the proposed wells is appropriate to properly develop the subject acreage because of an established directional pattern and the known fracture orientation in this portion of the trend.
- 8. Based on my geologic study of the area, the targeted interval underlying the Units is suitable for development by horizontal wells and the tracts comprising the Units will contribute more or less equally to the production of the Wells.
- 9. In my opinion, the granting of Mewbourne's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 10. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony 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 identified next to my signature below.

Colo Hauchel

7/8/2024 Date



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

CASE NOS. 24670 & 24671

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

- 1. I am attorney in fact and authorized representative of Mewbourne Oil Company, the Applicant herein.
- 2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.
- 3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.
- 4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.
- 5. On July 3, 2024, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as **Exhibit C-4**.
- 6. I understand this Self-Affirmed Statement will be used as written testimony in the subject case. I affirm that my testimony 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.

/s/ Dana S. Hardy

July 17, 2024

Dana S. Hardy

Date

Mewbourne Oil Company Case No. 24670 Exhibit C



HINKLE SHANOR LLP

ATTORNEYS AT LAW
P.O. BOX 2068
SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER: Dana S. Hardy, Partner dhardy@hinklelawfirm.com

July 2, 2024

<u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 24670 & 24671 – Applications of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **July 25**, **2024**, beginning at 8:15 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and 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. To participate virtually, 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.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/) or via e-mail to ocd.hearings@emnrd.nm.gov and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about these applications, please contact Ariana Rodrigues, Landman at Mewbourne Oil Company – (432) 682-3715, arodrigues@mewbourne.com.

Sincerely,
/s/ Dana S. Hardy
Dana S. Hardy

Enclosure

Mewbourne Oil Company Case No. 24670 Exhibit C-1

PO BOX 10 ROSWELL, NEW MEXICO 88202 (575) 622-6510 FAX (575) 623-9332 7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321 PO BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554 FAX (505) 982-8623

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

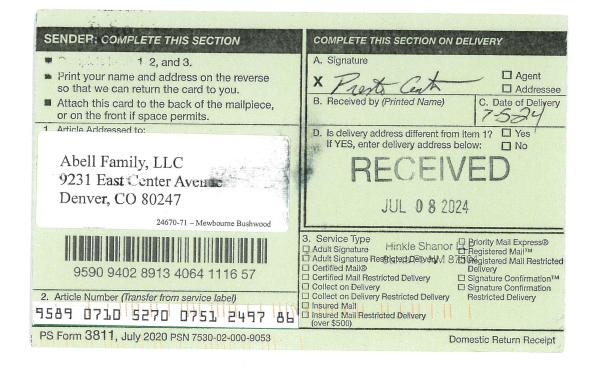
CASE NOS. 24670 & 24671

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Abell Family, LLC	07/02/24	07/16/24
1140 Cherokee #703		
Denver, CO 80204		Return to Sender
Abell Family, LLC	07/02/24	07/08/24
9231 East Center Avenue		
Denver, CO 80247		
MRC Delaware Resources LLC	07/02/24	07/12/24
Attn: Clay Wooten		
5400 LBJ Freeway, Suite 1500		
Dallas, TX 75240		
Maverick Oil & Gas Corp.	07/02/24	07/08/24
1001 W. Wall Street		
Midland, TX 79701		
ZPZ Delaware I LLC	07/02/24	Per USPS Tracking
Attn: Blake Johnson		(Last Checked 07/17/24):
2000 Post Oak Blvd., Suite 100		
Houston, TX 77056		07/05/24 – Delivered to
		individual at the address.

