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

**CASE NO. 24671** 

#### **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			

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS					
Case: 24671	APPLICANT'S RESPONSE				
Date:	7.1.7.1.0.11.7.0.10.2				
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	E/2 W/2 of Section 16 and the E/2 NW/4 of Section 21, Township 19 South,				
Description. TRS/County	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	res.				
application?					
Other Situations  Ponth Savarance V/N If was description	No				
Depth Severance: Y/N. If yes, description	No.				
Proximity Tracts: If yes, description Proximity Defining Well: if yes, description	No.				
Applicant's Ownership in Each Tract	N/A Exhibit A-3				
	EXTILOIT A-3				
Well(s) Name & API (if assigned), surface and bottom hole location,	Add wells as needed				
	Add wells as fleeded				
footages, completion target, orientation, completion status					
(standard or non-standard)	Dushing and 24 /45 Feed Cores F2211 (ADI # more discs)				
Well #1	Bushwood 21/16 Fed Com 523H (API # pending)				
	SHL: 2590' FSL & 2400' FEL (Unit J), Section 21, T19S-R33E				
	BHL: 100' FNL & 1800' FWL (Unit C), Section 16, T19S-R33E				
	Completion Target: Bone Spring (Approx. 10,080' TVD)				
AFE Capex and Operating Costs	¢40.000				
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					
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	n/A				
List (including lease numbers and owners) of Tracts subject to					

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-1
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information prov	ided 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. 24671** 

## 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 E/2 W/2 of Section 16 and the E/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 #523H** 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 NE/4 NW/4 (Unit C) 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. 24671 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

<u>귀(영) 202 년</u> Date

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

**CASE NO. 24671** 

#### **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 E/2 W/2 of Section 16 and the E/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 #523H** 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 NE/4 NW/4 (Unit C) 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. 24671 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 E/2 W/2 of Section 16 and the E/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 #523H** 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 NE/4 NW/4 (Unit C) 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 1 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, Aztee, 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

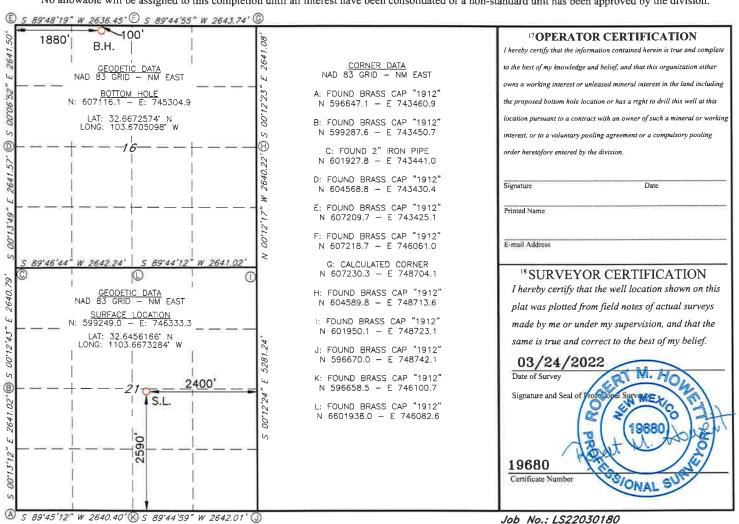
Received

by OCD: 7/18/2024 4:33:29 PM

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

			W DDD I	700111	TOTTITIE	ricit.	TIGE DEDIC	TITION	. 1		
I	API Number	<sup>2</sup> Pool Code 59475 Tonto; Bone Spring Pool									
<sup>4</sup> Property Coo	le	BUSHWOOD 21/16 FED COM  6 Well Number 523H									
70GRID N 14744	10		MEWBOURNE OIL COMPANY  9 Elevation 3622								
					10 Sur	face Lo	ocation				
UL or lot no.	Section	Townsh	ip Range	Lot Id	n Feet from	the	North/South line	Feet From the	Ēast/We	st line	County
J	21	19S	33E		259	0	SOUTH	2400	EAST LEA		
	č	1	11	Botton	Hole Loc	ation If	Different Fr	om Surface			
UL or lot no.	Section	Townsh	ip Range	Lot Id	n Feet from	ı the	North/South line	Feet from the	East/We	st line	County
C	16	195	33E		100		NORTH	1880	WES	ST	LEA
<sup>2</sup> Dedicated Acres 240.00	13 Joint	or Infill	14 Consolidation	n Code	15 Order No.		7				

