

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

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

Case No. 24791

EXHIBIT INDEX

Exhibit A	Self-Affirmed Statement of Braxton Blandford
A-1	Application and Proposed Notice of Hearing
A-2	C-102
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties
A-4	Sample Well Proposal Letter and AFEs
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Justin Roeder
B-1	General Location Map
B-2	Subsea Structure Map
B-3	Stratigraphic Cross Section
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties and Certified Mail Receipts
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication from August 24, 2024

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24791	APPLICANT'S RESPONSE
Hearing Date: September 12, 2024	
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company (OGRID No. 14744)
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico.
Entries of Appearance/Intervenors:	None.
Well Family	Woodford
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code:	Travis, Bone Spring Pool (Code 97257)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 acres
Building Blocks:	quarter-quarter
Orientation:	West to East
Description: TRS/County	N/2 N/2 of Section 27 and the N/2 NW/4 of Section 26, Township 18 South, Range 28 East, Eddy County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	No.
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
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	Woodford 27/26 State Com 611H (API # pending) SHL: 2380' FNL & 155' FWL (Unit E), Section 27, T18S-R28E BHL: 600' FNL & 2507' FWL (Unit C), Section 26, T18S-R28E Completion Target: Bone Spring (Approx. 8,296' TVD)
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A-4
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits C-1, C-2, C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A

Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	9/5/2024

**STATE OF NEW MEXICO
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OIL CONSERVATION DIVISION**

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

Case No. 24791

**SELF-AFFIRMED STATEMENT
OF BRAXTON BLANDFORD**

1. I am a Landman with Mewbourne Oil Company (“Mewbourne”). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in the above-referenced case. Copies of Mewbourne’s Application and proposed hearing notice are attached as **Exhibit A-1**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

4. Mewbourne applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Section 27 and the N/2 NW/4 of Section 26, Township 18 South, Range 28 East, Eddy County, New Mexico (“Unit”).

5. The Unit will be dedicated to the Woodford 27/26 State Com #611H (B3DC) well (“Well”), which will be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 27 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 26.

6. The Well will be completed in the Travis, Bone Spring Pool (Code 97257).


**Mewbourne Oil Company
Case No. 24791
Exhibit A**

6. The completed interval of the Well will be orthodox.
7. **Exhibit A-2** contains the C-102 for the Well.
8. **Exhibit A-3** contains a plat that identifies ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Mewbourne seeks to pool highlighted in yellow. The only party Mewbourne seeks to pool is locatable in that Mewbourne believes it has located a valid address.
9. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to the working interest owners for the Well. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
10. Mewbourne has conducted a diligent search of all county public records, including phone directories, internet searches, and computer databases to identify all potential addresses and contact information for each interest owner it seeks to pool.
11. In my opinion, Mewbourne made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit A-5**.
12. Mewbourne requests overhead and administrative rates of \$8,000.00 per month while the Well is being drilled and \$800.00 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Mewbourne and other operators in the vicinity.
13. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
14. In my opinion, the granting of Mewbourne's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

15. I understand this Self-Affirmed Statement will be used as written testimony in 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.



Braxton Blandford



Date

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

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

CASE NO. 24791

APPLICATION

Pursuant to NMSA § 70-2-17, Mewbourne Oil Company (OGRID No. 14744) (“Applicant”) applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Section 27 and the N/2 NW/4 of Section 26, Township 18 South, Range 28 East, Eddy County, New Mexico (“Unit”). In support of this application, the Applicant states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Woodford 27/26 State Com #611H (B3DC)** well (“Well”), which will be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 27 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 26.
3. The completed interval of the Well will be orthodox.
4. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.
5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**Mewbourne Oil Company
Case No. 24791
Exhibit A-1**

6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated as operator of the Well and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 12, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as the operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Dylan M. Villescas

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

dvilescas@hinklelawfirm.com

Counsel for Mewbourne Oil Company

Application of Mewbourne Oil Company, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Section 27 and the N/2 NW/4 of Section 26, Township 18 South, Range 28 East, Eddy County, New Mexico (“Unit”). The Unit will be dedicated to the **Woodford 27/26 State Com #611H (B3DC)** well (“Well”), which will be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 27 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 26. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as operator of the Unit and Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 21 miles North-Northeast of Carlsbad, New Mexico.

