APPLICATION OF MEWBOURNE OIL COMPANY FOR APPROVAL OF A NON-STANDARD HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 24552

MEWBOURNE OIL COMPANY'S NOTICE OF AMENDED EXHIBIT PACKET

Mewbourne Oil Company is submitting the attached amended exhibit packet, which includes an additional exhibit, Exhibit A-7, as requested by the Technical Examiner during the August 22, 2024 hearing. Exhibit A-7 provides additional, more detailed information concerning Mewbourne's request for approval of a non-standard horizontal spacing unit.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn McLean

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554 Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com

Counsel for Mewbourne Oil Company

APPLICATION OF MEWBOURNE OIL COMPANY FOR APPROVAL OF A NON-STANDARD HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 24552

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibi	t A	Self-Affirmed Statement of Braxton Blandford
	A-1	Application & Proposed Notice of Hearing
	A-2	C-102s
	A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties
	A-4	Non-Standard Spacing Unit Map and Surrounding Tract Interest Owners
	A-5	Sample Well Proposal Letter and AFE
	A-6	Chronology of Contact
	A-7	Supplemental Self-Affirmed Statement of Braxton Blandford Addressing Request for Approval of Non-Standard Horizontal Spacing Unit
Exhibi	t B	Self-Affirmed Statement of Charles Crosby
	B-1	Subsea Structure and Wellbore Location Map
	B-2	Stratigraphic Cross-Section Map
Exhibi	t C	Self-Affirmed Statement of Dana S. Hardy
	C-1	Sample Notice Letter to All Interested Parties
	C-2	Copies of Certified Mail Receipts and Returns
	C-3	Copy of Publication for July 13, 2024

COMPULSORY POOLING APPLICA	ATION CHECKLIST
ALL INFORMATION IN THE APPLICATION MUST	BE SUPPORTED BY SIGNED AFFIDAVITS
Case: 24552	APPLICANT'S RESPONSE
Hearing Date: August 22, 2024	
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	14744
Applicant's Counsel:	Hinkle Shanor LLP & James Bruce
Case Title:	Application of Mewbourne Oil Company for Approval of a Non-
	Standard Horizontal Spacing Unit and Compulsory Pooling, Eddy
	County, New Mexico.
Entries of Appearance/Intervenors:	None.
Well Family	Dama Dorado
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Avalon; Bone Spring pool (Code 96381)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	1,924.32-acres
Building Blocks:	quarter-quarter
Orientation:	East to West
Description: TRS/County	Sections 1, 2 and 3, Township 20 South, Range 27 East, Eddy County,
	New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	No. This is a non-standard horizontal well spacing unit. Aproval of a
and is approval of non-standard unit requested in this	non-standard unit is requested in this application.
application?	
Other Situations	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	No.
Proximity Well:	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	Dama Dorado 1/3 Fed Com 626H (API # pending)
	SHL: 950' FSL & 245' FEL (Unit P), Section 1, T20S-R27E
	BHL: 1820' FSL & 100' FWL (Unit L), Section 3, T20S-R27E
	Completion Target: Bone Spring (Approx. 7,954' TVD)
Well #2	Dama Dorado 1/3 Fed Com 628H (API # pending)
	SHL: 950' FSL & 265' FEL (Unit P), Section 1, T20S-R27E
	BHL: 500' FSL & 100' FWL (Unit M), Section 3, T20S-R27E
	Completion Target: Bone Spring (Approx. 7,977' TVD)
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	
- · · · · · · · · · · · · · · · · · · ·	\$10,000
Production Supervision/Month \$	\$1,000
Production Supervision/Month \$	\$1,000
Production Supervision/Month \$ Justification for Supervision Costs Requested Risk Charge Notice of Hearing	\$1,000 Exhibit A-5
Production Supervision/Month \$ Justification for Supervision Costs Requested Risk Charge	\$1,000 Exhibit A-5
Production Supervision/Month \$ Justification for Supervision Costs Requested Risk Charge Notice of Hearing	\$1,000 Exhibit A-5 200%
Production Supervision/Month \$ Justification for Supervision Costs Requested Risk Charge Notice of Hearing Proposed Notice of Hearing	\$1,000 Exhibit A-5 200% Exhibit A-1
Production Supervision/Month \$ Justification for Supervision Costs Requested Risk Charge Notice of Hearing Proposed Notice of Hearing Proof of Mailed Notice of Hearing (20 days before hearing)	\$1,000 Exhibit A-5 200% Exhibit A-1 Exhibits C-1, C-2
Production Supervision/Month \$ Justification for Supervision Costs Requested Risk Charge Notice of Hearing Proposed Notice of Hearing Proof of Mailed Notice of Hearing (20 days before hearing) Proof of Published Notice of Hearing (10 days before hearing)	\$1,000 Exhibit A-5 200% Exhibit A-1 Exhibits C-1, C-2

If approval of Non-Standard Spacing Unit is requested, Traci	t
List (including lease numbers and owners) of Tracts subject	to
notice requirements.	Exhibit A-4
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-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-6
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-5
Cost Estimate to Equip Well	Exhibit A-5
Cost Estimate for Production Facilities	Exhibit A-5
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-2
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-1
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-1
Cross Section (including Landing Zone)	Exhibit B-2
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information pr	ovided 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:	8/19/2024
b	

APPLICATION OF MEWBOURNE OIL COMPANY FOR APPROVAL OF A NON-STANDARD HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 24552

SELF-AFFIRMED STATEMENT OF BRAXTON BLANFORD

- 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 1,924.32-acre, more or less, non-standard horizonal spacing unit comprised of Lots 1-4 (the N/2 N/2) of Section 1, Lots 1-4 (the N/2 N/2) of Section 2, Lots 1-4 (the N/2 N/2) of Section 3, the S/2 N/2 and S/2 of Section 1, the S/2 N/2 and S/2 of Section 2, and the S/2 N/2 and S/2 of Section 3 (collectively all of Sections 1, 2, and 3), Township 20 South, Range 27 East, Eddy County, New Mexico ("Unit").
 - 5. Mewbourne seeks to dedicate the Unit to the following wells ("Wells"):

Mewbourne Oil Company Case No. 24552 Exhibit A

- a. **Dama Dorado 1/3 Fed Com 626H** well, to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 1 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 3; and
- b. **Dama Dorado 1/3 Fed Com 628H** well, to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 1 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 3.
- 6. The Wells will be completed in the Avalon; Bone Spring pool (Code 96381).
- 7. The completed interval of the Wells will be orthodox.
- 8. **Exhibit A-2** contains the C-102 for the Wells.
- 9. **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.
- 10. **Exhibit A-4** is a map that depicts the non-standard spacing unit in relation to the outline of a standard spacing unit. The map also identifies the interest owners in the tracts surrounding the proposed Unit, who were provided notice of Mewbourne's application.
- 11. Mewbourne's request for approval of a non-standard spacing unit will allow it to consolidate surface facilities and will consequently prevent surface, environmental, and economic waste. As a result, approval of a non-standard spacing unit is necessary to prevent waste and protect correlative rights.
- 12. **Exhibit A-5** contains a sample well proposal letter and AFE sent to the working interest owners for the Wells. 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.

- 13. 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.
- 14. 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-6**.
- 15. Mewbourne requests overhead and administrative rates of \$1,000 per month while the Wells are being drilled and \$10,000 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by Mewbourne and other operators in the vicinity.
- 16. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 17. In my opinion, the granting of Mewbourne's application for compulsory pooling and approval of a non-standard spacing unit would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 18. 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.

Brakter Blandynd

Braxton Blanford

8/16/2024 Date

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY FOR APPROVAL OF A NON-STANDARD HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case	No.	

APPLICATION

Mewbourne Oil Company applies for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a non-standard horizontal spacing unit comprised of Lots 1-4 (the N/2N/2) of Section 1, Lots 1-4 (the N/2N/2) of Section 2, Lots 1-4 (the N/2N/2) of Section 3, the S/2N/2 and S/2 of Section 1, the S/2N/2 and S/2 of Section 2, and the S/2N/2 and S/2 of Section 3 (collectively All of Sections 1, 2, and 3), Township 20 South, Range 27 East, NMPM (containing 1924.32 acres), and in support thereof, states:

- 1. Applicant is an interest owner in Sections 1 3 and has the right to drill a well or wells thereon.
- 2. The unit will initially be dedicated to (a) the Dama Dorado 1/3 Fed. Com. Well No. 626H, with a first take point in the NE/4SE/4 of Section 1 and a last take point in the NW/4SW/4 of Section 3, and (b) the Dama Dorado 1/3 Fed. Com. Well No. 628H, with a first take point in the SE/4SE/4 of Section 1 and a last take point in the SW/4SW/4 of Section 3.
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in Sections 1 3 and for the purposes set forth herein.
- 4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests.

