

CASE NO. 24618

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

EXHIBIT LIST - Part I

1. Pooling Checklist
2. Landman's Affidavit
 - 2-A: C-102
 - 2-B: Plat and List of Interest Owners
 - 2-C: Proposal Letter and Summary of Communications
 - 2-D: AFE
3. Geologist's Affidavit
 - 3-A: Locator Map
 - 3-B: Structure Map
 - 3-C: Cross-Section

JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)

jamesbruc@aol.com

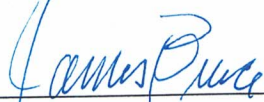
July 30, 2024

NOTICE OF FILING REVISED EXHIBIT PACKAGES

Case Nos. 24618 and 24619

The revised exhibit packages contain the following changes:

They contain Revised Exhibit 2-E in each case, reflecting that Earthstone is not being pooled.



James Bruce
Attorney for Mewbourne Oil Company

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24618

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, Lea County, New Mexico

EXHIBIT (

Entries of Appearance/Intervenors:

Well Family

North Wilson Deep Unit 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

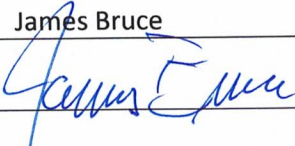
Orientation:

South-North

	W/2E/2 §18 and W/2E/2 §7, Township 21 Range 35 East, NMPM, Lea County
<u>Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?</u>	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	Exhibit 2-B
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	North Wilson Deep Unit Well No. 8H API No. 30-025-52838

Horizontal Well First and Last Take Points	100 feet FSL and 2100 feet FEL \$18 100 feet FNL and 2100 feet FEL \$7
Completion Target (Formation, TVD and MD)	Second Bone Spring Sand TVD 10014 feet, MVD 20310 feet
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2
Requested Risk Charge	200%
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

Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-B
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/Working Interest
Unlocatable Parties to be Pooled	None
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 Working Interests	Exhibit 2-C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D
Cost Estimate for Production Facilities	Exhibit 2-D
Geology	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 2-A and Exhibit 3-B

Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-B
Well Orientation (with rationale)	Exhibit 3
Target Formation	Second Bone Spring Sand
HSU Cross Section	Exhibit 3-C
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-B
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 16, 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:**

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

Case Nos. 24618

SELF-AFFIRMED STATEMENT OF ADRIANA SALGADO

Adriana Salgado, being duly sworn upon her 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. I am familiar with the application filed by Mewbourne in the above case. Pursuant to Division rules the following information is submitted in support of the application.
3. No opposition is expected because the affected interest owners have been contacted regarding the joining in the subject well, and have not elected to voluntarily participate.
4. In this case Mewbourne seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 18 and the W/2E/2 of Section 7, Township 21 South, Range 35 East, NMPM. The unit will be dedicated to the North Wilson Deep Unit Well No. 8H, with a first take point in the SW/4SE/4 of Section 18 and a last take point in the NW/4NE/4 of Section 7.
5. There is no depth severance in the Bone Spring formation.
6. A Form C-102 outlining the unit for the subject well is marked Exhibit 2-A.
7. The tracts in the unit, the leases, and the parties being pooled and their interests, are set forth in Exhibit 2-B. The persons noted with an asterisk are being pooled.
8. Exhibit 2-C contains a copy of the proposal letter sent to the interest owners being pooled. It also contains a summary of communications with the parties. All interest owners are locatable. Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well.

EXHIBIT

2

9. Exhibit 2-D is the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth is fair and reasonable, and comparable to the cost of other wells of similar depth and length drilled in this area of Lea County.

10. Mewbourne requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Lea County. They are also the rates set forth in the Joint Operating Agreement for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

11. Mewbourne requests that the maximum cost plus 200% risk charge be assessed against a non-consenting working interest owner.

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

13. The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.

14. 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 14 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: July 11, 2024

Asalgado
Adriana Salgado

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

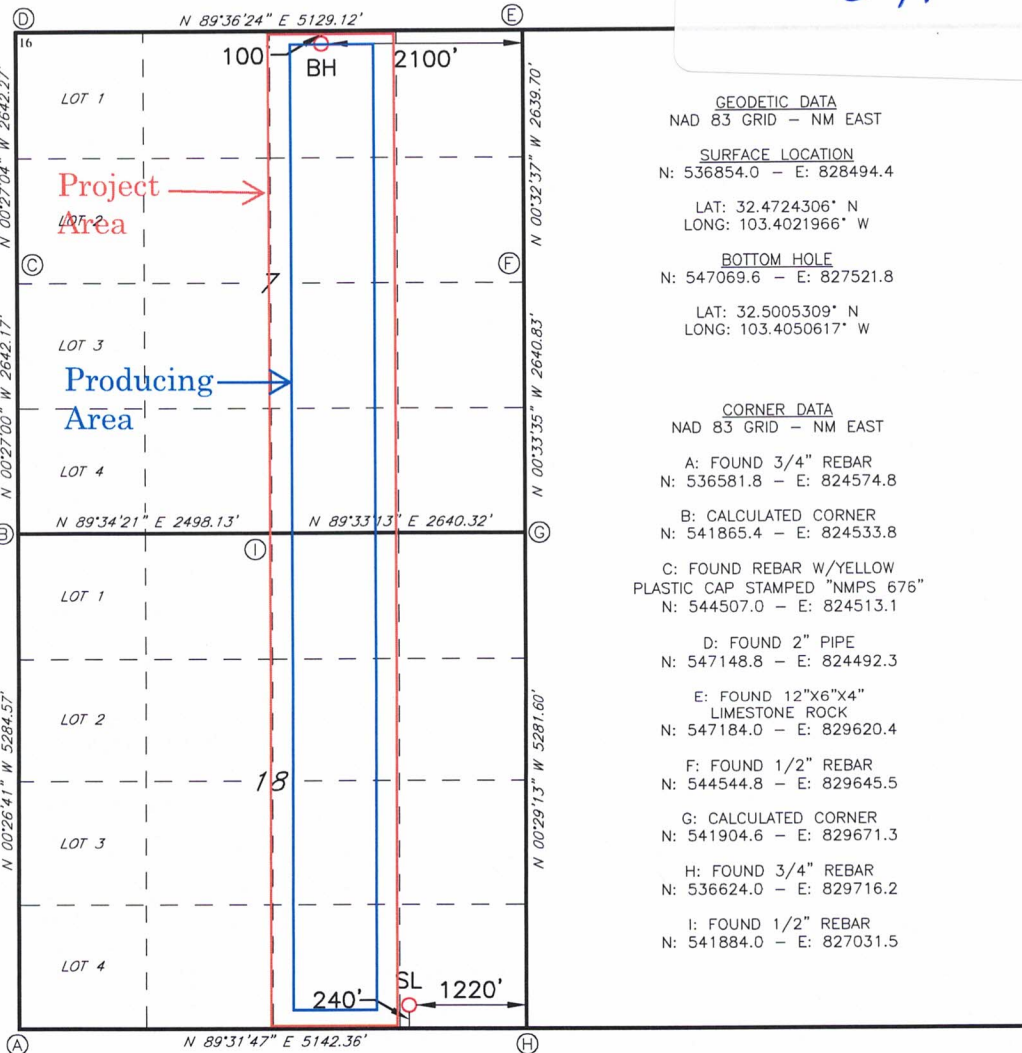
Form C-102
 Revised August 1, 2011
 Submit one copy to appropriate
 District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-52838		2 Pool Code 97704		3 Pool Name Wilson; Bone Spring, North					
4 Property Code		5 Property Name NORTH WILSON DEEP UNIT						6 Well Number 8H	
7 OGRID NO. 14744		8 Operator Name MEWBOURNE OIL COMPANY						9 Elevation 3651'	
10 Surface Location									
UL or lot no. P	Section 18	Township 21S	Range 35E	Lot Idn	Feet from the 240	North/South line SOUTH	Feet From the 1220	East/West line EAST	County LEA
11 Bottom Hole Location If Different From Surface									
UL or lot no. B	Section 7	Township 21S	Range 35E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 2100	East/West line EAST	County LEA
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 Order No.			