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name WOODFORD 27/26 STATE COM			6 Well Number 611H
7 GRID NO.		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3558'

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
E	27	18S	28E		2380	NORTH	155	WEST	EDDY

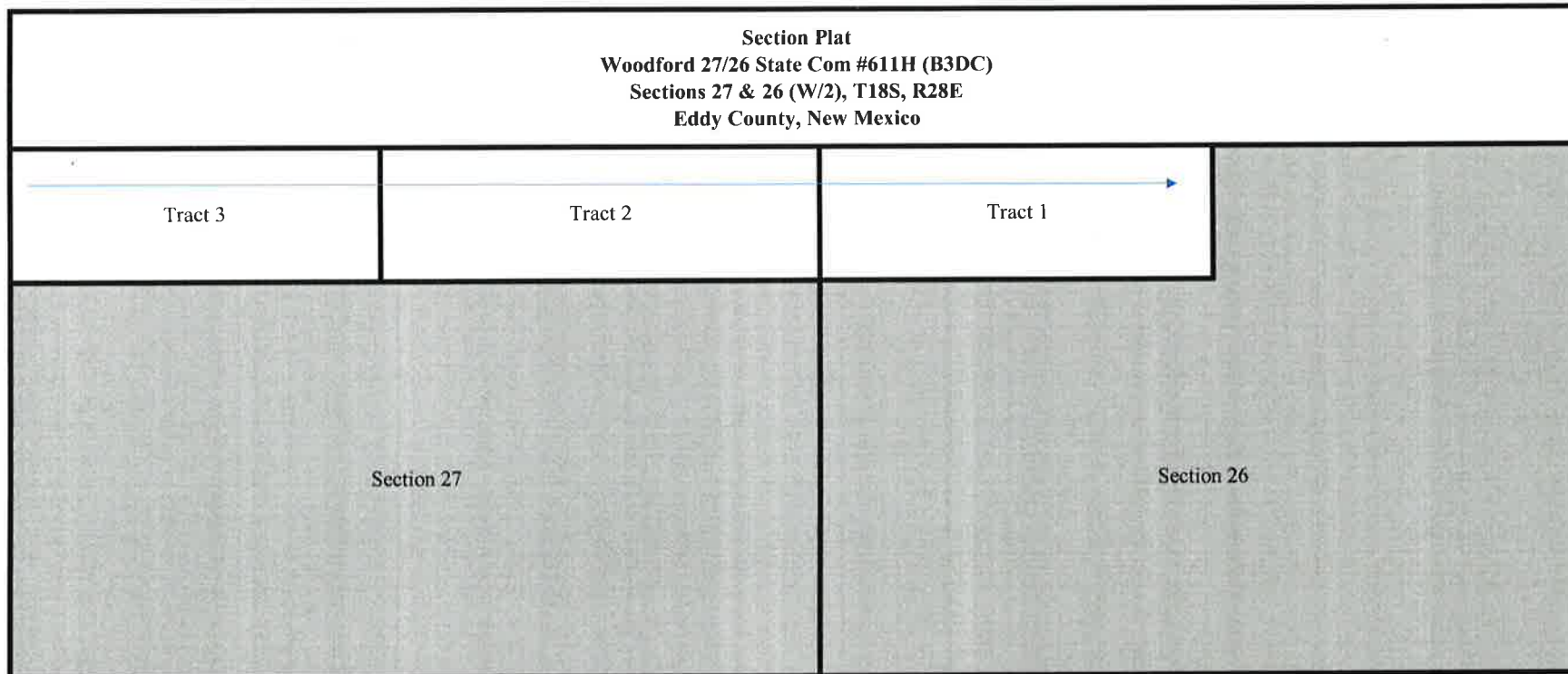
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	26	18S	28E		660	NORTH	2507	WEST	EDDY