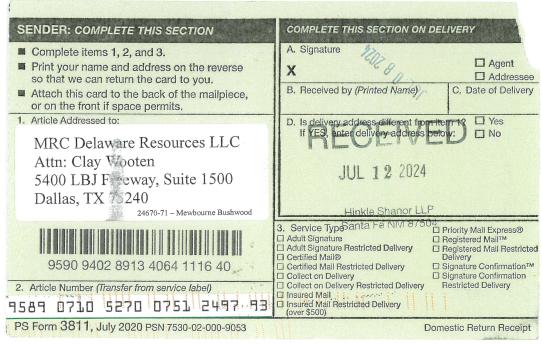
Mewbourne Oil Company Case No. 24670 Exhibit C-2



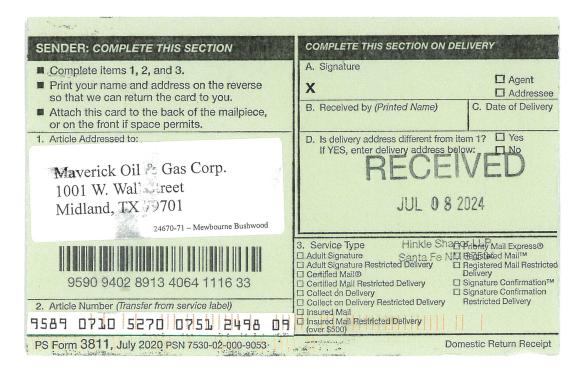


Mewbourne Oil Company Case No. 24670 Exhibit C-3











HINKLE SHANOR LLP

ATTORNEYS AT LAW

POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504



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JUL 16 2024

Hinkle Shanor LLP Santa Fe NM 87504

Abell Family, LL

*Y) U[/UY/Z#

UNABLE TO FORWAR UNABLE TO FORWAR RETURN TO SENDER FORWARD



FIRST. CLASS

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ALERT: FLOODING AND SEVERE WEATHER IN THE SOUTHERN AND CENTRAL U.S. MAY IMPA...

USPS Tracking®

FAQs >

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Remove X

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Latest Update

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Delivered

Delivered, Left with Individual

HOUSTON, TX 77056 July 5, 2024, 11:19 am

Arrived at USPS Regional Facility

NORTH HOUSTON TX DISTRIBUTION CENTER July 4, 2024, 8:35 am

Departed USPS Facility

ALBUQUERQUE, NM 87101 July 3, 2024, 9:37 am

Arrived at USPS Facility

ALBUQUERQUE, NM 87101 July 2, 2024, 11:19 pm

Hide Tracking History

What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates	~
USPS Tracking Plus®	~
Product Information	~
See Less ^	
Track Another Package	
Enter tracking or barcode numbers	

Need More Help?

Contact USPS Tracking support for further assistance.

FAQs

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 July 03, 2024 and ending with the issue dated July 03, 2024.

Publisher

Sworn and subscribed to before me this 3rd day of July 2024.

Business Manager

My commission expires January 29, 2027

(Seal)

STATE OF NEW MEXICO NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION # 1087526 COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publishlegal 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

LEGAL

LEGAL NOTICE July 3, 2024

This is to notify all interested parties, including Abell Family, LLC; MRC Delaware Resources LLC; Mayerick Oil & Gas Corp.; ZPZ Delaware I LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Mewbourne Oil Company (Case No. 24670). The hearing will be conducted on July 25, 2024, in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, Let Floor Santa Fo. MM 87505. To participate 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD H e a r i n g s w e b s i t e : https://www.emnrd.nm.gov/ocd/hearing-info/.
Mewbourne Oil Company ("Applicant") applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 16 and the W/2 NW/4 of the W/2 W/2 of Section 16 and the W/2 NW/4 of Section 21, Township 19 South, Range 33 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Bushwood 21/16 Fed Com #521H well ("Well"), to be drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 21 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 16. The completed interval of the Well will be orthodox. Also to be considered will be the cost of orthoox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 27 miles southwest of Lovington, New Mexico. #00291882

02107475

GILBERT HINKLE, SHANOR LLP PO BOX 2068 SANTA FE, NM 87504

00291882

Mewbourne Oil Company Case No. 24670 Exhibit C-4