No allowable will be assigned to this completion until all interests in this well have been approved by the division. **EXHIBIT 2-A**



GEODETIC DATA
 NAD 83 GRID - NM EAST

SURFACE LOCATION
 N: 536854.0 - E: 828494.4
 LAT: 32.4724306° N
 LONG: 103.4021966° W

BOTTOM HOLE
 N: 547069.6 - E: 827521.8
 LAT: 32.5005309° N
 LONG: 103.4050617° W

CORNER DATA
 NAD 83 GRID - NM EAST

A: FOUND 3/4" REBAR
 N: 536581.8 - E: 824574.8

B: CALCULATED CORNER
 N: 541865.4 - E: 824533.8

C: FOUND REBAR W/YELLOW
 PLASTIC CAP STAMPED "NMPS 676"
 N: 544507.0 - E: 824513.1

D: FOUND 2" PIPE
 N: 547148.8 - E: 824492.3

E: FOUND 12"x6"x4"
 LIMESTONE ROCK
 N: 547184.0 - E: 829620.4

F: FOUND 1/2" REBAR
 N: 544544.8 - E: 829645.5

G: CALCULATED CORNER
 N: 541904.6 - E: 829671.3

H: FOUND 3/4" REBAR
 N: 536624.0 - E: 829716.2

I: FOUND 1/2" REBAR
 N: 541884.0 - E: 827031.5

OPERATOR CERTIFICATION
 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.

Carter Crook 4/16/2024
 Signature Date
 Carter Crook
 Printed Name
 ccrook@mewbourne.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.

04/01/2024
 Date of Survey

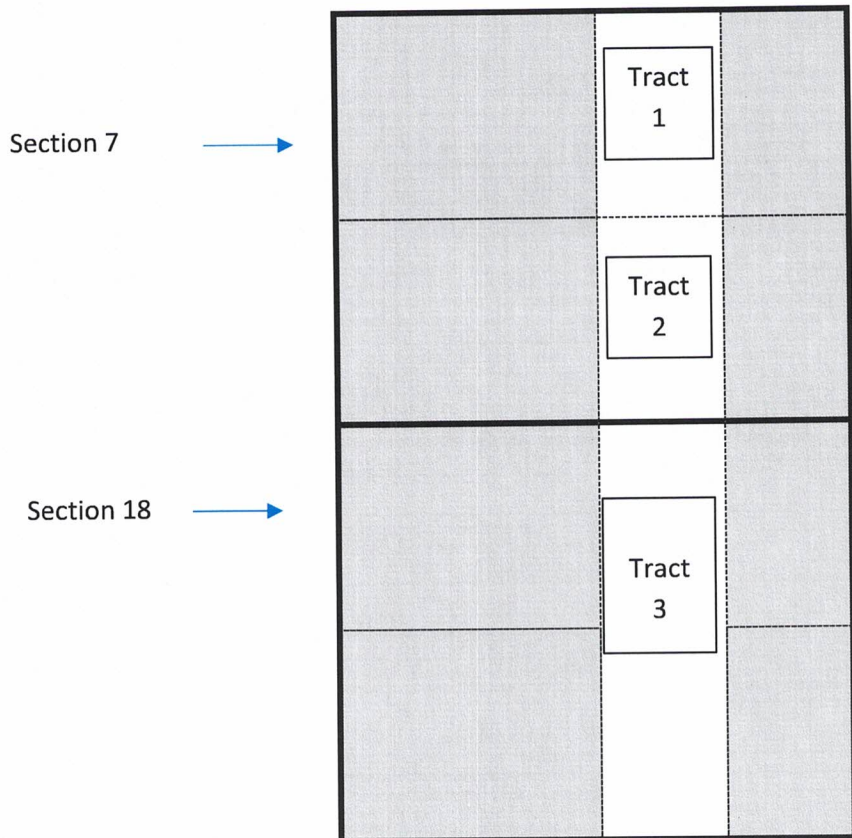
Signature and Seal of Professional Surveyor

19680
 Certificate Number

Job No: LS24040248

EXHIBIT 2-B

Section Plat
North Wilson Deep Unit #8H
W2E2 of Section 18 & W2E2 of Section 7
T21S-R35E, Lea County, NM



Tract 1: W2NE of Section 7 – State Lse. B0-1439

Tract 2: W2SE of Section 7 – State Lse. B0-1481

- Mewbourne Oil Company
- Chevron U.S.A. Inc.
- COG Operating LLC
- *Devon Energy Production Company, L.P.
- Kaiser-Francis Oil Company
- *OXY USA WTP Limited Partnership
- *OXY USA Inc.
- ConocoPhillips Company
- SBI West Texas I LLC
- *MRC Permian Company
- Cimarex Energy Company
- Northern Oil and Gas, Inc.
- Earthstone Permian LLC
- Magnum Hunter Production Company
- Penroc Oil Corporation
- Javeline Partners
- Zorro Partners
- Red River Energy Partners
- Wilson Oil Company, Ltd.
- Timothy R. MacDonald
- *Finley Resources
- *Maverick Oil & Gas Corporation

Tract 3: W2E2 of Section 18 – State Lse. V0-5917

- Mewbourne Oil Company
- *Devon Energy Production Company, L.P.
- *Maverick Oil and Gas Corporation
- Timothy R. MacDonald

*Indicates parties being pooled.

Exhibit 2-B

TRACT OWNERSHIP
North Wilson Deep Unit #8H
W2E2 of Section 7 & W2E2 of Section 18,
Township 21 South, Range 35 East
Lea County, New Mexico

Bone Spring Formation:

	<u>% Leasehold Interest</u>
Mewbourne Oil Company 500 West Texas, Ste. 1020 Midland, Texas 79701	51.454252%
*Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, Oklahoma 73102	25.000000%
Earthstone Operating, LLC 600 N. Marienfeld, Ste. 1000 Midland, Texas 79701	0.316599%
*OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston, Texas 77056	1.317698%
*MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240	1.279814%
*OXY USA WTP Limited Partnership 5 Greenway Plaza, Suite 110 Houston, Texas 77056	0.378838%
Chevron USA Inc. 1400 Smith Street Houston, Texas 77002	6.848219%
COG Operating LLC 600 W. Illinois Ave. Midland, Texas 79701	3.582491%
ConocoPhillips Company 600 W. Illinois Ave. Midland, Texas 79701	1.639366%
Kaiser-Francis Oil Company 6733 South Yale Ave. Tulsa, Oklahoma 74136	2.215016%

*Finley Resources Inc. 1308 Lake Street Fort Worth, Texas 76102	1.813894%
SBI West Texas I LLC 5065 Westheimer, Suite 625 Houston, Texas 77056	1.317698%
Northern Oil & Gas, Inc. 4350 Baker Road, Suite 400 Minnetonka, Minnesota 55343	1.039363%
Magnum Hunter Production Company 6001 Deauville Blvd., Ste. 300N Midland, Texas 79706	0.816320%
Red River Energy Partners, LLC P.O. Box 2455 Midland, Texas 79702	0.329425%
Wilson Oil Company, Ltd. 123 Lakefront Way Rancho Mirage, California 92270	0.235549%
Cimarex Energy Company 6001 Deauville Blvd., Ste. 300N Midland, Texas 79706	0.118099%
Penroc Oil Corporation 1515 W. Calle Sur, Suite 174 Hobbs, New Mexico 88240	0.074121%
Timothy R. MacDonald 3003 Paleo Point College Station, Texas 77845	0.068604%
Zorro Partners 616 Texas St. Fort Worth, Texas 76102	0.065885%
Javelina Partners 616 Texas St. Fort Worth, Texas 76102	0.065885%
*Maverick Oil and Gas Corporation 1001 W. Wall Street Midland, Texas 79701	0.022864%
Total	100.00000%

*Total interest being pooled:

~~30.129707%~~ 29.813108%

EXHIBIT 2-C

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020
Midland, Texas 79701
Phone (432) 682-3715
Fax (432) 685-4170

November 21, 2022

Via: Certified Mail & Email

Devon Energy Production Company, LP
333 W. Sheridan Ave.
Oklahoma City, OK 73102
Attn: Mr. Verl Brown

Re: Proposed Horizontal Bone Spring Wells
North Wilson Deep Unit #8H
North Wilson Deep Unit #9H
E2 of Section 7, T21S-R35E
E2 of Section 18, T21S-R35E
Lea County, New Mexico

Dear Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill and operate the following horizontal Bone Spring wells for oil and gas production:

1. North Wilson Deep Unit #8H located at a surface location 205' FSL & 1230' FEL of Section 18, with a bottom hole location 100' FNL & 2100' FEL of Section 7, of the above captioned lands. We anticipate drilling to an approximate total vertical depth of 9,896' and plan to continue drilling horizontally to the proposed bottom hole location at an approximate total measured depth of 20,066'. The project area for this well consists of W2E2 of Section 7 and W2E2 of Section 18 in T21S-R35E.
2. North Wilson Deep Unit #9H located at a surface location 205' FSL & 1200' FEL of Section 18, with a bottom hole location 100' FNL & 500' FEL of Section 7, of the above captioned lands. We anticipate drilling to an approximate total vertical depth of 9,831' and plan to continue drilling horizontally to the proposed bottom hole location at an approximate total measured depth of 20,019'. The project area for this well consists of E2E2 of Section 7 and E2E2 of Section 18 in T21S-R35E.