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p>16</p> <p style="text-align: center;">CORNER DATA NAD 83 GRID - NM EAST</p> <table style="width: 100%;"> <tr> <td>A: FOUND BRASS CAP "1941" N: 622603.9 - E: 590847.9</td> <td>H: FOUND BRASS CAP "1941" N: 625395.8 - E: 601241.2</td> </tr> <tr> <td>B: FOUND BRASS CAP "1941" N: 625246.1 - E: 590842.4</td> <td>I: FOUND BRASS CAP "1941" N: 622744.4 - E: 601240.5</td> </tr> <tr> <td>C: FOUND BRASS CAP "1941" N: 627888.3 - E: 590836.8</td> <td>J: FOUND BRASS CAP "1941" N: 622712.4 - E: 598636.8</td> </tr> <tr> <td>D: FOUND BRASS CAP "1941" N: 627927.4 - E: 593433.2</td> <td>K: FOUND BRASS CAP "1941" N: 622680.8 - E: 596034.8</td> </tr> <tr> <td>E: FOUND BRASS CAP "1941" N: 627965.4 - E: 596028.1</td> <td>L: FOUND BRASS CAP "1941" N: 622642.1 - E: 593443.4</td> </tr> <tr> <td>F: FOUND BRASS CAP "1941" N: 628004.1 - E: 598635.8</td> <td>M: FOUND BRASS CAP "1941" N: 625324.5 - E: 596034.3</td> </tr> <tr> <td>G: FOUND BRASS CAP "1941" N: 628042.7 - E: 601243.0</td> <td></td> </tr> </table> <p>GEODETIC DATA NAD 83 GRID - NM EAST</p> <p>SURFACE LOCATION N: 625511.3 - E: 590996.7 LAT: 32.7194666° N LONG: 104.1718626° W</p> <p>BOTTOM HOLE N: 627342.8 - E: 598535.9 LAT: 32.7244668° N LONG: 104.1473380° W</p>	A: FOUND BRASS CAP "1941" N: 622603.9 - E: 590847.9	H: FOUND BRASS CAP "1941" N: 625395.8 - E: 601241.2	B: FOUND BRASS CAP "1941" N: 625246.1 - E: 590842.4	I: FOUND BRASS CAP "1941" N: 622744.4 - E: 601240.5	C: FOUND BRASS CAP "1941" N: 627888.3 - E: 590836.8	J: FOUND BRASS CAP "1941" N: 622712.4 - E: 598636.8	D: FOUND BRASS CAP "1941" N: 627927.4 - E: 593433.2	K: FOUND BRASS CAP "1941" N: 622680.8 - E: 596034.8	E: FOUND BRASS CAP "1941" N: 627965.4 - E: 596028.1	L: FOUND BRASS CAP "1941" N: 622642.1 - E: 593443.4	F: FOUND BRASS CAP "1941" N: 628004.1 - E: 598635.8	M: FOUND BRASS CAP "1941" N: 625324.5 - E: 596034.3	G: FOUND BRASS CAP "1941" N: 628042.7 - E: 601243.0		<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
A: FOUND BRASS CAP "1941" N: 622603.9 - E: 590847.9	H: FOUND BRASS CAP "1941" N: 625395.8 - E: 601241.2														
B: FOUND BRASS CAP "1941" N: 625246.1 - E: 590842.4	I: FOUND BRASS CAP "1941" N: 622744.4 - E: 601240.5														
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G: FOUND BRASS CAP "1941" N: 628042.7 - E: 601243.0															
	<p>18 SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>06/04/2024 Date of Survey</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>19680 Certificate Number</p> <p style="text-align: center;">ROBERT M. HOWETT PROFESSIONAL SURVEYOR NEW MEXICO 19680</p>														



Tract 1: N/2NW/4 of Section 26- State Lease VC-1092-0000

Mewbourne Oil Company
BEXP II Omega, LLC
BEXP II Alpha, LLC

Tract 2: N/2NE/4 of Section 27 -State Lease X0-0647-0421

Mewbourne Oil Company
EOG Resources, Inc.

Tract 3: N/2NW/4 of Section 27-State Lease X0-0647-0421

Mewbourne Oil Company
EOG Resources, Inc.
ZPZ Delaware I, LLC
OXY USA WTP LP

Mewbourne Oil Company
Case No. 24791
Exhibit A-3

RECAPITULATION FOR WOODFORD 27/26 STATE COM #611H (B3DC)

	Number of Acres Committed	Percentage of Interest in Communitized Area
1	80	33.33333%
2	80	33.33333%
3	80	33.33333%
TOTAL	240	100.000000%

N/2NW/4 of Section 26 & N/2N/2 of Section 27

Bone Spring Formation:

Owner	<u>% of Leasehold Interest</u>
Mewbourne Oil Company, et al.	83.333333%
* ZPZ Delaware I, LLC	16.666667%
TOTAL	100.000000%

* Total Interest Being Pooled: 16.666667%

OWNERSHIP BY TRACT

N/2NW/4 of Section 26

Owner	<u>% of Leasehold Interest</u>
Mewbourne Oil Company, et al	100.000000%
TOTAL	100.000000%

N/2NE/4 of Section 27

Owner	<u>% of Leasehold Interest</u>
Mewbourne Oil Company	84.201388%
EOG Resources, Inc.	15.798612%
TOTAL	100.000000%

N/2NW/4 of Section 27

Owner	<u>% of Leasehold Interest</u>
Mewbourne Oil Company, et al.	50.000000%
ZPZ Delaware I, LLC	50.000000%
TOTAL	100.000000%

*Party to be pooled is highlighted in yellow.