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.: LS22030180

# Section Plat Bushwood 21/16 Fed Com #523H E2W2 of Section 16 & E2NW4 of Section 21

T19S, R33E, Lea County, New Mexico

Section 16 B0-1581-0013 Tract 3 V0-1129-0002 Tract 2 NMNM 053992 Tract 1

Section 21

#### **RECAPITULATION**

Number of Acres Committeed	Percentage of Interest in Communitized Area
80.00	33.3333%
80.00	33.3333%
80.00	33.3334%
	80.00 80.00

TOTAL 240.00 100.0000%

# TRACT OWNERSHIP Bushwood 21/16 Fed Com #523H E2W2 of Section 16 & E2NW4 of Section 21 T19S, R33E, Lea County, New Mexico

#### Ownership by Tract

Tract 1: E2NW of Section 21 - Federal Lease NMNM 053992

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company et. al.	100.000000%	80.00	80.000000000
Total	100.000000%		80.000000000

#### Tract 2: E2SW 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 3: E2NW of Section 16 - State Lease B0-1581-13

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

#### 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	100.000000%	240.000000

 $<sup>{}^{*}</sup>$ 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:

 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 4:33:29 PM

#### MEWBOURNE OIL COMPANY

**AUTHORIZATION FOR EXPENDITURE** 

Vell Name: BUSHWOOD 21/16 FED COM #523H (B2FC) Prospect: BUSHWOOD 21/16						
ocation: SL: 2590 FSL & 2400	ounty: Lea			ST: NM		
Sec. 21 Bik: Survey:		TWP: 198	RNG: 33E	Prop. TVD	10080	TMD: 18250
			OODE	TOD	CODE	
egulatory Permits & Surveys	FANGIBLE COSTS 0180		0180-0100	TCP \$20,000	<b>CODE</b> 0180-0200	CC
ocation / Road / Site / Preparation			0180-0105		0180-0205	\$30,000
ocation / Restoration			0180-0106	\$150,000	0180-0206	\$75,000
aywork / Turnkey / Footage Drillin		\$28000/d	0180-0110	\$448,600		\$89,700
uel	1700 gal/day @ \$3.9/gal		0180-0114	\$106,200		\$150,000
ternate Fuels			0180-0115		0180-0215	\$53,000
ud, Chemical & Additives			0180-0120		0180-0220	
ud - Specialized orizontal Drillout Services			0180-0121	\$250,000	0180-0221	\$150,000
timulation Toe Preparation				()	0180-0222	
ementing			0180-0125		0180-0225	\$55,000
ogging & Wireline Services			0180-0130		0180-0230	
asing / Tubing / Snubbing Service	es .		0180-0134	\$40,000	0180-0234	\$15,000
lud Logging			0180-0137	\$15,000		
timulation	37 stg 14.9 MM gal/14.9 MM lt	b			0180-0241	
timulation Rentals & Other				207.000	0180-0242	
Vater & Other	100% PW f/ Select @ \$0.55/b	bl	0180-0145		0180-0245	
lits			0180-0148		0180-0248	
nspection & Repair Services  Misc. Air & Pumping Services			0180-0150	94U,UUU	0180-0250 0180-0254	
esting & Flowback Services			0180-0154	\$12,000	0180-0254	
Completion / Workover Rig			3.30 0100	Ψ.Σ,000	0180-0260	
Rig Mobilization			0180-0164	\$150,000		
ransportation			0180-0165		0180-0265	\$60,000
Velding, Construction & Maint. Ser	rvices		0180-0168		0180-0268	
Contract Services & Supervision			0180-0170		0180-0270	\$60,000
Directional Services			0180-0175	\$228,000		
quipment Rental			0180-0180		0180-0280	
Vell / Lease Legal			0180-0184		0180-0284	
Vell / Lease Insurance			0180-0185 0180-0188		0180-0285 0180-0288	
ntangible Supplies Damages			0180-0190	\$10,000		
Pipeline Interconnect, ROW Easer	nents		0180-0190	Ψ10,000	0180-0292	
Company Supervision	icito		0180-0195	\$72,000	0180-0295	
Overhead Fixed Rate			0180-0196		0180-0296	
Contingencies	5% (TCP) 5% (CC)		0180-0199	\$113,700	0180-0299	
		TOTAL	_	\$2,387,900		\$3,534,800
1	ANGIBLE COSTS 0181					
Casing (19.1" - 30")			0181-0793			
Casing (10.1" – 19.0")	1400' - 13 3/8" 54.5# J-55 ST&C @ \$47.9	92/ft	0181-0794	\$71,600		
Casing (8.1" - 10.0")	5375' - 9 5/8" 36# J-55 LT&C @ \$28,85/fi		0181-0795	\$165,600		
Casing (6.1" – 8.0")	9700' - 7" 29# HPP110 BT&C @ \$34.18/		0181-0796	\$354,100		
Casing (4.1" – 6.0")	8750' - 4 1/2" 13.5# HCP-110 CDC-HTQ		4		0181-0797	
Tubing Drilling Hood	9450' - 2 7/8" 6.5# L-80 IPC Tbg @ \$10.7	/5/π	0181-0860	\$50,000	0181-0798	\$108,500
Drilling Head Tubing Head & Upper Section			0101-0000	φ50,000	0181-0870	\$75,000
Horizontal Completion Tools					0181-087	
Subsurface Equip. & Artificial Lift					0181-0880	
Service Pumps	(1/2) TP/CP/CIRC PUMP				0181-0886	\$12,00
Storage Tanks	(1/2) (4)OT/(3)WT/(1)GB				0181-0890	\$142,00
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	0#/(2)VHT			0181-089	
Automation Metering Equipment					0181-0898	
Oil/Gas Pipeline-Pipe/Valves&Mis			4		0181-090	
Water Pipeline-Pipe/Valves & Mis					0181-090	
On-site Valves/Fittings/Lines&Mis Wellhead Flowlines - Constructior			-1		0181-090	
Cathodic Protection			-		0181-090	
Electrical Installation					0181-090	
Equipment Installation					0181-091	
Oil/Gas Pipeline - Construction					0181-092	0 \$100,00
Water Pipeline - Construction					0181-092	1 \$22,00
		TOTA	L)	\$641,300		\$1,789,20
		SUBTOTA		\$3,029,200		\$5,324,00
		WELL COST			353,200	
Policies, and will pay  Opt-out. I elect to purecognize I will be re	unt by Operator covered by Operator's Extra Expense, Comm my proportionate share of the premiums assurchase my own policies for well control and sponsible for my own coverage and will not to d above, non-operating working interest owner ele 5 will be provided by operator, if available, at the	other insurance require afforded protection	insurance covera uirements, or to on under operato Operator's insurance	ages through joir self-insure (if ap r's policies	nt account b	illings / opting-out, 1
Joint owner agrees that item 0180-024 conditions		opeomed rate, Operato	, reactives the righ	. to dojust the rate	355 W G G IS	mandet
Prepared by:	Ryan McDaniel	Da	ite: 4/18/2024	_		
Company Approval:	. white	Da	ate:4/18/2024			
laint Owner Interest:	Amount	1 2 2 6	(V-) (18. Par)		FIL IS	
Joint Owner Interest:	Amount:	Signature:				