Enclosed are Mewbourne's AFEs for the wells, more fully detailing drilling costs. To make your election to participate in the proposed wells, properly execute and return the AFEs to my attention. You will also need to provide your "Well Information" requirements. As a reminder, Mewbourne's AFEs provide all participants the opportunity to opt out of the "Extra Expense Well Control Insurance" that Mewbourne purchases for each well it drills. If you do opt out, you must provide evidence that you have adequate "Well Control Insurance".

To facilitate the drilling of these wells and the development of this project area, Mewbourne proposes forming a working interest unit by signing an Operating Agreement with a Contract Area comprised of the E2 of Section 17 and E2 of Section 18, Township 21 South, Range 35 East, Lea County, New Mexico. Our Joint Operating Agreement (JOA), whereas Mewbourne is listed as Operator, is attached for your review and execution. To make your election to participate in the proposed JOA, properly execute and return the marked signature and acknowledgement pages to my attention. Feel free to contact me if you have any questions. I can be reached by phone at (432) 682-3715 or via email at asalgado@mewbourne.com.

Sincerely,

MEWBOURNE OIL COMPANY



Adriana Jimenez-Salgado
Landman

EXHIBIT 2-C

Summary of Communications

North Wilson Deep Unit #8H

North Wilson Deep Unit #9H

Company Name: Devon Energy Production Company, LP		
Date:	Communicated with:	Comments/Actions:
11/21/2022		Mailed well proposals via certified mail.
11/23/2022		Certified Mail receipt showed successful delivery at 9:28 AM
11/21/2022	Verl Brown	I emailed Verl the proposals and he read the email at 4:39 PM
11/21/2022	Verl Brown	Verl emailed me to let me know who was working this area now.
11/23/2022	Verl Brown	Certified Mail receipt showed successful delivery at 3:43 PM; this is for the updated AFE proposals.
3/9/2023	Andrew Wenzel	I emailed Andrew, after I called and left him a voicemail, following up on the AFE proposals. I also let him know we'd be open to another deal in this area, if they'd just talk to us.
6/20/2023	Peggy Buller	I emailed Peggy to ask who I can speak to regarding these wells.
6/20/2023	Peggy Buller	Peggy responded with the new contact & cc'd him on the email.
6/20/2023	Daniel Brunsman	I emailed Daniel asking for a phone meeting; I sent him the history of these wells and the hearing tied to them.
6/21/2023	Daniel Brunsman	I had a phone conference with Daniel.
7/12/2023	Daniel Brunsman	I emailed Daniel to follow up on the phone conference we had. He stated he'd discuss getting us a letter of support with his team and get back to me within a week.
7/19/2023	Daniel Brunsman	I emailed Daniel to follow up on his team's review. He stated they had and sent me a letter of support to continue pooling these wells, for our review.
6/11/2024	David Broussard	David and I exchanged emails regarding communitization agreements for these wells. He had them signed and sent them over to me.

Company Name: Earthstone Operating, LLC		
Date:	Communicated with:	Comments/Actions:
11/21/2022		Mailed well proposal via certified mail.
11/22/2022		Certified Mail receipt showed successful delivery at 12:35 PM
11/22/2022	Debbie McGee	I emailed Debbie the proposals and she read the email at 7:20 AM
11/22/2022	Debbie McGee	Debbie emailed me and asked for interest information.
11/22/2022	Debbie McGee	I emailed Debbie with interest explanations.
11/22/2022	Debbie McGee	Debbie emailed me asking me technical questions.
11/22/2022	Debbie McGee	I emailed Debbie with responses.
12/8/2022	Amanda Redfearn	Amanda emailed me asking if we would consider a trade with them for their interest in this area.
12/8/2022	Amanda Redfearn	I emailed Amanda and told her would always consider a trade and asked her to send us an offer.
12/8/2022	Amanda Redfearn	Amanda emailed me to ask about Com Agreements in this area.
12/8/2022	Amanda Redfearn	I emailed Amanda responses.
12/14/2022	Amanda Redfearn	I emailed Amanda to see if they had any offers for us to review.

12/14/2022	Amanda Redfearn	Amanda responded to let me know she will check on team evaluations of possible trade options and let me know.
1/3/2023	Amanda Redfearn	I emailed Amanda to inquire on trade options from her team.
1/6/2023	Amanda Redfearn	I emailed Amanda to inquire on trade options from her team.
1/17/2023	Amanda Redfearn	Amanda emailed me to let me know that they couldn't locate anything for a beneficial trade on their end. She asked questions about these well proposals and stated that they were inclined to participate in the wells instead.
1/17/2023	Amanda Redfearn	I emailed responses to Amanda and let her know that our team was going to send an offer for their review.
1/20/2023	Amanda Redfearn	I emailed Amanda a trade offer in this area.
1/23/2023	Amanda Redfearn	Amanda emailed me to let me know she sent the offer for her team to review.
1/31/2023	Amanda Redfearn	I emailed Amanda to follow-up on the offer we sent them.
2/1/2023	Amanda Redfearn	Amanda emailed me to state her team was still reviewing the trade offer and area looking to send us a potential counteroffer.
2/10/2023	Amanda Redfearn	Amanda emailed me asking for shape files and maps of from us for their counteroffer research.
2/13/2023	Amanda Redfearn	I emailed Amanda to let her know per company policy we cannot send her that material, but we can look at any area they'd like for us to review.
2/17/2023	Amanda Redfearn	I emailed Amanda to ask how we could move negotiations forward instead of pooling them. I asked if she could please let us know what her team decided on our last offer. They never provided us a counteroffer as they mentioned.
3/6/2023	Amanda Redfearn	I called Amanda and left her a voicemail asking her to please call me to discuss our last offer.
4/13/2023	Amanda Redfearn	I emailed Amanda to let her know about my conversation with the State Land Office (SLO).
4/13/2023	Amanda Redfearn	Amanda emailed me back and we discussed, with 4 emails, the SLO's stance on the proposals.
4/14/2023	Amanda Redfearn	Amanda sent me a copy of an email she sent to the SLO summarizing their phone call.
5/9/2023	Amanda Redfearn	I emailed Amanda asking for a meeting time with her and her team so we could all discuss how to work through their issues.
5/11/2023	Amanda Redfearn & Earthstone Land Team	Our team and the Earthstone's Land team had a meeting via phone (TEAMS) to discuss how we could work together to get past the issues at hand. Their team didn't want to discuss anything with us since we didn't have anything to "offer". We did provide them with an offer before that they didn't like, and they never would respond with a counteroffer, even though we asked them for one. They told us they'd rather go to hearing.
9/19/2023	Earthstone Team	Our case was heard by the NMOCD.
11/6/2023	Travis Macha	I emailed Travis, from Permian Resources, regarding their purchase of Earthstone, and asked if they'd be interested in discussing a way forward on this project.
11/6/2023	Travis Macha	Travis responded and stated they would be interested.
11/8/2023	Travis Macha	I emailed Travis to follow up on a possible meeting with them to move forward here.