MEWBOURNE OIL COMPANY

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

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

July 29, 2024

Via Overnight Mail

ZPZ Delaware I, LLC
2000 W. Sam Houston Pkwy S, Suite 200
Houston, Texas 77042
Attn: Land Department

Re: Woodford 27/26 State Com #526H (B2LK) 2,420' FNL & 155' FWL (Section 27) 2,050' FSL & 2,504' FWL (Section 26)	Woodford 27/26 State Com #611H (B3DC) 2,380' FNL & 155' FWL (Section 27) 660' FNL & 2,507' FWL (Section 26)
Woodford 27/26 State Com #614H (B3EF) 2,400' FNL & 155' FWL (Section 27) 2,050' FNL & 2,504' FWL (Section 26)	Woodford 27/26 State Com #616H (B3LK) 2,440' FNL & 155' FWL (Section 27) 1,800' FSL & 2,503' FWL (Section 26)

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne"), as Operator, proposes to form a 960.00 acre Working Interest Unit ("WIU") covering the W/2 of the captioned Section 26 and Section 27 (ALL) for oil and gas production. The targeted interval is the Bone Spring formation. Our Title Opinion indicates 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 Woodford 27/26 State Com #526H 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 7,437 feet subsurface to evaluate the Second Bone Spring Sand Formation. The proposed well will have a measured depth (MD) of approximately 14,721 feet. The N/2SW/4 of Section 26 and the N/2S/2 of Section 27 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned Woodford 27/26 State Com #611H 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 8,296 feet subsurface to evaluate the Third Bone Spring Sand Formation. The proposed well will have a measured depth (MD) of approximately 15,772 feet. The N/2NW/4 of Section 26 and the N/2N/2 of Section 27 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned Woodford 27/26 State Com #614H 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 8,354 feet subsurface to evaluate the Third Bone Spring Sand Formation. The proposed well will have a measured depth (MD) of approximately 15,608 feet. The S/2NW/4 of Section 26 and the S/2N/2 of Section 27 will be dedicated to the well as the proration unit.

Finally, Mewbourne as Operator hereby proposes to drill the captioned Woodford 27/26 State Com #616H 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 8,417 feet subsurface to evaluate the Third Bone Spring Sand Formation. The proposed well will have a measured depth (MD) of

approximately 15,705 feet. The N/2SW/4 of Section 26 and the N/2S/2 of Section 27 will be dedicated to the well as the proration unit.

Regarding the above, previously provided to you was our Operating Agreement dated March 1, 2023, along with an extra set of signature pages, if you would like another copy of the Operating Agreement please let me know. Enclosed you will find our AFEs dated July 12, 2024, for the captioned proposed wells. If you elect to participate in the captioned wells and WIU please sign said AFEs and Operating Agreement and return to me within thirty (30) days.

Additionally, enclosed for your execution are Communitization Agreements for the above captioned wells. Please execute each in triplicate originals and return to my attention.

If 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



Braxton Blandford
Landman

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: WOODFORD 27/26 STATE COM #611H (B3DC) **Prospect:** ILLINOIS CAMP
Location: SL: 2380 FNL & 155 FWL (27); BHL: 660 FNL & 2507 FWL (26) **County:** Eddy **ST:** NM
Sec. 27 **Blk:** **Survey:** **TWP:** 18S **RNG:** 28E **Prop. TVD:** 8296 **TMD:** 15772

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$40,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$150,000	0180-0206	\$70,000
Daywork / Turnkey / Footage Drilling	12 days drlg / 3 days comp @ \$28000/d	0180-0110	\$358,800	0180-0210	\$89,700
Fuel	1700 gal/day @ \$3.9/gal	0180-0114	\$85,000	0180-0214	\$150,000
Alternate Fuels		0180-0115		0180-0215	\$53,000
Mud, Chemical & Additives		0180-0120	\$45,000	0180-0220	
Mud - Specialized		0180-0121	\$240,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$250,000
Stimulation Toe Preparation				0180-0223	\$25,000
Cementing		0180-0125	\$165,000	0180-0225	\$50,000
Logging & Wireline Services		0180-0130	\$34,000	0180-0230	\$227,000
Casing / Tubing / Snubbing Services		0180-0134	\$40,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$15,000		
Stimulation	37 Stg 14.9 MM gal / 14.9 MM lb			0180-0241	\$1,611,000
Stimulation Rentals & Other				0180-0242	\$196,000
Water & Other	100% PW @ \$0.35/bbl	0180-0145	\$35,000	0180-0245	\$133,000
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	\$70,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision		0180-0170	\$85,500	0180-0270	\$57,000
Directional Services	Includes Vertical Control	0180-0175	\$171,000		
Equipment Rental	ESP	0180-0180	\$98,000	0180-0280	\$125,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,100	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$54,000	0180-0295	\$28,800
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$99,700	0180-0299	\$164,400
TOTAL			\$2,092,900		\$3,451,900