Mewbourne Oil Company Case No. 24552 Exhibit A-1 Therefore, applicant seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying Sections 1 - 3, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying the Sections 1 - 3 and will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted mineral interest owners in the Bone Spring formation (Avalon; Bone Spring, North/Pool Code 3712) underlying Sections 1 3;
- B. Approving the non-standard horizontal spacing unit;
- C. Designating applicant as operator of the wells;
- D. Considering the cost of drilling, completing, equipping, and testing the wells, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling, completing, equipping, and testing the wells in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Mewbourne Oil Company

		SE/4SW/4 (Unit N) of Section 36; Royal Oak 25 Fed Com #301H and Royal Oak 25 Fed Com #601H, which are oil wells that will be horizontally drilled from a surface location in the NE/4NW/4 (Unit C) of Section 25 to a bottom hole location in the Bone Spring Formation in the SW/4SW/4 (Unit M) of Section 36; Royal Oak 25 Fed Com #302 and Royal Oak 25 Fed Com #602H, which are oil wells that will be horizontally drilled from a surface location in the NE/4NW/4 (Unit C) of Section 25 to a bottom hole location in the Bone Spring Formation in the SE/4SW/4 (Unit N) of Section 36; Royal Oak 25 Fed Com #303H, Royal Oak 25 Fed Com #503H, and Royal Oak 25 Fed Com #603H, which are oil wells that will be horizontally drilled from a surface location in the NW/4NE/4 (Unit B) of Section 25 to a bottom hole location in the Bone Spring Formation in the SE/4SW/4 (Unit O) of Section 36; and Royal Oak 25 Fed Com #304H, Royal Oak 25 Fed Com #504H, and Royal Oak 25 Fed Com #604H, which are oil wells that will be horizontally drilled from a surface location in in the NW/4NE/4 (Unit B) of Section 25 to a bottom hole location in the Bone Spring Formation in the SE/4SE/4 (Unit P) of Section 36. The wells are orthodox in location, and the take points and laterals comply with Statewide Rules for setbacks. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and lands are located approximately 28 miles west from Hobbs, New Mexico.
62.	24550	Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2 of Section 9, S/2 of Section 10, and the SW/4 of Section 11, Township 22 South, Range 26 East, N.M.P.M., Eddy County, New Mexico (containing 800 acres). The unit will be dedicated to the Buffalo Thunder 9/11 Fed. Com. Well No. 717H, with a first take point in the SW/4SW/4 of Section 9 and a last take point in the SE/4SW/4 of Section 11. Also to be considered will be the cost of drilling, completing, equipping, and testing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, equipping, and testing the well. The unit is located approximately 3 miles west-southwest of Carlsbad, New Mexico.
63.	24551	Application of Mewbourne Oil Company for Approval of a Non-Standard Horizontal Spacing Unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a non-standard horizontal spacing unit comprised of All of Sections 10, 11, and 12, Township 20 South, Range 27 East, NMPM (containing 1920 acres). The unit will initially be dedicated to (a) the Shark Week 12/10 Fed. Com. Well No. 622H, with a first take point in the NE/4NE/4 of Section 12 and a last take point in the NW/4NW/4 of Section 10, and (b) the Shark Week 12/10 Fed. Com. Well No. 624H, with a first take point in the SE/4NE/4 of Section 12 and a last take point in the SW/4NW/4 of Section 10. Also to be considered will be the cost of drilling, completing, equipping, and testing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, equipping, and testing the wells. The unit is located approximately 8 miles southeast of Lakewood, New Mexico.
64.	24552	Application of Mewbourne Oil Company for Approval of a Non-Standard Horizontal Spacing
		Unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a non-standard horizontal spacing unit comprised of Lots 1-4 (the N/2N/2) of Section 1, Lots 1-4 (the N/2N/2) of Section 2, Lots 1-4 (the N/2N/2) of Section 3, the S/2N/2 and S/2 of Section 1, the S/2N/2 and S/2 of Section 2, and the S/2N/2 and S/2 of Section 3 (collectively All of Sections 1, 2, and 3), Township 20 South, Range 27 East, NMPM (containing 1924.32 acres). The unit will initially be dedicated to (a) the Dama Dorado 1/3 Fed. Com. Well No. 626H, with a first take point in the NE/4SE/4 of Section 1 and a last take point in the NW/4SW/4 of Section 3, and (b) the Dama Dorado 1/3 Fed. Com. Well No. 628H, with a first take point in the SE/4SE/4 of Section 1 and a last take point in the SW/4SW/4 of Section 3. Also to be considered will be the cost of drilling, completing, equipping, and testing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, equipping, and testing the wells. The unit is located approximately 7 miles east-southeast of Lakewood, New Mexico.

Mewbourne Oil Company Case No. 24552 Exhibit A-2

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

30-015-F	API Number Pending		96	² Pool Code 381	me						
Property Code DAMA DORADA 1/3 FED COM									6 Well Number 626H		
7 OGRID	NO.			MEWI	8 Operator N	Name IL COMPANY			⁹ Elevation 3374		
					¹⁰ Surface	Location					
UL or lot no.	Section	Township	Township Range Lot Idn Feet from the North/South line Feet From the East/West line								
P	1	1 20S 27E 950 SOUTH 245 EAST EDDY									

	Bottom Hole Location If Different From Surface											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
L	3	20S	27E		1820	SOUTH	100	WEST	EDDY			
12 Dedicated Acres	13 Joint	or Infill 14	Consolidation	Code 15	Order No							
1,924.32												

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.

6							0.05:	ED DAT:				17 OPERATOR CERTIFICATION
						NA		<u>ER DATA</u> D — NM	EAST			I hereby certify that the information contained herein is true and complete
				A: F	OUND BRA	ASS CAP	"1942"		UND BRAS			to the best of my knowledge and belief, and that this organization either
				N:	580379.7	– E: 55	8608.6	N: 58	82943.4 -	E: 574	465.3	owns a working interest or unleased mineral interest in the land including
					OUND BRA				UND BRAS			the proposed bottom hole location or has a right to drill this well at this
					583041.9							location pursuant to a contract with an owner of such a mineral or workin
NA	GEODE AD 83 GRI	<u>TIC DATA</u> D – NM			OUND BRA				UND BRAS 80293.8 -			interest, or to a voluntary pooling agreement or a compulsory pooling
N:	581255.0		4214.8	D: F	OUND BRA 585587.2	ASS CAP	"1942"		OUND BRAS 80280.4 -			order heretofore entered by the division
L	LAT: 32.5 LONG: 104	.2265751			OUND BRA				OUND BRAS 80288.6 -			Signature Date
	582197.7 LAT: 32	6005012*	N		OUND BRA 585562:3				UND BRAS 80297.0 -			Printed Name
L	_ONG: 104	.2769026	9, M		OUND BRA 585569.1				UND BRAS 30337.8 –			E-mail Address
					OUND BRA 585575.1				UND BRAS 82930.4 -			18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this
					OUND BRA 585581.8				UND BRAS 32921.4 -			plat was plotted from field notes of actual surveys made by me or under my supervision, and that the
				- 10020000 <u>2</u> 2		000000000000000000000000000000000000000			* w 2629.53* :	e acertea.	w acaa aa.	same is true and correct to the best of my belief.
© LOT 4	© 107 3	N 894315	W 2652.41	E 107 4	# 2654.25°	5 8951 02 LOT 2	LOT 1	© LOT 4	LOT 3	LOT 2	LOT 1	02/28/2024 Date of Survey
									 -	<u> </u>		Signature and Seal of Processing Survey
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1820												

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: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u>

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

30-015-Pending	² Pool Code 96381	Avalon, Bone Spring	
⁴ Property Code	DAMA DORAL	perty Name OA 1/3 FED COM	6 Well Number 628H
7 OGRID NO.	8 Op	erator Name C OIL COMPANY	⁹ Elevation 3374
		for I particu	

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County	
P	1	20S	27E		950	SOUTH	265	EAST	EDDY	
" Bottom Hole Location If Different From Surface										
UL or lot no	Section	Township	Range	Lot Idn	Lot Idn Feet from the North/South line Feet from the East/West line					
M	3	20S	27E		500	SOUTH	100	WEST	EDDY	
12 Dedicated Acres	s 13 Joint	or Infill 14 (Consolidation	Code 15 (Order No.					
1 924 32		- 1								

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,

6												17 OPERATOR CERTIFICATION
						NIA		<u>er data</u> ID – NM 6	TAST			I hereby certify that the information contained herein is true and complete
				Δ. Ε	OUND BR				JND BRAS	S CAP "1	942"	to the best of my knowledge and belief, and that this organization either
					580379.7				2943.4 -			owns a working interest or unleased mineral interest in the land including
					OUND BR				UND BRAS			the proposed bottom hole location or has a right to drill this well at this
					583041.9				0306.3 -			location pursuant to a contract with an owner of such a mineral or workin
NAD		TIC DATA D - NM	EAST		OUND BR				JND BRAS 10293.8 -			interest, or to a voluntary pooling agreement or a compulsory pooling
N: 58	81254.9	LOCATIO - E: 57	4194,8		OUND BR/				UND BRAS			order heretofore entered by the division
		978770° 2266400		E: F	OUND BRA	ASS CAP	"1942"		UND BRAS			Signature Date
		M HOLE		N:	585574.2	– E: 56	3932.9		30288.6 -			Printed Name
		- E: 55			OUND BR/				UND BRAS			
		5968738° .2769209			OUND BR/ 585569.1				UND BRAS 0337.8 -			E-mail Address
					OUND BR/				UND BRAS 2930.4 -			18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this
					OUND BRA				UND BRAS			plat was plotted from field notes of actual surveys
				N:	585581.8	– E: 57	4473.6	N: 58	2921.4 -	E: 5691	96.4	made by me or under my supervision, and that the
07 (2000) MANUA (III	Director and a		W 2652.41°		" W 2654.25"	e apprecia	= w nenn e	1° \$ 89'52'11'	w 2629 61"	e nosi'in' u	2529 92.(1)	same is true and correct to the best of my belief.
D LOT 4	(D) LOT 3	LOT 2	LOT 1	E LOT 4	E LOT 3	LOT 2	LOT 1	LOT 4	Lor 3	LOT Z	LOT 1 192	02/28/2024 Date of Survey
			2.346			<u> </u>		3.95,50		 	3 58,01.	Signature and Seal of Processing Surveyor
B !			8 %	(Q)	i		i	8 ≥ (R)	į .	İ	() *	(19680)
	3 – – – ا	·			 	2 — — — 		3		1 — — — 	2637.71	3 + 0 -
1	Ĭ		25]	Ĭ	1	38	1	 	265'	19680
-100'							i	94,9	<u> </u>	-	SL	Certificate Number
BH 500'	1	6	00.22			 @		000	1		950,	UNAL
	r 2643.73	®		0	W 2641,63	N	1	₹ (M)	i = acto ar	5 800 170	W 2640.35	N Job No.: LS24020167

Section 3	Section Pla Dama Dorado 1/3 Fec Dam Dorado 1/3 Fec Sections 1, 2, and 3, Eddy County, Ne	l Com #626H Com #628H T20S, R27E w Mexico	Secti	on 1
Tract 7 NMNM-002295	Tract 5 L0-6958-0001 Tract 4 L0-4054-0001	Tract 4 L0-4054-0001 Tract 3 L0-6957-0004	Tract 2 NMNM-0455265	Tract 1 NMNM-004986
•	Tract 6 L0-4054-0000			

Tract 1: Lots 1, 2, S/2NE/4, and SE/4 of Section 1-NMNM-004986

Chevron USA, Inc.