11/9/2023	Travis Macha	Travis responded by email letting me know that they'd be interested in a trade out of this area.
11/14/2023	Travis Macha	I emailed Travis regarding a possible trade; He responded that they were going to evaluate.
11/28/2023	Travis Macha	I emailed Travis to follow-up on their trade evaluation; He responded that they'd get back to me within a week.
12/6/2023	Travis Macha	I emailed Travis to follow-up on their trade evaluation.
12/7/2023	Travis Macha	Travis emailed back regarding the trade.
12/10/2023	Travis Macha	I emailed Travis following up on their trade evaluation.
12/20/2023	Travis Macha	Travis emailed me to let me know he was working on a trade with a colleague of mine and they were going to attempt to just add this area into their trade.
6/5/2024	Mason Maxwell	Mason worked with another Landman in our office to close a deal to trade Earthstone out of the E2 of Section 18-T21S-R35E, Lea Co., NM.
6/11/2024		Earthstone dropped their opposition to our pooling hearings for these wells.
6/17/2024	Mason Maxwell	We picked up the signed Communitization Agreements for these wells.
7/11/2024	Mason Maxwell	I emailed Mason to ask about their elections on these wells.

Company Name: OXY USA WTP Limited Partnership & OXY USA Inc.		
Date:	Communicated with:	Comments/Actions:
11/21/2022		Mailed well proposals via certified mail.
11/23/2022		Certified Receipt shows that the mail packet was accepted at the USPS facility at 11:26 PM.
11/21/2022	Jonathan Gonzales	I emailed the proposals to Jonathan. He forwarded them to Courtney Carr at 3:44 PM.
11/22/2022	Courtney Carr	Courtney Carr forwarded the proposals to Hannah Eastwood at 8:06 AM.
11/21/2022	Hannah Eastwood	Hannah emailed me with technical questions.
11/22/2022	Hannah Eastwood	I emailed Hannah with responses to the technical questions.
11/28/2022	Hannah Eastwood	Hannah emailed me asking questions regarding the JOA.
11/28/2022	Hannah Eastwood	I emailed Hannah with responses to her last email.
2/21/2023	Hannah Eastwood	I emailed Hannah to ask for update on the JOA/AFEs; She responded stating that they hadn't had time to review these wells and asked us to pool them.
6/7/2024	Amber Delach	I emailed Amber asking about their elections on these wells/JOA; She responded and gave me a new contact for these wells at OXY.
6/10/2024	Leslie Mullin	I emailed Leslie regarding their elections on these wells/JOA.
6/13/2024	Leslie Mullin	I emailed Leslie regarding their elections on these wells/JOA; She responded with questions.
6/18/2024	Leslie Mullin	Leslie emailed me with well questions; I responded with answers. Leslie sent me a draft of a side letter agreement for the JOA. I made corrections and sent it back.
6/19/2024	Leslie Mullin	Leslie emailed me asking for title opinions; I sent them to her. She also asked for AFEs and I sent them to her.
6/25/2024	Leslie Mullin	Leslie emailed me asking title questions.
7/2/2024	Leslie Mullin	I emailed Leslie answering her title questions.

7/3/2024	Leslie Mullin	Leslie emailed me asking title questions; I responded to her by email.
7/5/2024	Leslie Mullin	Leslie emailed me asking title questions.
7/10/2024	Leslie Mullin	I emailed Leslie back regarding her title questions.

Company Name: MRC Permian Company		
Date:	Communicated with:	Comments/Actions:
11/21/2022		Mailed well proposals via certified mail & email.
11/23/2022		Certified Mail Receipt shows that it was received at 1:29 PM.

Company Name: Finley Resources		
Date:	Communicated with:	Comments/Actions:
10/5/2023		Mailed well proposals via certified mail.
10/10/2023		Certified Mail Receipt shows that it was received at 3:04 PM.
10/13/2023	Sam Carroll	Sam emailed my asking well questions.
10/16/2023	Sam Carroll	I emailed Sam with responses.
1/9/2024	Carly King	Carly emailed me regarding well updates; I responded.
3/11/2024	Sam Carroll	I emailed Sam regarding a title question in the NWDU.
3/12/2024	Sam Carroll	I emailed Sam regarding a title question in the NWDU.
3/13/2024	Sam Carroll	Sam emailed me back with a response; I emailed him back.
3/14/2024	Sam Carroll	Sam emailed me back with a response.
3/21/2024	Sam Carroll	Emailed Sam regarding title questions.
4/4/2024	Sam Carroll	Emailed Sam regarding title questions.
4/9/2024	Sam Carroll	Sam emailed me back with a response.
4/22/2024	Sam Carroll	Emailed Sam regarding title questions.
5/15/2024	Sam Carroll	Sam emailed me back with a response.
5/20/2024	Sam Carroll	Sam emailed asking about well reports.
5/21/2024	Sam Carroll	I responded to Sam.
5/29/2024	Sam Carroll	Emailed Sam regarding title.
6/6/2024	Sam Carroll	Emailed Sam regarding title.
6/7/2024	Sam Carroll	Sam emailed me back with a response.
6/10/2024	Sam Carroll	Emailed Sam regarding title.
6/12/2024	Sam Carroll	Sam responded and said he had this project on his list to review.

Company Name: Maverick Oil and Gas Corporation		
Date:	Communicated with:	Comments/Actions:
9/20/2023		Mailed well proposals & JOA via certified FedEx.
9/21/2023		FedEx Receipt shows that it was received at 2:23 PM.
10/21/2023		Maverick sent back their signed AFEs, but not their JOA. They will elect to participate under the pooling order.

EXHIBIT 2-D

AUTHORIZATION FOR EXPENDITURE

Well Name: NORTH WILSON DEEP UNIT COM #8H (18/7 B2OB)		Prospect: OSUDO	
Location: SL: 240 FSL & 1220 FEL (18); BHL: 100 FNL & 2100 FEL (7)		County: Lea ST: NM	
Sec. 18	Bik: 	Survey: 	TWP: 21S RNG: 35E Prop. TVD: 10014 TMD: 20310

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$50,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$60,000
Daywork / Turnkey / Footage Drilling	17 days drlg / 3 days comp @ \$28000/d	0180-0110	\$508,400	0180-0210	\$89,700
Fuel	1700 gal/day @ \$3.9/gal	0180-0114	\$120,400	0180-0214	\$169,000
Alternate Fuels		0180-0115		0180-0215	\$89,000
Mud, Chemical & Additives		0180-0120	\$40,000	0180-0220	
Mud - Specialized		0180-0121	\$200,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$25,000
Cementing		0180-0125	\$185,000	0180-0225	\$55,000
Logging & Wireline Services		0180-0130	\$34,000	0180-0230	\$309,000
Casing / Tubing / Snubbing Services		0180-0134	\$35,000	0180-0234	\$16,000
Mud Logging		0180-0137	\$15,000		
Stimulation	51 Stg 20.2 MM gal / 20.2 MM lb			0180-0241	\$2,419,000
Stimulation Rentals & Other				0180-0242	\$256,000
Water & Other	60% PW @ \$0.25/bbl f/ Goodnight & 40% FW @	0180-0145	\$40,000	0180-0245	\$232,000
Bits		0180-0148	\$74,800	0180-0248	
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$60,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision		0180-0170	\$114,000	0180-0270	\$70,000
Directional Services	Includes Vertical Control	0180-0175	\$266,000		
Equipment Rental		0180-0180	\$125,300	0180-0280	\$120,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,300	0180-0285	
Intangible Supplies		0180-0188	\$15,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$80,000
Company Supervision		0180-0195	\$72,000	0180-0295	\$39,600
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$119,600	0180-0299	\$221,100
TOTAL			\$2,510,800		\$4,642,400

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	1830' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft	0181-0794	\$93,700		
Casing (8.1" - 10.0")	5570' - 9 5/8" 40# J-55 LT&C @ \$32.69/ft	0181-0795	\$194,500		
Casing (6.1" - 8.0")	9500' - 7" 29# HPP110 BT&C @ \$34.18/ft	0181-0796	\$346,800		
Casing (4.1" - 6.0")	11050' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$19.44/ft			0181-0797	\$229,400
Tubing	9200' - 2 7/8" 6.5# L-80 IPC Tbg @ \$10.5/ft			0181-0798	\$103,200
Drilling Head		0181-0860	\$50,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Service Pumps	(1/10) TP/CP/Circ pump			0181-0886	\$4,000
Storage Tanks	(1/10) (8)OT/(6)WT/(2)GB			0181-0890	\$55,000
Emissions Control Equipment	(1/10) (5)VRT/(2)VRU/(2)FLARE/(5)KO/(1)AIR			0181-0892	\$87,000
Separation / Treating Equipment	(1/10) (1)BULK H SEP/(4)TEST H SEP 500#/(5)V SEP 500#/(4)A			0181-0895	\$49,000
Automation Metering Equipment				0181-0898	\$70,000
Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0900	\$119,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	
On-site Valves/Fittings/Lines&Misc				0181-0906	\$121,000
Wellhead Flowlines - Construction				0181-0907	\$98,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$145,000
Equipment Installation				0181-0910	\$71,000
Oil/Gas Pipeline - Construction				0181-0920	\$124,000
Water Pipeline - Construction				0181-0921	
TOTAL			\$685,000		\$1,405,600
SUBTOTAL			\$3,195,800		\$6,048,000
TOTAL WELL COST			\$9,243,800		

Insurance procured for the Joint Account by Operator

Opt-in. I elect to be covered by Operator's Extra Expense, Commercial General Liability, Pollution Legal Liability, and Excess/Umbrella Insurance Policies, and will pay my proportionate share of the premiums associated with these insurance coverages through joint account billings.