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	405' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft	0181-0794	\$20,700		
Casing (8.1" - 10.0")	800' - 9 5/8" 40# HCL80 LT&C @ \$38.51/ft	0181-0795	\$32,900		
Casing (6.1" - 8.0")	7753' - 7" 29# HPP110 BT&C @ \$34.18/ft	0181-0796	\$283,000		
Casing (4.1" - 6.0")	8219' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$19.44/ft			0181-0797	\$170,600
Tubing	7500' - 2 7/8" 6.5# L-80 IPC Tbg @ \$10.5/ft			0181-0798	\$84,100
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	(1/6) TP/CP/Circ pump			0181-0886	\$7,000
Storage Tanks	(1/6) (6)OT/(5)WT/(1)GB			0181-0890	\$72,000
Emissions Control Equipment	(1/6) (3)VRT/(1)VRU/(1)FLARE/(3)KO/(1)AIR			0181-0892	\$62,000
Separation / Treating Equipment	(1/6) (1)BULK H SEP/(3)TEST H SEP 500#/(1)V SEP 500#/(3)			0181-0895	\$62,000
Automation Metering Equipment				0181-0898	\$79,000
Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0900	\$61,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	\$29,000
On-site Valves/Fittings/Lines&Misc				0181-0906	\$158,000
Wellhead Flowlines - Construction				0181-0907	\$104,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$218,000
Equipment Installation				0181-0910	\$84,000
Oil/Gas Pipeline - Construction				0181-0920	\$165,000
Water Pipeline - Construction				0181-0921	\$34,000
TOTAL			\$386,600		\$1,519,700
SUBTOTAL			\$2,479,500		\$4,971,600

TOTAL WELL COST \$7,451,100

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: Ryan McDaniel Date: 7/10/2024
 Company Approval: *M. Whittier* Date: 7/12/2024

Joint Owner Interest: _____ Amount: _____
 Joint Owner Name: _____ Signature: _____

Summary of Communications
Woodford 27/26 State Com #611H (B3DC)
N/2N/2 of Section 27 & N/2NW/4 of Section 26
T18S-R28E, Eddy County, NM

ZPZ Delaware I, LLC

4/18/2023: Mailed Working Interest Unit, Well Proposal and Joint Operating Agreement to the above listed party.

5/16/2023: Email correspondence with the above listed party regarding the Well Proposal and Working Interest Unit.

5/24/2023: Email correspondence with the above listed party regarding the Well Proposal and Working Interest Unit.

6/8/2023: Email correspondence with the above listed party regarding the Well Proposal and Working Interest Unit.

7/11/2023: Email correspondence with the above listed party regarding the Well Proposal and Working Interest Unit.

7/17/2023: Email correspondence with the above listed party regarding the Well Proposal and Working Interest Unit.

7/28/2023: Email correspondence with the above listed party regarding the Well Proposal and Working Interest Unit.

7/29/2024: Mailed new Well Proposal to the above listed party.

8/8/2024: Email correspondence with the above listed party regarding the Well Proposal and Working Interest Unit.

8/13/2024: Email correspondence with the above listed party regarding the Well Proposal and Working Interest Unit.

8/20/2024: Email correspondence with the above listed party regarding the Well Proposal and Working Interest Unit.

9/4/2024: Phone correspondence with the above listed party regarding the Well Proposal and Working Interest Unit.

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

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

Case No. 24791

**SELF-AFFIRMED STATEMENT
OF JUSTIN ROEDER**

1. I am employed by Mewbourne Oil Company (“Mewbourne”) as a geologist. I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”), and my credentials as an expert in petroleum geology matters were accepted and made a matter of record.

2. I am familiar with the geological matters that pertain to the above-referenced case.

3. **Exhibit B-1** is a general location map that depicts the Woodford 27/26 State Com #611H spacing unit.

4. **Exhibit B-2** is a subsea structure map for the Middle 3rd Bone Spring Sand that is representative of the targeted interval. The contour intervals are 50' feet. The approximate wellbore path for the Woodford 27/26 State Com #611H (B3DC) well (“Well”) is depicted by dashed lines. Existing producing wells in the targeted interval are represented by solid red lines. The map demonstrates the formation is dipping to the southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted interval with horizontal wells.

5. Exhibit B-2 also identifies five wells penetrating the targeted intervals that I used to prepare a structural cross-section from A to A'. I used these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology in the area.

**Mewbourne Oil Company
Case No. 24791
Exhibit B**

6. **Exhibit B-3** is a stratigraphic cross-section that I prepared using the logs from the representative wells shown on Exhibit B-2. Each well log on the cross-section contains gamma ray, resistivity and porosity. The proposed landing zone for the Well is labeled on the exhibit. This cross-section demonstrates that the target interval is continuous across the Units.

7. In my opinion, a laydown orientation for the proposed Well is appropriate to properly develop the subject acreage because of an established directional pattern and the known fracture orientation in this portion of the trend.

8. Based on my geologic study of the area, the targeted interval underlying the Units is suitable for development by horizontal wells and the tracts comprising the Units will contribute more or less equally to the production of the Well.