Tract 3: Lot 1, S/2NE/4, and SE/4 of Section 2-L0-6957-0004

Mewbourne Oil Company Snow Operating Company, Inc.

BJF Energy, LLC

Jamesco Operating, Inc.

Eastland Resources, Inc.

Blackstone Minerals

BGT Investment, LLC

T. Verne Dwyer, Sole and Separate Property u/w/o Agnes W, Dwyer, Deceased

Tract 5: Lots 3, 4, SW/4NW/4, and NW/4SW/4 of Section 2-L0-6958-0001

Mewbourne Oil Company

Snow Operating Company, Inc.

BJF Energy, LLC

Jamesco Operating, Inc. Eastland Resources, Inc.

Blackstone Minerals

BGT Investment, LLC

T. Verne Dwyer, Sole and Separate Property u/w/o Agnes W. Dwyer, Deceased

Tract 7: All of Section 3-NMNM-002295

Mewbourne Oil Company
OXY USA WTP, LP
Marshall & Winston, Inc.
V-F Petroleum, Inc.
Lodge Exploration Company, LLC

Tract 2: Lots 3, 4, S/2NW/4, and SW/4 of Section 1-NMNM-0455265

OXY USA WTP, LP

Fasken Land & Minerals, Ltd.

Brooks Oil and Gas Interests, Ltd.

Tract 4: Lot 2 and SE/4NW/4 of Section 2-L0-4054-0001

Mewbourne Oil Company

Snow Operating Company, Inc.

BJF Energy, LLC

Jamesco Operating, Inc.

Eastland Resources, Inc.

Blackstone Minerals

Tract 6: NE/4SW/4 and S/2SW/4 of Section 2-L0-4054-0000

Mewbourne Oil Company

Snow Operating Company, Inc.

Jamesco Operating, Inc.

Eastland Resources, Inc. BGT Investment, LLC

T. Verne Dwyer, Sole and Separate Property u/w/o Agnes W. Dwyer, Deceased

Mewbourne Oil Company Case No. 24552 Exhibit A-3

RECAPITUALTION FOR DAMA DORADO 1/3 FED COM #626H & DAMA DORADO 1/3 FED COM #628H

Tract Number of Acres Committeed		Percentage of Interst in Communitized Area
1	320.16	16.63757%
2	320.48	16.65419%
3	280.32	14.567224%
4	80,34	4.174981%
5	160.7 8.351002%	
6 120		6.235969%
7	642,32	33.379064%
TOTAL	1924.32	100.000000%

All of Sections 1, 2, and 3

Bone Spring Formation:

	Owner	% of Leasehold Interest
+	Mewbourne Oil Company, et al.	69,290503%
+	OXY USA WTP LP	13.886464%
*	Brooks Oil & Gas Interests, Ltd.	0.166542%
	T. Verne Dwyer, Sole and Separate Property u/w/o	
٠	Agnes W. Dwyer, Deceased	0.519664%
+	Blackstone Minerals	0.235213%
*	V-F Petroleum, Inc.	15.901615%
	TOTAL	100.000000%

30.709497% * Total Interest Being Pooled:

OWNERSHIP BY TRACT

Tract 1: Lots 1, 2, S/2NE/4, and SE/4 of Section 1-NMNM-004986

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al	100_000000%

TOTAL

Tract 2: Lots 3, 4, S/2NW/4, and SW/4 of Section 1-NMNM-0455265

TOTAL	100.000000%
Brooks Oil and Gas Interests, Ltd.	1,000000%
OXY USA WTP, LP	50.000000%
Mewbourne Oil Company, et al	49,000000%
Owner	

Tract 3: Lot 1, S/2NE/4, and SE/4 of Section 2-L0-6957-0004

ract 5. Lot 1, 5/21/2/4, and best of beeting 2 december 2				
Owner				
Mewbourne Oil Company, et al.	97.611777%			
T. Verne Dwyer, Sole and Separate Property u/w/o				
Agnes W. Dwyer, Deceased	1.783676%			
Blackstone Minerals	0.604547%			
TOTAL	100.000000%			

Tract 4: Lot 2 and SE/4N W/4 of Section 2-Lo-	4034-0001
Owner	
Mewbourne Oil Company, et al.	98.591533%
Blackstone Minerals	1.408467%
TOTAL	100.000000%

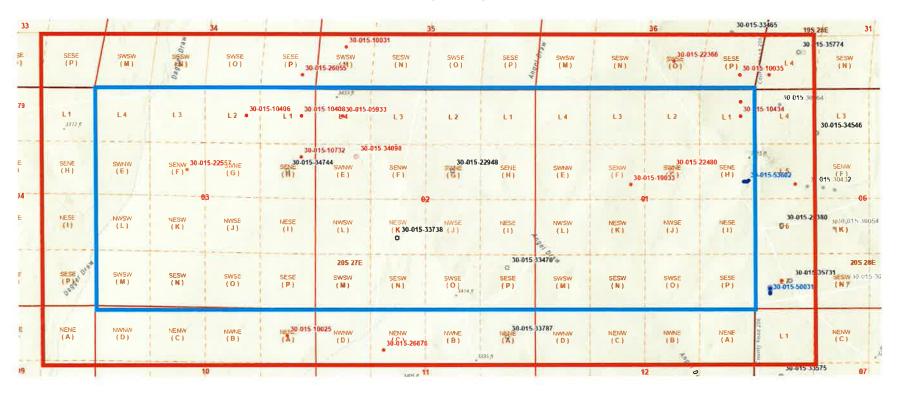
^{*}Parties to be pooled are highlighted in yellow. $\angle t \int 0 t \int \partial S v_d$

Tract 5: Lots 3, 4, SW/4NW/4, and NW/4SW/4 of Section 2-L0-6958-0001				
Owner				
Mewbourne Oil Company	98.164269%			
Blackstone Minerals	1.057884%			
T. Verne Dwyer, Sole and Separate Property u/w/o				
Agnes W. Dwyer, Deceased	0.777847%			
TOTAL	100.000000%			
Tract 6: NE/4SW/4 and S/2SW/4 of Section 2-L0-4054	-0000	_		
Owner				
Mewbourne Oil Company, et al.	96.875000%			
T. Verne Dwyer, Sole and Separate Property u/w/o				
Agnes W. Dwyer, Deceased	3.125000%			
TOTAL	100.000000%			
T . T . N . C				
Tract 7: All of Section 3-NMNM-002295		_		
Owner				
Mewbourne Oil Company, et al.	35.812212%			
OXY USA WTP, LP	16.655250%			
V-F Petroleum, Inc.	47.532538%			
TOTAL	100.000000%			

Received by OCD: 8/26/2024 11:47:44 AM

NSP Plat of Affected Tracts Dama Dorado 1/3

T20S, R27E, Eddy County, New Mexico



Proration Unit

Affected Tracts

Mewbourne Oil Company Case No. 24552 Exhibit A-4

NSP List of Affected Parties Dama Dorado 1/3 T20S, R27E, Eddy County, New Mexico

Bureau of Land Management 301 Dinosaur Trail Santa Fe, NM 87508

New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87504-1148

Trigg Oil & Gas LP P.O. Box 310 Parker, Colorado 80134

Chevron USA Inc. 1400 Smith Street Houston, Texas 77002

Tascosa Energy Partners, LLC 901 W. Missouri Ave. Midland, Texas 79701

Petro-Quest O&G LP P.O. Box 294151 Kerrville, Texas 78029-4151

XTO Holdings, LLC 22777 Springwoods Village Parkway Spring, Texas 77389-1425

Mexco Energy Corp 214 W. Texas Ave, Suite 1101 Midland, Texas 79701-4600

Penroc Oil Corporation P.O. Box 2769 Hobbs, New Mexico 88241-2769

V-F Petroleum, Inc. P.O. Box 1889 Midland, Texas 79702

EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706

Permian Resources Operating, LLC 300 N Marienfeld Suite 1000 Midland, TX 79701

Fasken Land & Minerals, Ltd. 6101 Holiday Hill Road Midland, Texas 79707

Jalapeno Corporation P.O. Box 1608 Albuquerque, New Mexico 87103

MRC Delaware Resources, LLC MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240

Yates Energy Corporation P.O. Box 2323 Roswell, New Mexico 88202

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

TELEPHONE (432) 682-3715

June 18, 2024

Via Certified Mail

Affected Parties (See Attached List)

Re: Application for Non-Standard Proration Unit

Dama Dorado 1/3 Fed Com #626H

Surface Location: 950 FSL & 245 FEL (Section 1) First Take Point: 1820 FSL & 100 FEL (Section 1)

Bottomhole Location/Last Take Point: 1820 FSL & 100 FWL (Section 3)

Dama Dorado 1/3 Fed Com #628H

Surface Location: 950 FSL & 265 FEL (Section 1) First Take Point: 500 FSL & 100 FEL (Section 1)

Bottomhole Location/Last Take Point: 500 FSL & 100 FWL (Section 3)

Sections 1, 2 & 3, T-20-S, R-27-E, NMPM

Eddy County, New Mexico

To Whom It May Concern:

Enclosed is a copy of Mewbourne Oil Company's (MOC) Application for Non Standard Proration Unit for the Dama Dorado 1/3 Fed Com #626H and Dama Dorado 1/3 Fed Com #628H wells covering all of Sections 1, 2 & 3, T-20-S, R-27-E, Eddy County, New Mexico. You are being sent a copy of this Application per OCD's requirements to notify the interest owners in the affected offset acreage. If you have any objection to this Application, notification should be given within 20 days of the date of this letter. The Application has been filed with the OCD as of this date.