Opt-out. I elect to purchase my own policies for well control and other insurance requirements, or to self-insure (if applicable). By opting-out, I recognize I will be responsible for my own coverage and will not be afforded protection under operator's policies.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's insurance.

Joint owner agrees that item 0180-0245 will be provided by operator, if available, at the specified rate. Operator reserves the right to adjust the rate due to a change in market conditions.

Prepared by: <u>Ryan McDaniel</u>	Date: <u>4/15/2024</u>
Company Approval: <u>M. Whittier</u>	Date: <u>4/17/2024</u>
Joint Owner Interest: _____ Amount: _____	Signature: _____
Joint Owner Name: _____	

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

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

Case No. 24618

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

Case No. 24619

SELF-AFFIRMED STATEMENT OF JUSTIN ROEDER

Justin Roeder deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.

2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in these cases. I have been qualified by the Division as an expert petroleum geologist. I am the geologist for Mewbourne on its North Wilson Deep Unit wells.

3. The following geological plats are attached hereto:

(a) Exhibit 3-A is a locator map, showing the location of the North Wilson Deep Unit and the two wells involved in these cases.

(b) Attachment 3-B is a structure map on the base of the 2nd Bone Spring Sand. It shows that structure dips to the southwest. It also shows horizontal Bone Spring wells in the area, and a south-north line of cross-section.

(c) Mewbourne's proposed proration units collectively cover the E/2 of Sections 7 and 18, Township 21 South, Range 35 East, NMPM. Bone Spring development has already occurred south of Section 18. The E/2 of Section 18 was included in the proration units so that it did not have to be developed with 1-mile laterals.

(d) Attachment 3-C is a cross section of the 2nd Bone Spring Sand showing the target zone in the North Wilson Deep Unit State Com. Well Nos. 8H and 9H. They will target the lower 2nd Bone Spring Sand. Mewbourne has substantial experience drilling in this area.

EXHIBIT 3

The well logs on the cross-section give a representative sample of the 2nd Bone Spring Sand in this area. The sand is continuous and uniformly thick across the well units.

4. I conclude from the plats that:

(a) The proposed horizontal spacing units are justified from a geologic standpoint.

(b) The target zone is continuous and of relatively uniform thickness across the well units.

(c) Each quarter-quarter section in the well units will contribute more or less equally to production from the target zone.

(d) There is no faulting or other geologic impediment in the area which will affect the drilling of the subject wells.

5. Referring to Exhibit 3-B, all of the Bone Spring wells in this area are drilled in standup units, which is the preferred orientation.

6. Exhibit 3-D contains the horizontal drilling plans for the proposed wells. The producing intervals of the wells will be orthodox.

7. I understand that this Self-Affirmed Statement will be used as written testimony in these cases. I affirm that my testimony in paragraphs 1 through 6 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: 7/16/2024