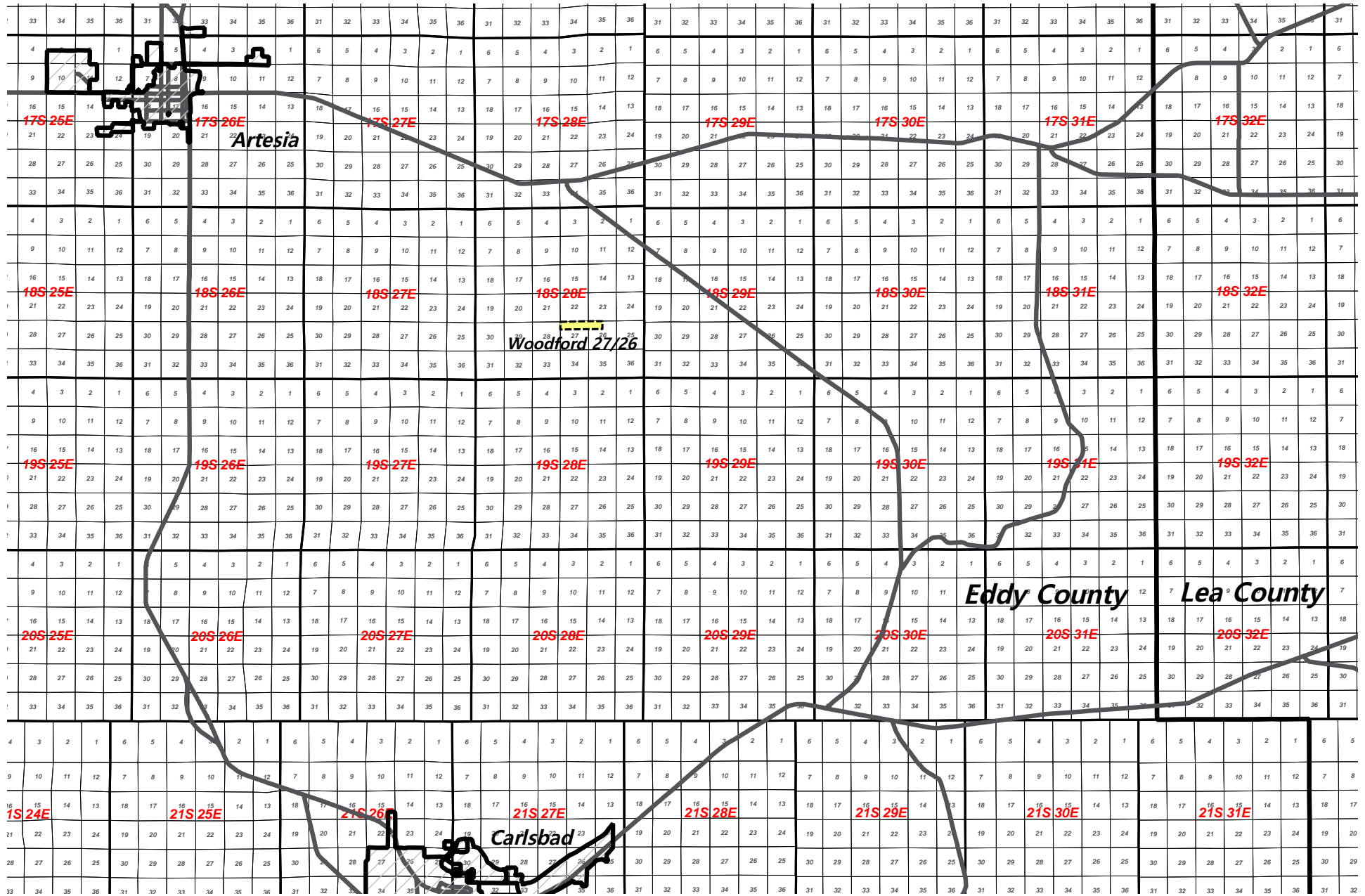
9. In my opinion, the granting of Mewbourne's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

10. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

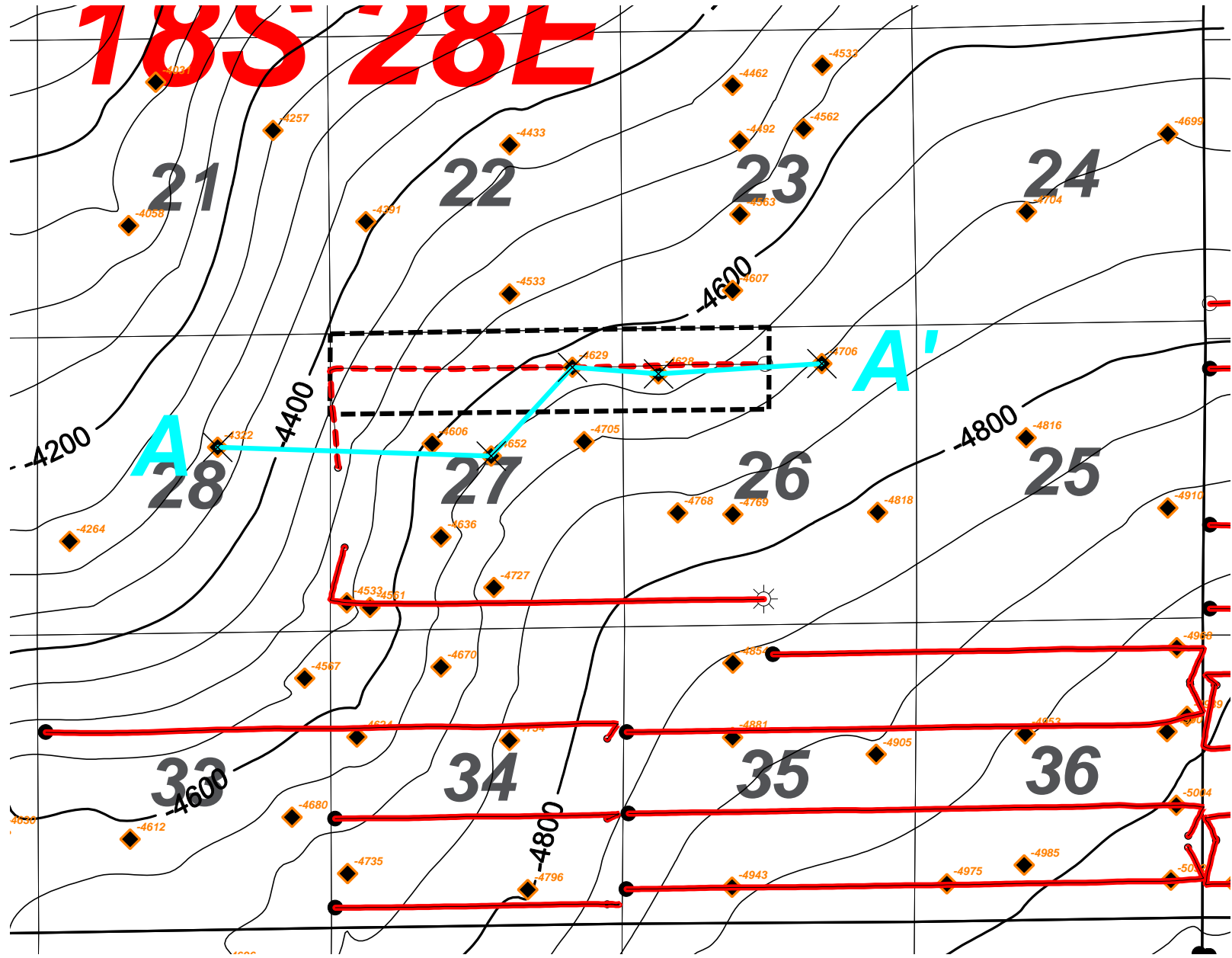
11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.


Justin Roeder

8/28/24
Date



Mewbourne Oil Company
 Case No. 24791
 Exhibit B-1



- 3RD SAND HORIZONTAL
- - - PROPOSED WELL
- - - SPACING UNIT



Mewbourne Oil Company
 Case No. 24791
 Exhibit B-2

MOC Mewbourne Oil Company		
Woodford 27/26 State Com #611H		
3 rd Bone Spring Sand Horizontal Well Activity		
Middle 3 rd Bone Spring Sand Sub-Sea Structure		
J. Roeder	8/28/2024	50' Contour Interval
Eddy County	New Mexico	27-18S-28E

WOODFORD 27/26 - 3RD BONE SPRING SAND X-SECTION

A

3001533703000
 HONDO OIL & GAS CO
 HONDO SINCLAIR STAT 01
 1580 PALM FEL
 TWP: 18 S - Range: 28 E - Sec: 28
 Datum=3550.00
 Reference=08
 Status=GAS

4859 ft

3001530317000

DEVON ENERGY CORP
 STATE BIV COM 2
 2710 PALM FEL
 Datum=3550.00
 Reference=08
 Status=OIL

2135 ft

3001530565000
 DEVON ENERGY CORP
 STATE BIV COM 3
 680 PALM FEL
 TWP: 18 S - Range: 28 E - Sec: 27
 Datum=3575.00
 Reference=08
 Status=OIL