MOC is seeking approval of the non-standard proration unit to eliminate the need for separate production facilities and additional administrative approvals. Therefore, reducing waste while protecting correlative rights with the referenced horizontal spacing unit.

If you have any questions regarding this application, please contact me via telephone at 432-682-3715 or via email at bblandford@mewbourne.com.

Sincerely,

MEWBOURNE OIL COMPANY

Bratta Blandy

Braxton Blandford

Landman

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

TELEPHONE (432) 682-3715

June 18, 2024

Via Certified Mail

New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, New Mexico 87505

Attn:

Mr. Leonard Lowe

Division Director

Re:

Application for Non Standard Proration Unit

Dama Dorado 1/3 Fed Com #626H

Surface Location: 950 FSL & 245 FEL (Section 1) First Take Point: 1820 FSL & 100 FEL (Section 1)

Bottomhole Location/Last Take Point: 1820 FSL & 100 FWL (Section 3)

Dama Dorado 1/3 Fed Com #628H

Surface Location: 950 FSL & 265 FEL (Section 1) First Take Point: 500 FSL & 100 FEL (Section 1)

Bottomhole Location/Last Take Point: 500 FSL & 100 FWL (Section 3)

Sections 1, 2 & 3, T-20-S, R-27-E, NMPM

Eddy County, New Mexico

Dear Mr. Lowe:

Pursuant to Division Rule 19.15.16.15(B)(5), Mewbourne Oil Company ("Mewbourne") respectfully requests administrative approval of a non-standard proration unit for its proposed Dama Dorado 1/3 wells listed above. These wells will be drilled as horizontal oil wells in the Avalon Bone Spring, pool (96381).

The Dama Dorado 1/3 Fed Com #626H and Dama Dorado 1/3 Fed Com #628H wells will be dedicated to a 1,924.32-acre proration unit comprising all of Sections 1, 2, and 3. There are currently no other existing Bone Spring Oil wells producing from within the proposed spacing unit.

The affected offset acreage comprises the S/2S/2 of Sections 34, 35, and 36, and SE/4SE/4 of Section 33, T19S, R27E, Eddy County, New Mexico. Additionally, the E/2E/2 of Section 4, NE/4NE/4 of Section 9, and N/2N/2 of Sections 10, 11, and 12, T20S, R27E, Eddy County, New Mexico. Further, the W/2W/2 (Lots 4-7) of Section 6 and NW/4NW/4 (Lot 1) of Section 7, T20S, R28E, Eddy County, New Mexico. Lastly, the SW/4SW/4 (Lot 4) of Section 31, T19S, R28E, Eddy County, New Mexico. Notice of this application is being provided to all parties listed on the attached list of affected parties.

Mewbourne is seeking approval of this NSP to eliminate the need for separate production facilities and additional administrative approvals. Therefore, reducing waste while protecting correlative rights within the referenced horizontal spacing unit.

Notice by certified mail, return receipt requested, has been given to the affected parties listed in the notification list attached.

Thank you for your consideration of this application. Should you have any questions regarding the above, please email me at bblandford@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Braxeton Blandy

Braxton Blandford

Landman

FASKEN CENTER
500 WEST TEXAS, SUITE 1020
MIDLAND, TX 79701

TELEPHONE (432) 682-3715 FACSIMILE (432) 685-4170

January 31, 2024

and

Certified Mail

OXY USA WTP, LP Attn: Jonathan Gonzales 5 Greenway Plaza Suite 110 Houston, TX 77046-0521

Re: Dama Dorado 1/3 Fed Com #626H

950' FSL & 245' FEL (Section 1) 1820' FSL & 100' FWL (Section 3) Dama Dorado 1/3 Fed Com #628H

950' FSL & 265' FEL (Section 1) 500' FSL & 100' FWL (Section 3)

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne"), as Operator, proposes to form a 1,924.32 acre Working Interest Unit ("WIU") covering all the captioned Sections 1, 2 and 3 for oil and gas production. The targeted interval for the initial test is the Bone Spring formation. Our records indicate that you own a portion of the operating rights in the WIU, and your working interest is reflected on the enclosed AFE.

In addition, Mewbourne as Operator hereby proposes to drill the captioned Dama Dorado 1/3 Fed Com #626H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 7,954 feet subsurface to evaluate the Third Bone Spring Sand Formation. The proposed well will have a measured depth (MD) of approximately 23,641 feet. The N/2S/2 of Sections 1, 2 and 3 will be dedicated to the well as the proration unit.

Finally, Mewbourne as Operator hereby proposes to drill the captioned Dama Dorado 1/3 Fed Com #628H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 7,977 feet subsurface to evaluate the Third Bone Spring Sand Formation. The proposed well will have a measured depth (MD) of approximately 23,623 feet. The S/2S/2 of Sections 1, 2 and 3 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our Operating Agreement dated February 1, 2024, along with an extra set of signature pages and our AFEs dated January 19, 2024, for the captioned proposed wells. Please sign and return said AFEs and extra set of signature pages at your earliest convenience if you elect to participate in the captioned wells and WIU and return to me within thirty (30) days.

If you have any questions regarding the above, please email me at <u>bblandford@mewbourne.com</u> or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Braxton Blandford

Landman

AUTHORIZATION FOR EXPENDITURE

Well Name: DAMA DORADA 1/3 FED COM #62	6Н	Ţij.	Prosp	ect:)AM	A DORADA			
Location: SL: 950 FSL & 245 FEL (1); BHL: 18	20 FSL & 100 FWL (3)		Co	unty:	DD	Y		s	T: NM
Sec. 1 Blk: Survey:		TWP:	208	RNG	27	E Prop. TVD	: 7954	TMD:	23641
INTANGIBLE CO	STS 0180			CODE		ТСР	CODE		cc
Regulatory Permits & Surveys	510 0100		ŀ	0180-01	_		0180-0200		
ocation / Road / Site / Preparation				0180-01	_		0180-0205		\$35,000
ocation / Restoration Daywork / Turnkey / Footage Drilling 28 day	o dela / 2 dava coma @ (P100 000 901	-	0180-01	_	\$200,000			\$100,000
	/s drlg / 3 days comp @ \$ pal/day @ \$3.90/gal	526,000/d		0180-01		\$837,300 \$198,300			\$89,700 \$358,600
Alternate Fuels	juli dali 😅 poloci gal			0180-01	_	\$100,000	0180-0215		\$82,000
Mud, Chemical & Additives				0180-01	20		0180-0220		
Mud - Specialized				0180-01	21	\$380,000			****
Horizontal Drillout Services Stimulation Toe Preparation					+		0180-0222 0180-0223	-	\$300,000 \$25,000
Dementing				0180-01	25	\$75,000	0180-0225		\$210,000
ogging & Wireline Services				0180-01	30	\$40,000	0180-0230		\$456,400
Casing / Tubing / Snubbing Service				0180-01			0180-0234		\$30,000
Mud Logging Stimulation 77 Sto	30.8 MMgal & 30.8 MMI	lbe		0180-01	37	\$15,000	0180-0241	-	\$3,390,000
Stimulation Rentals & Other	30.0 Mivigal & 30.0 Mivi	ibs	-		-		0180-0241		\$295,000
Water & Other				0180-0	45	\$35,000	0180-0245		\$313,300
Bits				0180-01	-		0180-0248		
nspection & Repair Services				0180-01	-	\$60,000	0180-0250	•	\$5,000
Misc. Air & Pumping Services Testing & Flowback Services				0180-0°	_	\$12,000	0180-0254 0180-0258		\$10,000 \$24,000
Completion / Workover Rig	11			0 100-0	130	\$12,000	0180-0250		\$10,500
Rig Mobilization				0180-0	164	\$150,000	0.00 0200		0.0,00
Transportation				0180-0	165		0180-0265		\$60,000
Welding, Construction, & Maint. Services				0180-0	_		0180-0268		\$16,500
Contract Services & Supervision Directional Services Includ	es vertical control			0180-01 0180-01		\$149,000 \$480,600	0180-0270	-	\$76,900
Equipment Rental	es vertical control		-	0180-0	_		0180-0280	_	\$100,000
Well / Lease Legal				0180-0			0180-0284		\$100,000
Well / Lease Insurance				0180-0	_		0180-0285		
Intangible Supplies				0180-0	_		0180-0288		\$1,000
Damages Pipeline Interconnect & ROW Easements			-	0180-0 0180-0		\$10,000	0180-0290 0180-0292		\$10,000 \$5,000
Company Supervision				0180-0	-	\$115.200	0180-0292		\$43,200
Overhead Fixed Rate				0180-0	-		0180-0296		\$20,000
Contingencies 5% (TCP) 5% (C	C)			0180-0	199	\$164,800	0180-0299		\$303,400
		TC	TAL			\$3,460,700			\$6,370,500
TANGIBLE COS	STS 0181								
Casing (19.1" - 30")				0181-0	_				
	54.5# J-55 ST&C @ \$47.92/ 40# HCL80 LT&C @ \$40.67			0181-0 0181-0	-	\$40,900 \$128,100			
	HPP110 CDC @ \$38.93/ft	71t		0181-0	\rightarrow	\$354,000		_	
	20# HPP-110 @ \$27.12/ft					V	0181-0797	7	\$442,400
	.5# L-80 IPC Tbg @ \$13.00)/ft					0181-0798	3	\$108,000
Drilling Head				0181-0	860	\$50,000		+	#00.00
Tubing Head & Upper Section Horizontal Completion Tools				-	\dashv		0181-0870 0181-0871	_	\$30,000 \$75,000
Subsurface Equip. & Artificial Lift							0181-0880		\$40,00
Service Pumps (1/4) TP/CP/C	irc, pump						0181-0886	_	\$6,00
Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB						0181-0890		\$136,00
	(2) VRU / Flare / (3) KO / A	NR		-	_		0181-0892		\$118,00
Separation / Treating Equipment (1/4) (4) H Se Automation Metering Equipment	o / (2) V Sep / (4) VHT			-			0181-0898 0181-0898		\$72,00 \$79,00
Oil/Gas Pipeline-Pipe/Valves&Misc							0181-0900		\$45,00
Water Pipeline-Pipe/Valves & Misc							0181-0901	1	\$34,00
On-site Valves/Fittings/Lines&Misc							0181-0906	-	\$213,00
Wellhead Flowlines - Construction Cathodic Protection				<u> </u>			0181-090		\$33,00 \$
Electrical Installation			-	-	-		0181-090		\$140,00
Equipment Installation							0181-091		\$139,00
Oil/Gas Pipeline - Construction							0181-092		\$46,00
Water Pipeline - Construction				<u> </u>			0181-092	1	\$26,00
		T	OTAL			\$573,000	<u></u>		\$1,782,40
		SUBT	OTAL			\$4,033,700			\$8,152,90
	TOTAL	WELL CO	ST	I		\$12	186,600		
Extra Expense Insurance I elect to be covered by Operator's E Operator has secured Extra Expense I I elect to purchase my own well con If neither box is checked above, non-operating working interes	nsurance covering costs of trol insurance policy.	well control, cl	ean up	and red	rilling		ine Item 018	80-0185	2
	I. Buckley		Date		9/202	24			
	Duomoy			-	J. 201				
Company Approval:			Date	:					
Joint Owner Interest: Amo	ount:								
Joint Owner Name:		Signatur	re:						