Justin Roeder

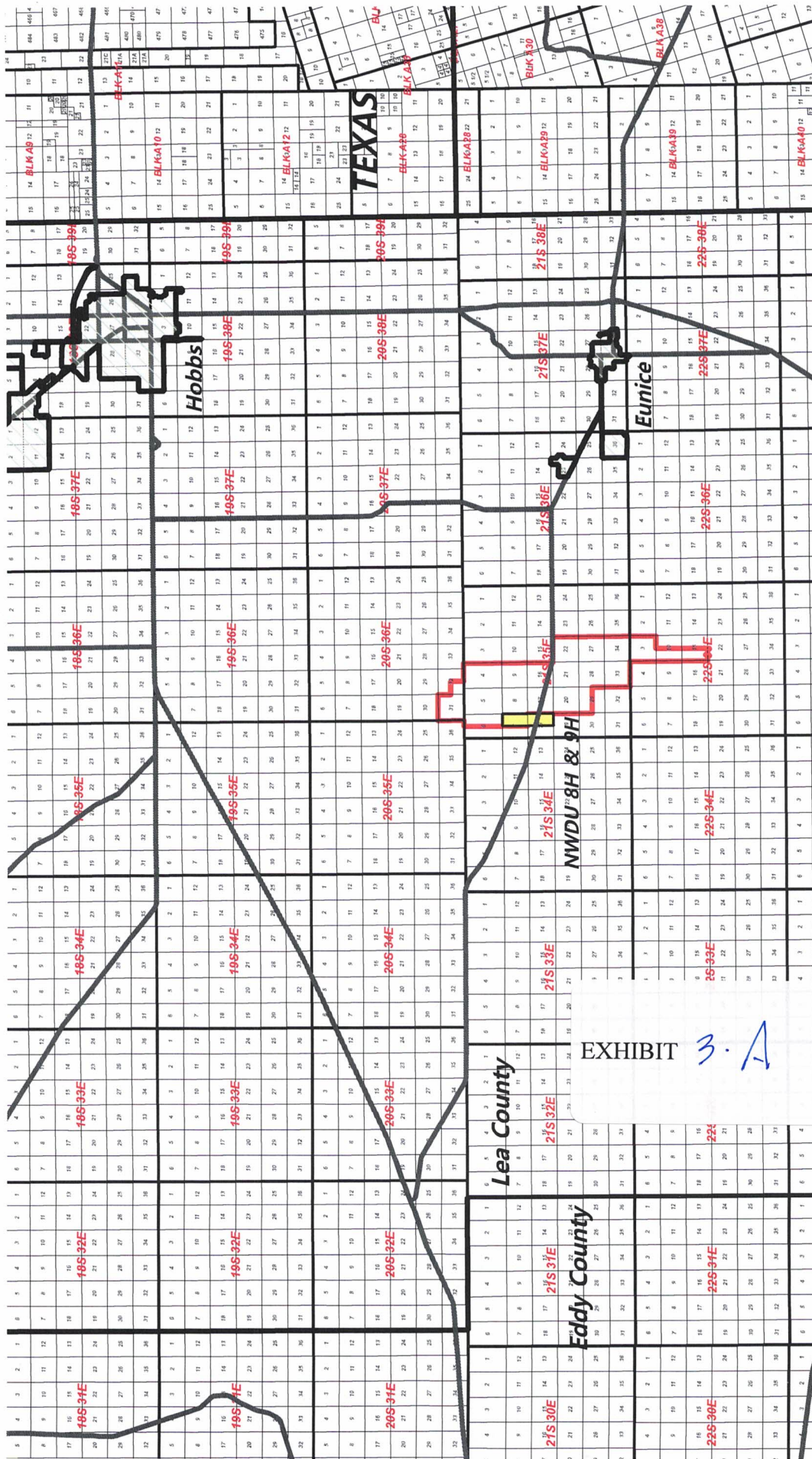


EXHIBIT 3.A

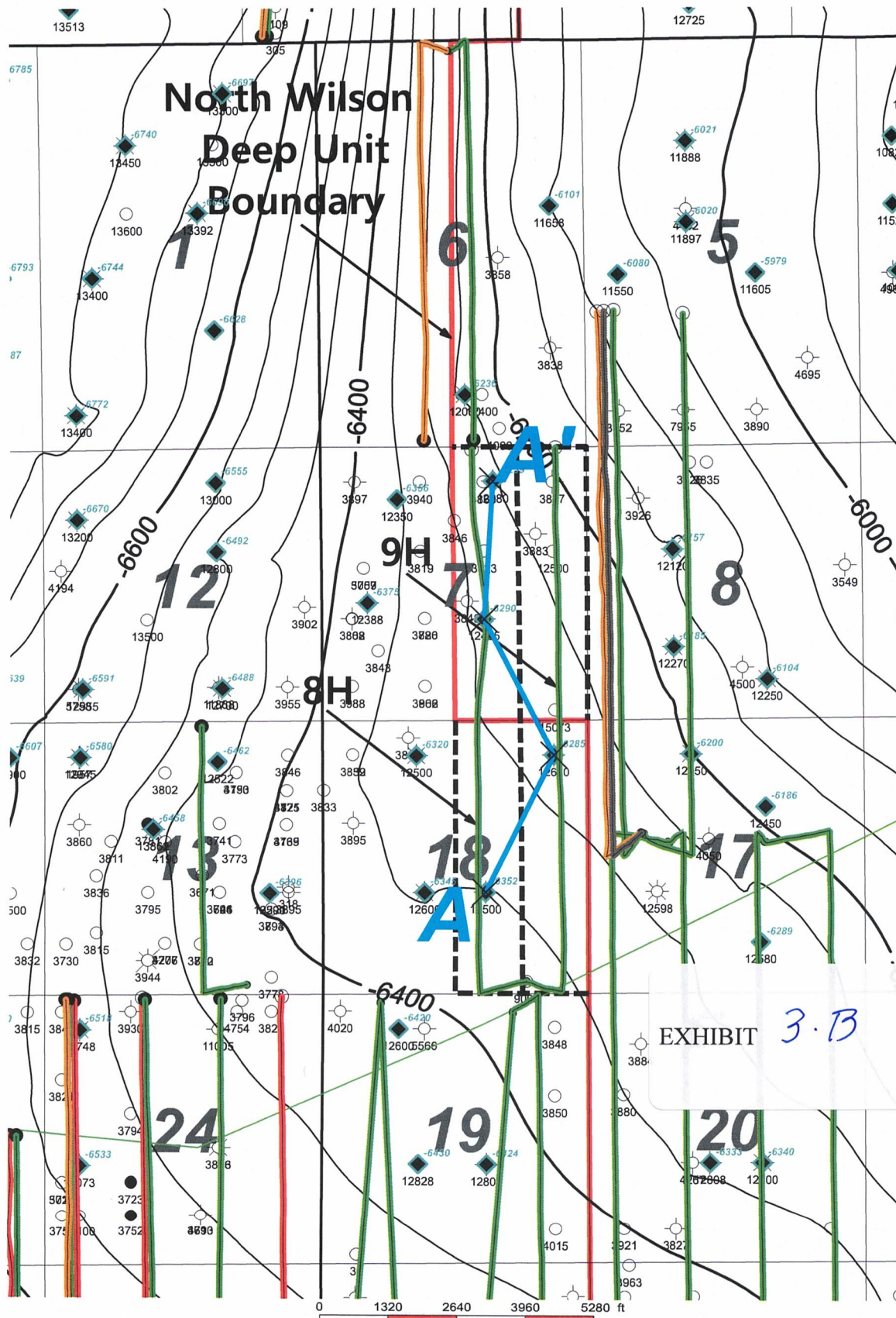


EXHIBIT 3.B

- Avalon
- 1st Sand
- 1st Shale
- 2nd Sand
- 3rd Sand



MOC Mewbourne Oil Company		
North Wilson Deep Unit 8H & 9H		
Bone Spring Horizontal Well Activity		
Base of 2 nd Sand Sub-Sea Structure		
J. Roeder	7/16/2024	50' Contour Interval
Lea County	New Mexico	18-21S-35E

18J-21S-35E

18A-21S-35E

7J-21S-35E

7B-21S-35E

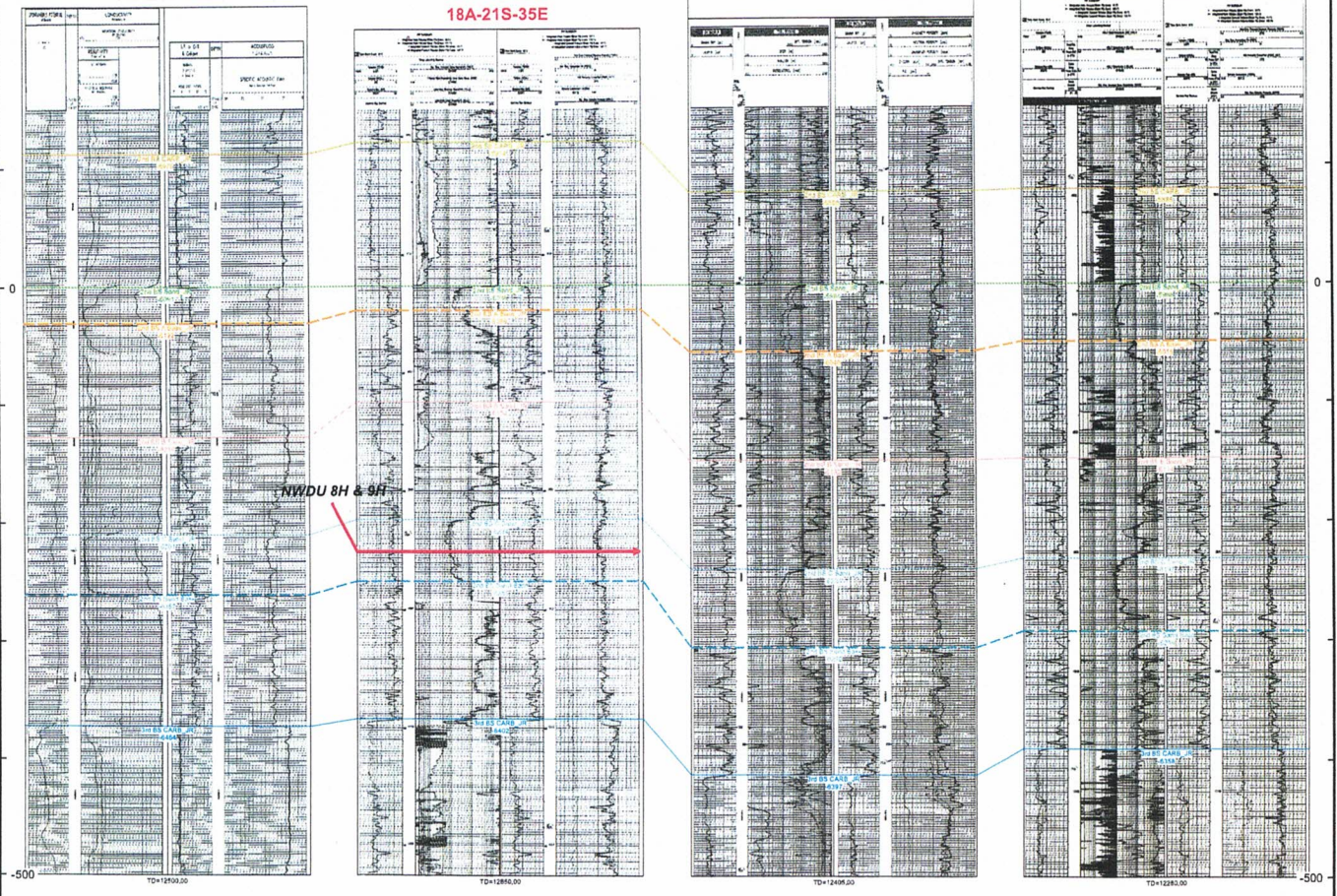


EXHIBIT 3.C

NORTH WILSON DEEP UNIT 8H & 9H - 2ND SAND X-SECTION

A'

3002528100000
NEWBURG PROCO
OSUDO 7 STATE COM2
680 PNL 1790 FEL
TWP: 21 S - Range 35 E - Sec. 7
Datum=3077.00
Reference=KB
Status=CAS

2549 R

3002528100000
NEWBURG PROCO
OSUDO 7 STATE COM1
1890 FSL 1980 FEL
TWP: 21 S - Range 35 E - Sec. 7
Datum=3077.00
Reference=KB
Status=CAS