#### **Summary of Communications**

#### Bushwood 21/16 Fed Com #523H

E2W2 of Section 16 & E2NW4 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

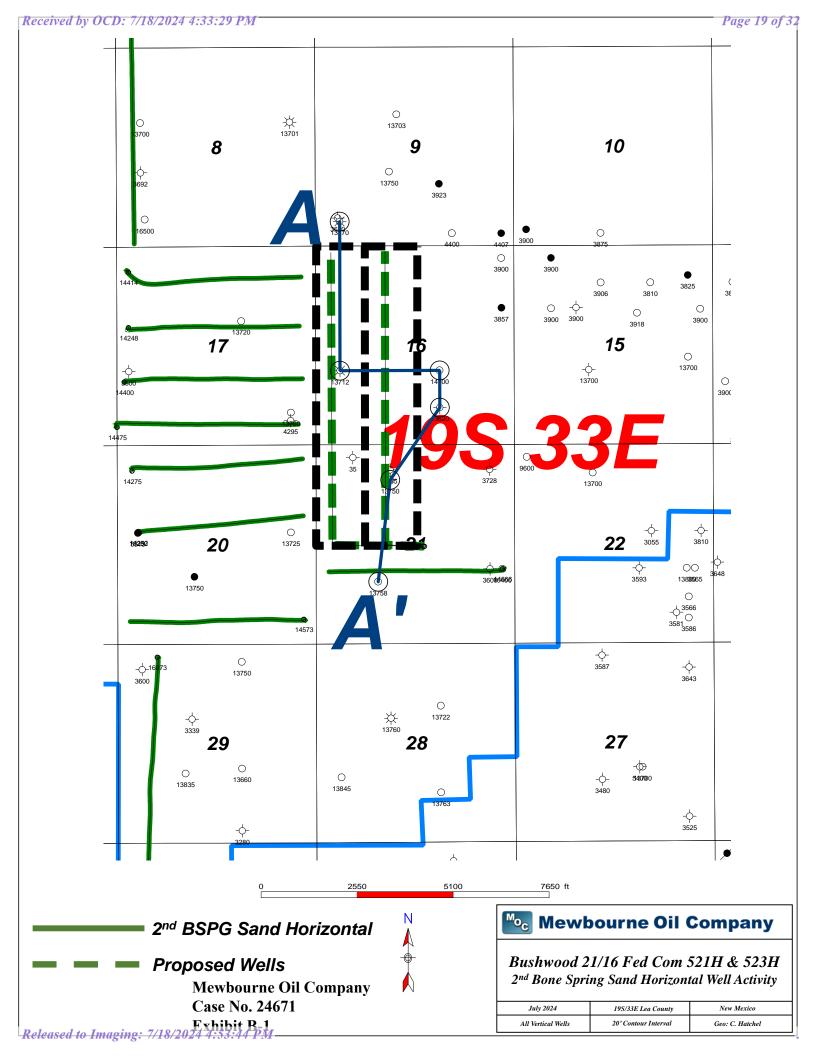
- 1. I am employed by Mewbourne Oil Company ("Mewbourne") as a geologist. I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division"), 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. 24671 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.