AUTHORIZATION FOR EXPENDITURE

Well Name: DAMA DORADA 1/3 FED COM #628H	Prosp	ect: DA	MA DORADA		
Location: SL: 950 FSL & 265 FEL (1); BHL: 500 FSL & 100 FWL (3)	Cou	inty: EDI	ΟΥ		ST: NM
Sec. 1 Bik: Survey: TWP: 20	os	RNG:	Prop. TVD	: 7977	TMD: 23623
INTANGIBLE COSTS 0180	7	CODE	ТСР	CODE	cc
Regulatory Permits & Surveys	ŀ	0180-0100		0180-0200	- 00
Location / Road / Site / Preparation	_	0180-0105		0180-0205	\$35,000
Location / Restoration Daywork / Turnkey / Footage Drilling 28 days drlg / 3 days comp @ \$28,000/d		0180-0106	\$200,000		\$100,000
Daywork / Turnkey / Footage Drilling 28 days drlg / 3 days comp @ \$28,000/d Fuel 1700 gal/day @ \$3.90/gal	_	0180-0110 0180-0114	\$837,300 \$198,300		\$89,700 \$358,600
Alternate Fuels	_	0180-0115		0180-0215	\$82,000
Mud, Chemical & Additives		0180-0120		0180-0220	
Mud - Specialized Horizontal Drillout Services		0180-0121	\$380,000		\$200,000
Stimulation Toe Preparation				0180-0222 0180-0223	\$300,000 \$25,000
Cementing		0180-0125	\$75,000	0180-0225	\$210,000
Logging & Wireline Services		0180-0130		0180-0230	\$456,400
Casing / Tubing / Snubbing Service Mud Logging		0180-0134 0180-0137		0180-0234	\$30,000
Stimulation 77 Stg 30.8 MMgal & 30.8 MMlbs		0100-0137	\$15,000	0180-0241	\$3,390,000
Stimulation Rentals & Other				0180-0242	\$295,000
Water & Other		0180-0145	\$35,000	0180-0245	\$313,300
Bits		0180-0148		0180-0248	#5.000
Inspection & Repair Services Misc. Air & Pumping Services		0180-0150 0180-0154		0180-0250 0180-0254	\$5,000 \$10,000
Testing & Flowback Services		0180-0154		0180-0254	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization	_	0180-0164			
Transportation Welding, Construction, & Maint. Services		0180-0165 0180-0168		0180-0265 0180-0268	\$60,000
Contract Services & Supervision	_	0180-0168		0180-0268	\$16,500 \$76,900
Directional Services Includes vertical control	_	0180-0175		0100-0210	ψ10,300
Equipment Rental	_	0180-0180		0180-0280	\$100,000
Well / Lease Legal		0180-0184		0180-0284	
Well / Lease Insurance	_	0180-0185		0180-0285	84.000
Intangible Supplies Damages	\dashv	0180-0188 0180-0190		0180-0288 0180-0290	\$1,000 \$10,000
Pipeline Interconnect & ROW Easements	_	0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195		0180-0295	\$43,200
Overhead Fixed Rate		0180-0196			\$20,000
Contingencies 5% (TCP) 5% (CC)		0180-0199		0180-0299	\$303,400
TO	TAL		\$3,460,700		\$6,370,500
TANGIBLE COSTS 0181					
Casing (19.1" - 30") Casing (10.1" - 19.0") 800' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft		0181-0793			
	-	0181-0795			
1Casing (6.1 - 10.0) 2950 - 9 5/8 40# HCL80 L1&C (0.540.67/ft					
Casing (8.1" - 10.0") 2950' - 9 5/8" 40# HCL80 LT&C @ \$40,67/ft Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft		0181-0796	\$354,700		
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft			\$354,700	0181-0797	
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13,00/ft		0181-0796		0181-0797 0181-0798	
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13,00/ft Drilling Head				0181-0798	\$108,200
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13,00/ft		0181-0796			\$108,200 \$30,000
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13.00/ft Drilling Head Tubing Head & Upper Section		0181-0796		0181-0798 0181-0870	\$108,200 \$30,000 \$75,000
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13,00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump		0181-0796		0181-0798 0181-0870 0181-0871 0181-0880 0181-0886	\$108,200 \$30,000 \$75,000 \$40,000 \$6,000
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13,00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB		0181-0796		0181-0798 0181-0870 0181-0871 0181-0880 0181-0886 0181-0890	\$108,200 \$30,000 \$75,000 \$40,000 \$6,000 \$136,000
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13.00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB Emissions Control Equipment (1/4) (4) VRT / (2) VRU / Flare / (3) KO / AIR		0181-0796		0181-0798 0181-0870 0181-0871 0181-0880 0181-0886 0181-0890 0181-0892	\$108,200 \$30,000 \$75,000 \$40,000 \$6,000 \$136,000 \$118,000
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13,00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB		0181-0796		0181-0798 0181-0870 0181-0871 0181-0880 0181-0886 0181-0890	\$108,200 \$30,000 \$75,000 \$40,000 \$6,000 \$136,000 \$118,000 \$72,000
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13.00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB Emissions Control Equipment (1/4) (4) VRT / (2) VRU / Flare / (3) KO / AIR Separation / Treating Equipment (1/4) (4) H Sep / (2) V Sep / (4) VHT Automation Metering Equipment (1/4) (4) H Sep / (2) V Sep / (4) VHT		0181-0796		0181-0798 0181-0870 0181-0880 0181-0886 0181-0890 0181-0892 0181-0895 0181-0898 0181-0900	\$108,200 \$30,000 \$75,000 \$40,000 \$6,000 \$136,000 \$118,000 \$72,000 \$79,000
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13.00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB Emissions Control Equipment (1/4) (4) VRT / (2) VRU / Flare / (3) KO / AIR Separation / Treating Equipment (1/4) (4) H Sep / (2) V Sep / (4) VHT Automation Metering Equipment (1/4) (4) H Sep / (2) V Sep / (4) VHT Oil/Gas Pipeline-Pipe/Valves&Misc Water Pipeline-Pipe/Valves & Misc		0181-0796		0181-0798 0181-0870 0181-0880 0181-0886 0181-0890 0181-0892 0181-0895 0181-0990 0181-0900 0181-0900	\$108,200 \$30,000 \$75,000 \$40,000 \$6,000 \$136,000 \$118,000 \$72,000 \$79,000 \$45,000
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13,00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB Emissions Control Equipment (1/4) (4) VRT / (2) VRU / Flare / (3) KO / AIR Separation / Treating Equipment (1/4) (4) H Sep / (2) V Sep / (4) VHT Automation Metering Equipment Oil/Gas Pipeline-Pipe/Valves&Misc Water Pipeline-Pipe/Valves & Misc On-site Valves/Fittings/Lines&Misc		0181-0796		0181-0798 0181-0870 0181-0871 0181-0880 0181-0890 0181-0892 0181-0895 0181-0898 0181-0900 0181-0901 0181-0901	\$108,200 \$30,000 \$75,000 \$40,000 \$136,000 \$118,000 \$72,000 \$79,000 \$45,000 \$34,000
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13,00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB Emissions Control Equipment (1/4) (4) VRT / (2) VRU / Flare / (3) KO / AIR Separation / Treating Equipment (1/4) (4) H Sep / (2) V Sep / (4) VHT Automation Metering Equipment Oil/Gas Pipeline-Pipe/Valves&Misc Water Pipeline-Pipe/Valves & Misc On-site Valves/Fittings/Lines&Misc Wellhead Flowlines - Construction		0181-0796		0181-0798 0181-0870 0181-0880 0181-0886 0181-0890 0181-0895 0181-0895 0181-0990 0181-0900 0181-0901 0181-0901	\$108,200 \$30,000 \$75,000 \$40,000 \$6,000 \$136,000 \$72,000 \$79,000 \$45,000 \$34,000 \$213,000 \$33,000
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13,00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB Emissions Control Equipment (1/4) (4) VRT / (2) VRU / Flare / (3) KO / AIR Separation / Treating Equipment (1/4) (4) H Sep / (2) V Sep / (4) VHT Automation Metering Equipment Oil/Gas Pipeline-Pipe/Valves&Misc Water Pipeline-Pipe/Valves & Misc On-site Valves/Fittings/Lines&Misc		0181-0796		0181-0798 0181-0870 0181-0871 0181-0880 0181-0890 0181-0892 0181-0895 0181-0898 0181-0900 0181-0901 0181-0901	\$108,200 \$30,000 \$75,000 \$40,000 \$136,000 \$118,000 \$72,000 \$79,000 \$45,000 \$34,000 \$213,000
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13.00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB Emissions Control Equipment (1/4) (4) VRT / (2) VRU / Flare / (3) KO / AIR Separation / Treating Equipment (1/4) (4) H Sep / (2) V Sep / (4) VHT Automation Metering Equipment Oil/Gas Pipeline-Pipe/Valves&Misc Water Pipeline-Pipe/Valves & Misc On-site Valves/Fittings/Lines&Misc Wellhead Flowlines - Construction Cathodic Protection Electrical Installation		0181-0796		0181-0798 0181-0870 0181-0880 0181-0886 0181-0890 0181-0895 0181-0895 0181-0990 0181-0900 0181-0901 0181-0907 0181-0908	\$108,200 \$30,000 \$75,000 \$40,000 \$6,000 \$118,000 \$72,000 \$79,000 \$34,000 \$213,000 \$314,000 \$314,000 \$3140,000 \$139,000