2554 R

3002528100000
NEWBURG PROCO
PACKER 18 STATE COM1
680 PNL 680 FEL
TWP: 21 S - Range 35 E - Sec. 18
Datum=3077.00
Reference=KB
Status=ABD-GW

2550 R

3002528100000
TEXACO INC
NMS STATE O NCT1 1
1890 FSL 1890 FEL
TWP: 21 S - Range 35 E - Sec. 18
Datum=3077.00
Reference=KB
Status=C&A

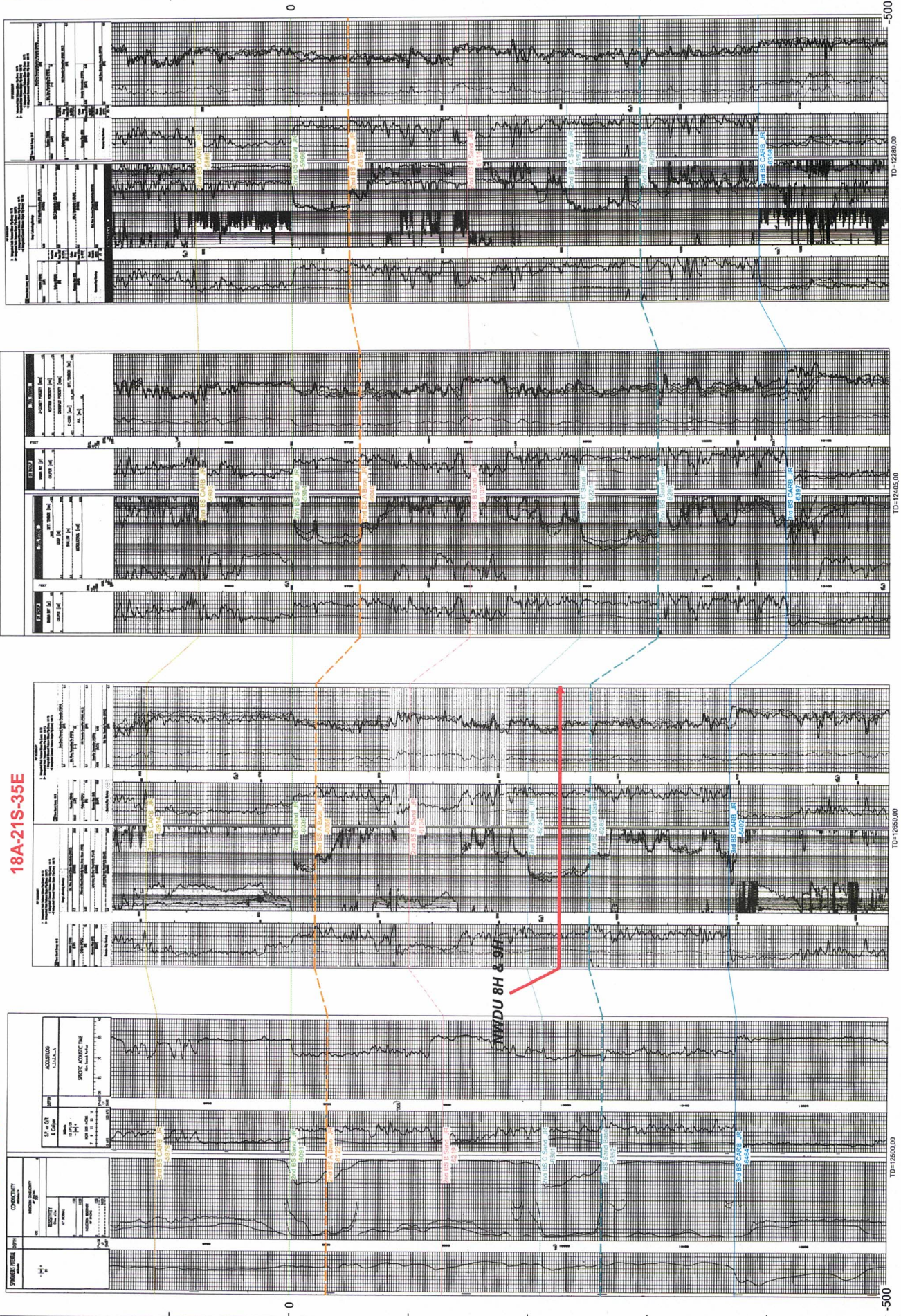
A

7B-21S-35E

7J-21S-35E

18A-21S-35E

18J-21S-35E



ANNOTATIONS

MD	Inc	Azi	TVD	+N/S	+E/W	V Sect	Departure	Annotation
1900.00	0.00	0.00	1900.00	0.00	0.00	0.00	0.00	Begin 2.00°/100' Build
2271.85	7.44	254.89	2270.80	-6.28	-23.26	-4.05	24.10	Begin 7.44° Tangent
8927.32	7.44	254.89	8870.29	-230.90	-854.91	-148.84	885.55	Begin 2.00°/100' Drop
9299.16	0.00	0.00	9241.09	-237.19	-878.18	-152.89	909.64	Begin Vertical Hold
9499.16	0.00	0.00	9441.09	-237.19	-878.18	-152.89	909.64	KOP, Begin 10.00°/100' Build
10406.40	90.72	359.48	10014.00	342.99	-883.42	425.17	1489.84	Begin 90.72° Lateral
15206.40	90.72	359.48	9953.35	5142.41	-926.76	5207.10	6289.46	Begin 2.00°/100' Turn
15602.24	90.72	7.40	9948.34	5537.19	-903.02	5597.85	6685.27	Hold 7.40° Azi
16802.24	90.72	7.40	9933.18	6727.10	-748.48	6787.76	7885.17	Begin 2.00°/100' Turn
17515.13	90.72	353.14	9924.15	7438.09	-745.12	7475.22	8598.00	Hold 353.14° Azi
19188.70	90.72	353.14	9903.11	9099.55	-944.97	9148.15	10271.44	Begin 2.00°/100' Turn
19505.75	90.72	359.48	9899.11	9415.75	-965.36	9464.86	10588.46	Hold 359.48° Azi
20305.75	90.72	359.48	9889.00	10215.65	-972.58	10261.85	11388.40	PBHL

T G M
 Azimuths to Grid North
 True North: -0.50°
 Magnetic North: 5.64°
 Magnetic Field
 Strength: 47353.1nT
 Dip Angle: 80.05°
 Date: 5/9/2024
 Model: IGRF2020

US State Plane 1983
 New Mexico Eastern Zone

Created By: JAB
 Date: 13.56, April 11 2024
 Plan: Design #1

Grid North is 0.50° East of True North (Grid Convergence)
 To convert a Magnetic Direction to a Grid Direction, Add 5.64°
 To convert a Magnetic Direction to a True Direction, Add 6.14° East