Cole Hatchel

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.

<u>/s/ Dana S. Hardy</u>

Dana S. Hardy

July 17, 2024

Date

Mewbourne Oil Company Case No. 24671 Exhibit C



#### HINKLE SHANOR LLP

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: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>. 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 (<a href="https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/">https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/</a>) 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. 24671 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

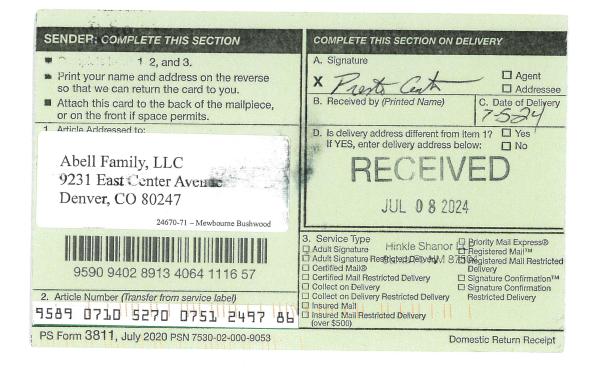
CASE NOS. 24670 & 24671

#### **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.

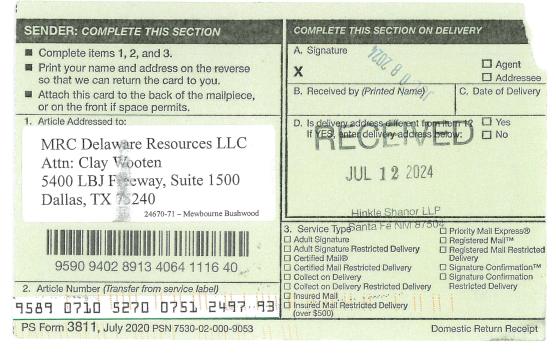
Mewbourne Oil Company Case No. 24671 Exhibit C-2



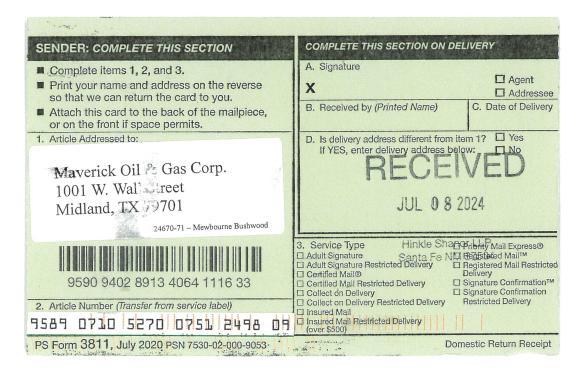


Mewbourne Oil Company Case No. 24671 Exhibit C-3











#### 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

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Page 28 of 32



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

## **USPS Tracking®**

FAQs >

**Tracking Number:** 

Remove X

#### 9589071052700751249816

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

#### **Latest Update**

Your item was delivered to an individual at the address at 11:19 am on July 5, 2024 in HOUSTON, TX 77056.

#### **Get More Out of USPS Tracking:**

USPS Tracking Plus®

#### 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	<b>~</b>
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

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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

LEGAL

LEGAL NOTICE July 3, 2024

This is to notify all interested parties, including Abell Family, LLC; MRC Delaware Resources LLC; Maverick 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. 24671). 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, 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 E/2 W/2 of Section 16 and the E/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 #523H 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 NE/4 NW/4 (Unit C) 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.

02107475

GILBERT HINKLE, SHANOR LLP PO BOX 2068 SANTA FE, NM 87504 00291886

Mewbourne Oil Company Case No. 24671 Exhibit C-4