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13.00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB Emissions Control Equipment (1/4) (4) VRT / (2) VRU / Flare / (3) KO / AIR Separation / Treating Equipment (1/4) (4) H Sep / (2) V Sep / (4) VHT Automation Metering Equipment Oil/Gas Pipeline-Pipe/Valves & Misc On-site Valves/Fittings/Lines&Misc Wellhead Flowlines - Construction Cathodic Protection Electrical Installation Oil/Gas Pipeline - Construction Oil/Gas Pipeline - Construction		0181-0796		0181-0798 0181-0870 0181-0880 0181-0890 0181-0895 0181-0895 0181-0895 0181-0900 0181-0901 0181-0906 0181-0909 0181-0909 0181-0909 0181-0910 0181-0910	\$108,200 \$30,000 \$75,000 \$40,000 \$6,000 \$118,000 \$72,000 \$79,000 \$34,000 \$34,000 \$314,000 \$314,000 \$314,000 \$314,000 \$314,000 \$314,000 \$314,000
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13,00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB Emissions Control Equipment (1/4) (4) VRT / (2) VRU / Flare / (3) KO / AIR Separation / Treating Equipment (1/4) (4) H Sep / (2) V Sep / (4) VHT Automation Metering Equipment Oil/Gas Pipeline-Pipe/Valves & Misc On-site Valves/Fittings/Lines & Misc Wellhead Flowlines - Construction Cathodic Protection Electrical Installation Equipment Installation Oil/Gas Pipeline - Construction Water Pipeline - Construction		0181-0796	\$50,000	0181-0798 0181-0870 0181-0871 0181-0880 0181-0890 0181-0892 0181-0990 0181-0900 0181-0900 0181-0900 0181-0900 0181-0900 0181-0900 0181-0920 0181-0921	\$108,200 \$30,000 \$75,000 \$40,000 \$136,000 \$118,000 \$72,000 \$45,000 \$34,000 \$34,000 \$31,000 \$31,000 \$140,000 \$140,000 \$140,000 \$140,000 \$140,000 \$140,000 \$140,000 \$140,000 \$140,000 \$140,000 \$140,000
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13,00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB Emissions Control Equipment (1/4) (4) VRT / (2) VRU / Flare / (3) KO / AIR Separation / Treating Equipment (1/4) (4) H Sep / (2) V Sep / (4) VHT Automation Metering Equipment Oil/Gas Pipeline-Pipe/Valves & Misc On-site Valves/Fittings/Lines & Misc Wellhead Flowlines - Construction Cathodic Protection Electrical Installation Equipment Installation Oil/Gas Pipeline - Construction Water Pipeline - Construction	DTAL	0181-0796		0181-0798 0181-0870 0181-0871 0181-0880 0181-0890 0181-0892 0181-0990 0181-0900 0181-0900 0181-0900 0181-0900 0181-0900 0181-0900 0181-0920 0181-0921	\$108,200 \$30,000 \$75,000 \$40,000 \$136,000 \$118,000 \$72,000 \$45,000 \$34,000 \$34,000 \$31,000 \$31,000 \$140,000 \$140,000 \$140,000 \$140,000 \$140,000 \$140,000 \$140,000 \$140,000 \$140,000 \$140,000 \$140,000
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13,00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB Emissions Control Equipment (1/4) (4) VRT / (2) VRU / Flare / (3) KO / AIR Separation / Treating Equipment (1/4) (4) H Sep / (2) V Sep / (4) VHT Automation Metering Equipment Oil/Gas Pipeline-Pipe/Valves & Misc On-site Valves/Fittings/Lines & Misc Wellhead Flowlines - Construction Cathodic Protection Electrical Installation Equipment Installation Oil/Gas Pipeline - Construction Water Pipeline - Construction		0181-0796	\$50,000	0181-0798 0181-0870 0181-0871 0181-0880 0181-0890 0181-0895 0181-0898 0181-0900 0181-0901 0181-0908 0181-0909 0181-0909 0181-0910 0181-0921	\$108,200 \$30,000 \$75,000 \$40,000 \$6,000 \$118,000 \$72,000 \$79,000 \$45,000 \$34,000 \$314,000 \$314,000 \$139,000 \$139,000 \$146,000 \$1,781,600
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13.00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB Emissions Control Equipment (1/4) (4) VRT / (2) VRU / Flare / (3) KO / AIR Separation / Treating Equipment Oil/Gas Pipeline-Pipe/Valves&Misc Water Pipeline-Pipe/Valves & Misc On-site Valves/Fittings/Lines&Misc Wellhead Flowlines - Construction Cathodic Protection Electrical Installation Oil/Gas Pipeline - Construction Water Pipeline - Construction Water Pipeline - Construction	TAL	0181-0796	\$50,000 \$573,700 \$4,034,400	0181-0798 0181-0870 0181-0871 0181-0880 0181-0890 0181-0892 0181-0990 0181-0900 0181-0900 0181-0900 0181-0900 0181-0901 0181-0920 0181-0921	\$108,200 \$30,000 \$75,000 \$40,000 \$6,000 \$118,000 \$72,000 \$79,000 \$45,000 \$34,000 \$314,000 \$314,000 \$139,000 \$139,000 \$146,000 \$1,781,600
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13.00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB Emissions Control Equipment (1/4) (4) VRT / (2) VRU / Flare / (3) KO / AIR Separation / Treating Equipment Oil/Gas Pipeline-Pipe/Valves&Misc Water Pipeline-Pipe/Valves & Misc On-site Valves/Fittings/Lines&Misc Wellhead Flowlines - Construction Cathodic Protection Electrical Installation Equipment Installation Oil/Gas Pipeline - Construction Water Pipeline - Construction TO SUBTO	TAL	0181-0796	\$50,000 \$573,700 \$4,034,400	0181-0798 0181-0870 0181-0871 0181-0880 0181-0890 0181-0895 0181-0898 0181-0900 0181-0901 0181-0908 0181-0909 0181-0909 0181-0910 0181-0921	\$108,200 \$30,000 \$75,000 \$40,000 \$6,000 \$118,000 \$72,000 \$79,000 \$45,000 \$34,000 \$314,000 \$314,000 \$139,000 \$139,000 \$146,000 \$1,781,600
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13.00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB Emissions Control Equipment (1/4) (4) VRT / (2) VRU / Flare / (3) KO / AIR Separation / Treating Equipment (1/4) (4) H Sep / (2) V Sep / (4) VHT Automation Metering Equipment Oil/Gas Pipeline-Pipe/Valves & Misc On-site Valves/Fittings/Lines&Misc Wellhead Flowlines - Construction Cathodic Protection Electrical Installation Equipment Installation Oil/Gas Pipeline - Construction Water Pipeline - Construction To SUBTO	ST	0181-0796	\$50,000 \$573,700 \$4,034,400 \$12,	0181-0798 0181-0870 0181-0871 0181-0880 0181-0890 0181-0892 0181-0990 0181-0900 0181-0900 0181-0900 0181-0900 0181-0901 0181-0920 0181-0921	\$108,200 \$30,000 \$75,000 \$40,000 \$6,000 \$118,000 \$72,000 \$79,000 \$45,000 \$34,000 \$314,000 \$314,000 \$139,000 \$146,000 \$146,000 \$1,781,600
Casing (6.1" - 8.0") 8530' - 7" 29# HPP110 CDC @ \$38.93/ft Casing (4.1" - 6.0") 15240' - 5 1/2" 20# HPP-110 @ \$27.12/ft Tubing 7795' - 2 7/8 6.5# L-80 IPC Tbg @ \$13.00/ft Drilling Head Tubing Head & Upper Section Horizontal Completion Tools Subsurface Equip. & Artificial Lift Service Pumps (1/4) TP/CP/Circ. pump Storage Tanks (1/4) (8) OT/ (6) WT/ (2) GB Emissions Control Equipment (1/4) (4) VRT / (2) VRU / Flare / (3) KO / AIR Separation / Treating Equipment (1/4) (4) H Sep / (2) V Sep / (4) VHT Automation Metering Equipment Oil/Gas Pipeline-Pipe/Valves&Misc Water Pipeline-Pipe/Valves & Misc On-site Valves/Fittings/Lines&Misc Wellhead Flowlines - Construction Cathodic Protection Electrical Installation Equipment Installation Oil/Gas Pipeline - Construction Water Pipeline - Construction Water Pipeline - Construction TO SUBTO	OTAL ST	0181-0796	\$50,000 \$573,700 \$4,034,400 \$12,	0181-0798 0181-0870 0181-0871 0181-0880 0181-0892 0181-0895 0181-0898 0181-0900 0181-0901 0181-0908 0181-0909 0181-0909 0181-0909 0181-0909 0181-0909	\$108,200 \$30,000 \$75,000 \$40,000 \$6,000 \$136,000 \$72,000 \$79,000 \$34,000 \$34,000 \$313,000 \$313,000 \$139,000 \$139,000 \$1,781,600 \$8,152,100
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Summary of Communications Dama Dorado 1/3 Fed Com #626H Dama Dorado 1/3 Fed Com #628H All of Section 1, 2, and 3, T20S, R27E Eddy County, New Mexico