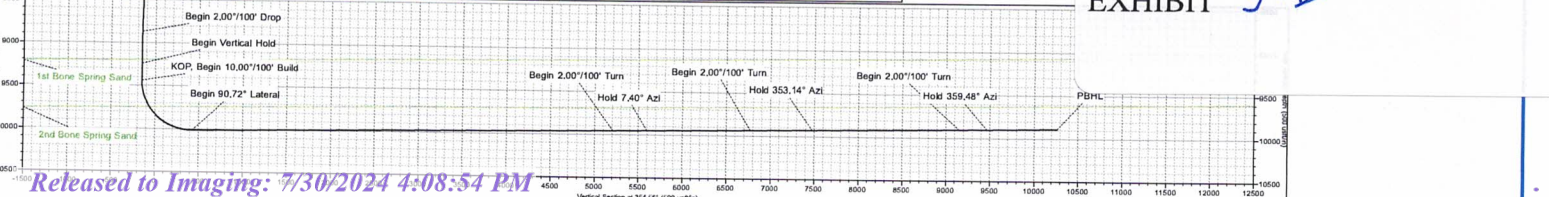
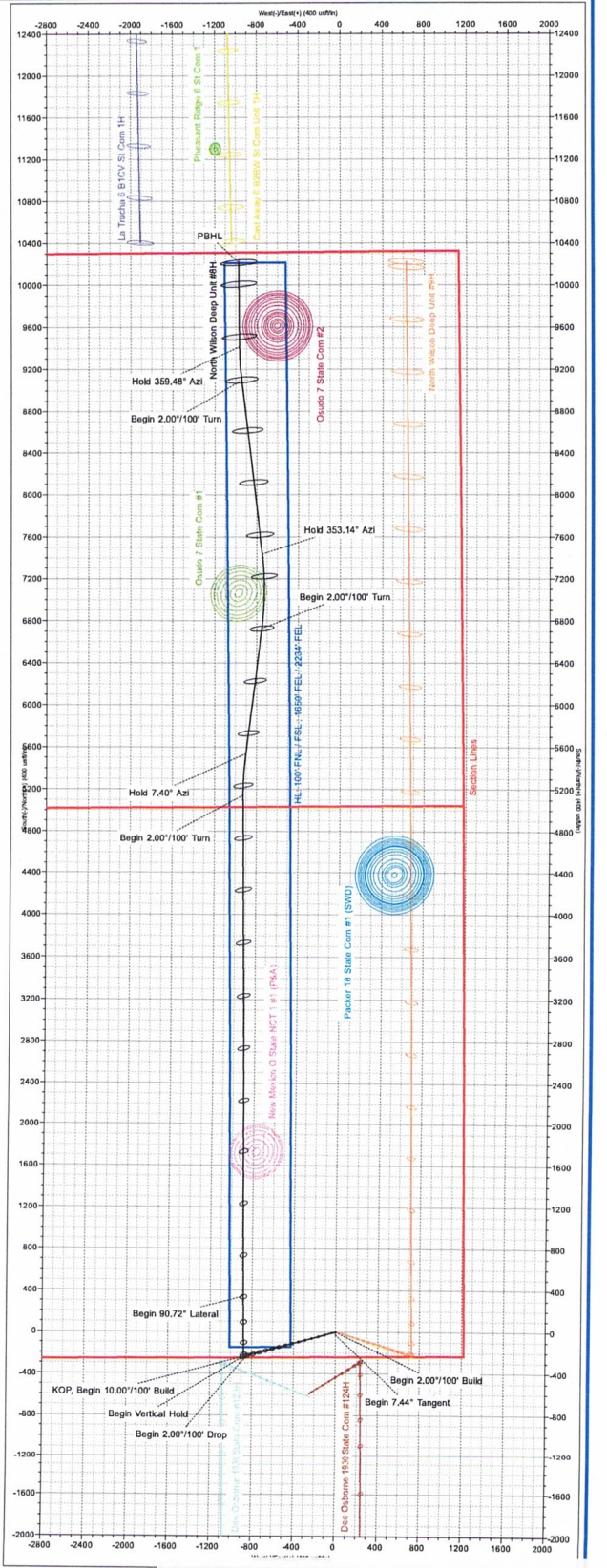
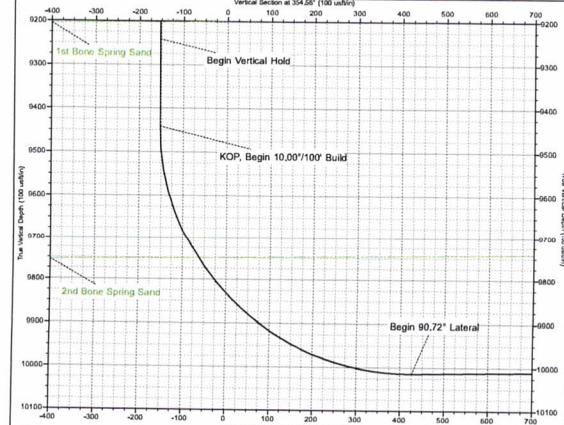
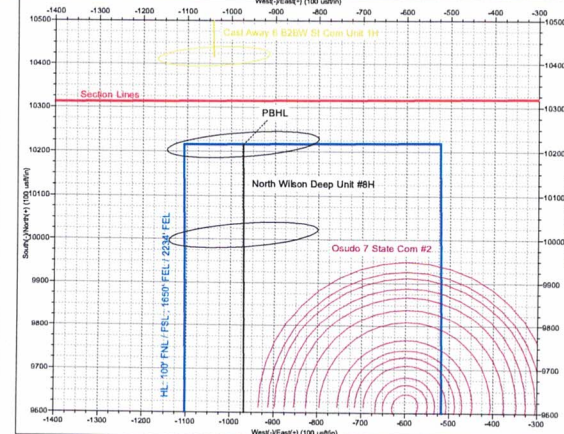
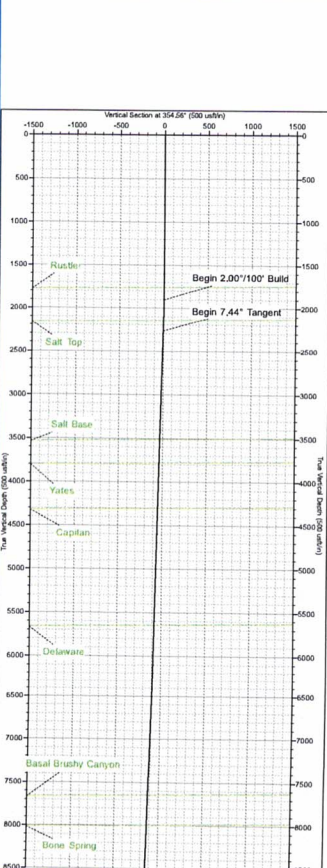
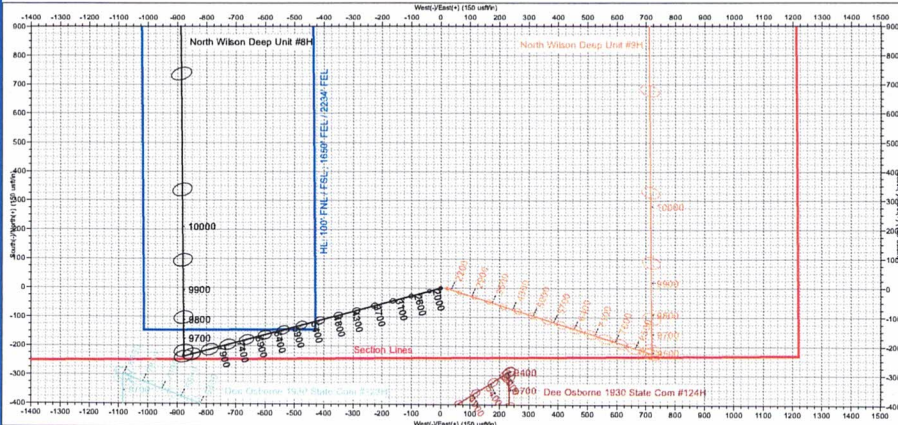


EXHIBIT 3-D

ANNOTATIONS

MD	Inc	Azi	TVD	+N/S	+E/W	Vsect	Departure	Annotation
1900.00	0.00	0.00	1900.00	0.00	0.00	0.00	0.00	Begin 2.00°/100' Build
2199.06	5.98	107.72	2198.52	-4.75	14.86	-3.86	15.60	Begin 5.98° Tangent
8970.02	5.98	107.72	8932.61	-219.48	686.93	-178.39	721.14	Begin 2.00°/100' Drop
9259.08	0.00	0.00	9231.13	-224.23	701.78	-182.24	736.74	Begin Vertical Hold
9469.08	0.00	0.00	9431.13	-224.23	701.78	-182.24	736.74	KOP, Begin 10.00°/100' Build
10379.24	91.02	359.48	10004.00	358.86	696.50	399.51	1319.85	Begin 91.02° Lateral
20248.79	91.02	359.48	9829.00	10226.46	607.12	10244.47	11187.86	PBHL

Grid North is 0.50° East of True North (Grid Convergence)
 To convert a Magnetic Direction to a Grid Direction, Add 5.64°
 To convert a Magnetic Direction to a True Direction, Add 6.14° East



Azimuths to Grid North
 True North: -0.50°
 Magnetic North: 5.64°
 Magnetic Field
 Strength: 47353.1nT
 Dip Angle: 60.05°
 Date: 5/9/2024
 Model: IGRF2020

US State Plane 1983
 New Mexico Eastern Zone

Created By: JAB
 Date: 14-10, April 11 2024
 Plan: Design #1