OXY USA WTP LP

<u>1/31/2024</u>: Mailed a Working Interest Unit, Well Proposal and Joint Operating Agreement to the above listed party.

2/7/2024: Email correspondence with the above listed party regarding the Working interest unit.

2/15/2024: Email correspondence with the above listed party regarding the Working interest unit.

3/28/2024: Email correspondence with the above listed party regarding the Working interest unit.

4/2/2024: Email correspondence with the above listed party regarding the Working interest unit.

4/10/2024: Email correspondence with the above listed party regarding the Working interest unit.

5/8/2024: Email correspondence with the above listed party regarding the Working interest unit.

6/18/2024: Phone correspondence with the above listed party regarding the Working interest unit.

V-F Petroleum, Inc.

<u>1/31/2024:</u> Hand delivered a Working Interest Unit, Well Proposal and Joint Operating Agreement to the above listed party.

<u>2/14/2024:</u> Email correspondence with the above listed party regarding the Working interest unit.

<u>3/28/2024:</u> Emailed Joint Operating Agreement to the above listed party.

4/2/2024: Email correspondence with the above listed party regarding the Working interest unit.

<u>4/10/2024:</u> Email correspondence with the above listed party regarding the Working interest unit.

Brooks Oil & Gas Interests, Ltd.

<u>1/31/2024</u>: Mailed a Working Interest Unit, Well Proposal and Joint Operating Agreement to the above listed party.

<u>2/5/2024:</u> Phone correspondence with the above listed party regarding the Working Interest unit.

<u>2/19/2024</u>: Phone & Email correspondence with the above listed party regarding the Working interest unit.

2/28/2024: Email correspondence with the above listed party regarding the Working interest unit.

3/20/2024: Phone correspondence with the above listed party regarding the Working Interest unit.

3/28/2024: Phone correspondence with the above listed party regarding the Working Interest unit.

5/6/2024: Phone correspondence with the above listed party regarding the Working Interest unit.

<u>5/9/2024</u>: Email and Phone correspondence with the above listed party regarding the Working Interest unit.

5/22/2024: Email correspondence with the above listed party regarding the Working interest unit.

6/19/2024: Phone correspondence with the above listed party regarding the Working interest unit.

Blackstone Minerals

<u>1/31/2024</u>: Mailed a Working Interest Unit, Well Proposal and Joint Operating Agreement to the above listed party.

2/20/2024: Email correspondence with the above listed party regarding the Working interest unit.

2/26/2024: Email correspondence with the above listed party regarding the Working interest unit.

2/28/2024: Email correspondence with the above listed party regarding the Working interest unit.

<u>3/7/2024:</u> Email correspondence with the above listed party regarding the Working interest unit.

3/27/2024: Email correspondence with the above listed party regarding the Working interest unit.

4/24/2024: Email correspondence with the above listed party regarding the Working interest unit.

T. Verne Dwyer, Sole and Separate Property u/w/o Agnes W. Dwyer, Deceased

<u>1/31/2024</u>: Mailed a Working Interest Unit, Well Proposal and Joint Operating Agreement to the above listed party.

<u>2/20/2024</u>: Phone correspondence with the above listed party regarding the Well Proposal and Working Interest Unit. Left a Voicemail.

<u>4/24/2024:</u> Phone correspondence with the above listed party regarding the Well Proposal and Working Interest Unit. Left a Voicemail.

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

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

APPLICATION OF MEWBOURNE OIL COMPANY FOR APPROVAL OF A NON-STANDARD HORIZONTAL SPACING AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 24552

SELF-AFFIRMED STATEMENT OF BRAXTON BLANDFORD

COUNTY OF MIDLAND)
) ss.
STATE OF TEXAS)

Braxton Blandford deposes and states:

- 1. I am a Landman for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the land matters for the wells involved in this case. I have been qualified by the Division at numerous hearings as an expert petroleum landman.
 - 2. The following information is submitted as requested by Division Examiners.
- 3. In this case Mewbourne seeks, in part, an order approving a 1,924.32-acre non-standard horizontal spacing unit in the Bone Spring formation (Avalon; Bone Spring [Pool Code 96381]) comprised of Lots 1-4 (the N/2N/2) of Section 1, Lots 1-4 (the N/2N/2) of Section 2, Lots 1-4 (the N/2N/2) of Section 3, the S/2N/2 and S/2 of Section 1, the S/2N/2 and S/2 of Section 2, and the S/2N/2 and S/2 of Section 3 (collectively all of Sections 1, 2, and 3), Township 20 South, Range 27 East, NMPM. The unit will be dedicated to four three-mile lateral wells:
 - (a) the Dama Dorado 1/3 Fed Com #626H, to be drilled from a surface hole location in the SE/4SE/4 (Unit P) of Section 1 to a bottom hole location in the NW/4SW/4 (Unit L) of Section 3; and
 - (b) the Dama Dorado Fed Com #628H, to be drilled from a surface hole location in the SE/4SE/4 (Unit P) of Section 1 to a bottom hole location in the SW/4SW/4 (Unit M) of Section 3; and

Mewbourne Oil Company Case No. 24552 Exhibit A-7

- (c) the Dama Dorado 1/3 Fed Com #622H, to be drilled from a surface hole location that is to be determined to a bottom hole location in the NW/4NW/4 (Unit D) of Section 3; and
- (d) the Dama Dorado 1/3 Fed Com #624H, to be drilled from a surface hole location that is to be determined to a bottom hole location in the SW/4NW/4 (Unit E) of Section 3.
- 4. Mewbourne requests the non-standard unit for the following reasons:
- (a) Mewbourne is the operator of the Bone Spring formation in all three sections of land.
- (b) The non-standard unit will allow Mewbourne to minimize surface use for an extra battery, oil and gas sales lines, and a water disposal line. The surface disturbance reduction amounts to >14.5 acres.
- (c) The non-standard unit will reduce facilities costs by over \$1,000,000 for the initial planned development. If multiple targets within the Bone Spring are proven productive and developed in a similar way, cost savings could increase up to >\$5,000,000.
- (d) The non-standard unit will reduce VOC emissions by >30%, from 100 TPY to 66 TPY for the initial planned development. If multiple targets within the Bone Spring are proven productive and developed in a similar way, this could increase to up to >40%.
- 5. Sections 1, 2, and 3 are comprised of state and federal lands. Certified notice of the non-standard unit was mailed to the Bureau of Land Management and the Commissioner of Public Lands, who received the mailings. They have not informed Mewbourne of any objection to the requested well unit.
- 6. The granting of this application is in the interests of conservation, the protection of correlative rights, 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 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: 8/26/2024

Braxton Blandford

APPLICATION OF MEWBOURNE OIL COMPANY FOR APPROVAL OF A NON-STANDARD HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 24552

SELF-AFFIRMED STATEMENT OF CHARLES CROSBY

- 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 horizontal activity map/subsea structure map that depicts the Dama Dorado spacing unit in the Bone Spring Formation, and is representative of the targeted intervals.
- 4. The approximate wellbore paths for the Dama Dorado 1/3 Fed Com 626H and Dama Dorado 1/3 Fed Com 628H ("Wells") are depicted by dashed lines on Exhibit B-1. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells. Exhibit B-1 also shows a line of 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.
- 5. **Exhibit B-2** 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

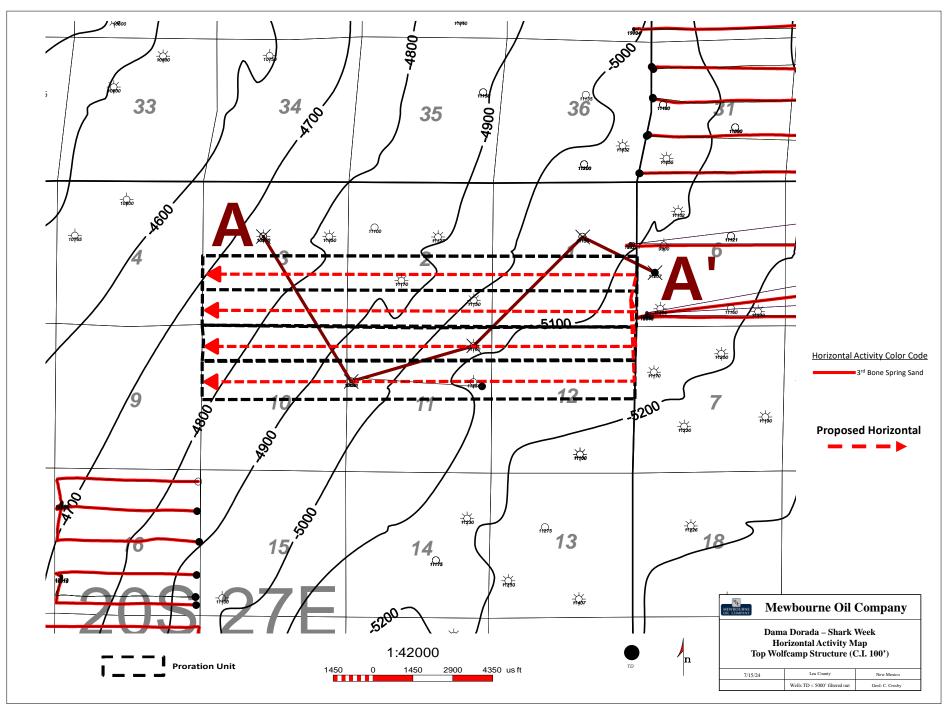
Mewbourne Oil Company Case No. 24552 Exhibit B ray, resistivity and porosity. The proposed landing zones for the wells are labeled on the exhibit.

This cross-section demonstrates that the target interval is continuous across the Units.

- 6. In my opinion, a laydown 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.
- 7. 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.
- 8. 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.
- 9. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 10. 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.

CHARLES CROSBY

8/14/2024 Date



Mewbourne Oil Company Case No. 24552 Exhibit B-1

Page 31 of 47

APPLICATION OF MEWBOURNE OIL COMPANY FOR APPROVAL OF A NON-STANDARD HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 24552

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

- I am attorney in fact and authorized representative of Mewbourne Oil Company, the Applicant herein.
- 2. I have reviewed the Notice Letter attached as **Exhibit C-1.** Co-counsel for Mewbourne Oil Company, James Bruce, caused the Notice Letter, along with the Application in this case, to be sent to the parties shown on the certified mail returns shown as Exhibit **C-2**.
- 3. Copies of the certified mail green cards and white slips are attached as **Exhibit** C-2.
- 4. On July 13, 2024, James Bruce caused a notice to be published to all interested parties in the Carlsbad Current-Argus. An Copy of the Publication from the Carlsbad Current-Argus, is attached as **Exhibit C-3**.
- 5. 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 Dana S. Hardy August 16, 2024 Date

> Mewbourne Oil Company Case No. 24552 Exhibit C

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

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

(505) 982-2043 (Phone) (505) 660-6612 (Cell) (505) 982-2151 (Fax)

jamesbruc@aol.com

July 3, 2024

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, requesting the following relief:

Case No. 24552: Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a non-standard horizontal spacing unit comprised of Lots 1-4 (the N/2N/2) of Section 1, Lots 1-4 (the N/2N/2) of Section 2, Lots 1-4 (the N/2N/2) of Section 3, the S/2N/2 and S/2 of Section 1, the S/2N/2 and S/2 of Section 2, and the S/2N/2 and S/2 of Section 3 (collectively All of Sections 1, 2, and 3), Township 20 South, Range 27 East, NMPM (containing 1924.32 acres). The unit will initially be dedicated to (a) the Dama Dorado 1/3 Fed. Com. Well No. 626H, with a first take point in the NE/4SE/4 of Section 1 and a last take point in the NW/4SW/4 of Section 3, and (b) the Dama Dorado 1/3 Fed. Com. Well No. 628H, with a first take point in the SE/4SE/4 of Section 1 and a last take point in the SW/4SW/4 of Section 3.

Also to be considered will be the cost of drilling, completing, testing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells.

This matter is scheduled for hearing at 8:30 a.m. on Thursday, July 25, 2024. The hearing may be attended (a) in person in Pecos Hall of the Wendell Chino Building, 1st Floor, 1220 South St. Francis Drive, Santa Fe New Mexico 87505, or (b) via the WebEx virtual meeting platform. To view the hearing docket and to determine how to participate in an electronic hearing, go to https://www.emnrd.nm.gov/ocd/hearing-info/, or contact Freya Tschantz at freya.tschantz@emnrd.nm.gov. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure

Mewbourne Oil Company Case No. 24552 Exhibit C-1 to appear at that time and become a party of record will preclude you from contesting this matter at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than five business days before the hearing date. This statement may be filed online with the Division at <u>ocd.hearings@emnrd.nm.gov</u>, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT A

OXY USA WTP, LP Attn: Jonathan Gonzales 5 Greenway Plaza, Suite 110 Houston, Texas 77046-0521

Fasken Land and Minerals, Ltd. Attn: Mike Wallace 6101 Holiday Hill Road Midland, Texas 79707

Chevron USA, Inc. Attn: Scott Sabrsula 1400 Smith Street Houston, Texas 77002

Ben Fortson P.O. Box 1260 Fort Worth, Texas 76101

Waterloo Resources, LLC Attn: Noble Smith P.O. Box 2266 Midland, Texas 79702

Chief Capital (O&G) II LLC Attn: Jace McKenzie 8111 Westchester Drive, Suite 900 Dallas, Texas 75225

V-F Petroleum, Inc. Attn: Land Department P.O. Box 1889 Midland, Texas 79702

Jamesco Operating, Inc. Attn: Jill Lancaster 729 Grapevine Highway, Suite 133 Hurst, Texas 76054 T. Verne Dwyer
508 W. Wall Street, Suite 403
Midland, Texas 79701-5077

Blackstone Minerals Attn: Travis Hall 1001 Fannin, Suite 2020 Houston, Texas 77002

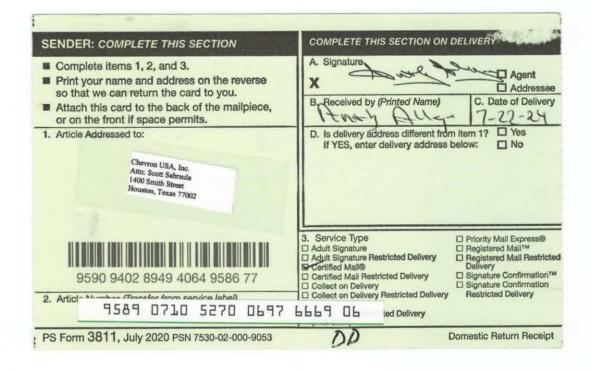
Brooks Oil and Gas Interests, Ltd. Attn: Harry Ramsey 335 Mundy Dr Sedona, Arizona 86351-9545

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Mewbourne Oil Company Case No. 24552 Exhibit C-2

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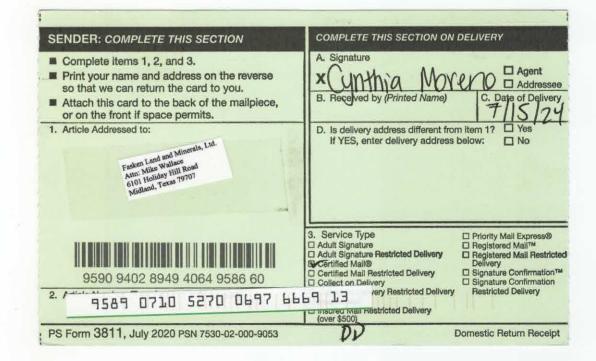
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NOTICE

To: OXY USA WTP LIMITED PARTNERSHIP, FASKEN LAND AND MINERALS, LTD., CHEV-RON U.S.A. INC. V-F PETRO-LEUM, INC., BROOKS OIL & GAS INTERESTS, LTD., BEN FORTSON, WATERLOO RESOURCES, LLC, CHIEFCAPITAL (O&G) II LLC, JAMESCO OPERATING, INC., T. VERNE DWYER, and BLACKSTONE MINERALS, or or assigns: Mewbourne Oil Company has filed the following application with the New Mexico Oil Conservation Division seeking the following relief

Case No. 24552: Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a non-standard horizontal spacing unit comprised of Lots 1-4 (the N/2N/2) of Sec-tion 1, Lots 1-4 (the N/2N/2) of Section 2, Lots 1-4 (the N/2N/2) of Section 3, the S/2N/2 and S/2 of Section 1, the S/2N/2 and S/2 of Section 2, and the S/2N/2 and S/2 of Section 3 (collectively All of Sections 1, 2, and 3), Township 20 South, Range 27 East, NMPM (containing 1924.32 acres). The unit will initially be dedicated to (a) the Dama Dorado 1/3 Fed. Com. Well No. 626H, with a first take point in the NE/4SE/4 of Section 1 and a last take point in the NW/4SW/4 of Section 3, and (b) the Dama Dorado 1/3 Fed. Com. Well No. 628H, with a first take point in the SE/4SE/4 of Section 1 and a last take point in the SW/4SW/4 of Section 3.

Also to be considered will be the cost of drilling, completing, equipping, and testing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, equipping, and testing the wells.

This matter is scheduled for hearing at 8:30 a.m. on Thursday, July 25, 2024. The hearing may be attended (a) in person in Pecos Hall of the Wendell Chino Building, 1st Floor, 1220 South St. Francis Drive, Santa Fe New Mexico 87505, or (b) via the WebEx virtual meeting platform. To view the hearing docket and to determine how to participate in an electronic hearing, go to https:// www.emnrd.nm.gov/ocd/hearing-info/, or contact Freya Tschantz at freya.tschantz@emnrd.nm.gov. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than five business days before the hearing date.

This statement may be filed online with the Division at ocd. hearings@emnrd.nm.gov, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the attorney for applicant, James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, jamesbruc@aol.com. The unit is located approximately 7 miles east-southeast of Lakewood, New Mexico.

3030-Published in the Carlsbad Current-Argus on July 13, 2024.

Mewbourne Oil Company Case No. 24552 Exhibit C-3