1530 ft

3001530316000
 MARATHON OIL CO
 GEORGE PAGAN 26 STA 001
 850 PALM FEL
 TWP: 18 S - Range: 28 E - Sec: 26
 Datum=3538.00
 Reference=08
 Status=OIL

2909 ft

3001533628000
 XEROX OIL & GAS CORP
 BERTTA 26 STATE CO 1
 680 PALM FEL
 Datum=3492.00
 Reference=08
 Status=OIL

A'

28G-18S-28E

27G-18S-28E

27A-18S-28E

26D-18S-28E

26B-18S-28E

WOODFORD
27/26
TARGET

0

0

TD=10550.00

TD=10520.00

TD=10550.00

TD=10550.00

TD=10200.00

Mewbourne Oil Company
 Case No. 24791
 Exhibit B-3

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

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

CASE NO. 24791

**SELF-AFFIRMED STATEMENT
OF DANA S. HARDY**

1. I am attorney in fact and authorized representative of Mewbourne Oil Company, the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter, along with the Application in this case, to be sent to the party set out in the chart attached as **Exhibit C-2**.

3. Exhibit C-2 also provides the date the Notice Letter was sent and the date the return was received.

4. Copies of the certified mail green card and white slip are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On August 24, 2024, I caused a notice to be published to all interested parties in the Carlsbad Current-Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current-Argus, along with a copy of the notice publication, is attached as **Exhibit C-4**.

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

/s/ Dana S. Hardy
Dana S. Hardy

September 4, 2024
Date

**Mewbourne Oil Company
Case No. 24791
Exhibit C**



HINKLE SHANOR LLP
ATTORNEYS AT LAW

P.O. BOX 2068
SANTA FE, NEW MEXICO 87504
505-982-4554 (FAX) 505-982-8623

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

hinklelawfirm.com

August 7, 2024

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 24791 – Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **September 12, 2024**, beginning at 8:15 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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

If you have any questions about this application, please contact Braxton Blandford, Landman at Mewbourne Oil Company, bblandford@mewbourne.com or (432) 682-3715.

Sincerely,

/s/ Dana S. Hardy
Dana S. Hardy

Mewbourne Oil Company
Case No. 24791
Exhibit C-1

PO BOX 10
ROSWELL, NEW MEXICO 88202
(575) 622-6510
FAX (575) 623-9332

7601 JEFFERSON ST NE · SUITE 180
ALBUQUERQUE, NEW MEXICO 87109
505-858-8320
FAX (505) 858-8321

PO BOX 2068
SANTA FE, NEW MEXICO 87504
(505) 982-4554
FAX (505) 982-8623

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

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

CASE NO. 24791

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
ZPZ Delaware I, LLC 2000 W. Sam Houston Parkway Suite 200 Houston, TX 77042	08/15/2024	Per USPS Tracking on 09/04/24: Item delivered on 08/19/24.

**Mewbourne Oil Company
Case No. 24791
Exhibit C-2**

9589 0710 5270 2159 7457 23

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT <i>Domestic Mail Only</i>	
For delivery information, visit our website at www.usps.com ®.	
OFFICIAL USE	
Certified Mail Fee \$ _____	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$ _____	
<input type="checkbox"/> Return Receipt (electronic) \$ _____	
<input type="checkbox"/> Certified Mail Restricted Delivery \$ _____	
<input type="checkbox"/> Adult Signature Required \$ _____	
<input type="checkbox"/> Adult Signature Restricted Delivery \$ _____	
Postage \$ _____	
Total Postage and Fees \$ _____	
Sent To ZPZ Delaware I, LLC 2000 W. Sam Houston Parkway S. Suite 200 Houston, TX 77042 24791 Mewbourne Woodford	
PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	

Mewbourne Oil Company
Case No. 24791
Exhibit C-3

USPS Tracking[®]

FAQs >

Tracking Number:

Remove X

9589071052702159745723

Copy

Add to Informed Delivery (<https://informedelivery.usps.com/>)

Latest Update

Your item was delivered to the front desk, reception area, or mail room at 1:41 pm on August 19, 2024 in HOUSTON, TX 77042.

Get More Out of USPS Tracking:

USPS Tracking Plus[®]

Delivered

Delivered, Front Desk/Reception/Mail Room

HOUSTON, TX 77042

August 19, 2024, 1:41 pm

[See All Tracking History](#)

Feedback

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

Text & Email Updates



USPS Tracking Plus[®]



Product Information



See Less ^

Track Another Package

Enter tracking or barcode numbers

Need More Help?

Contact USPS Tracking support for further assistance.

[FAQs](#)

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS
PO BOX 507
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS
COUNTY OF EDDY }

Account Number: 143
Ad Number: 10530
Description: Case #24791
Ad Cost: \$98.37

Nicole Bitton, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

August 24, 2024

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

N Bitton
Agent

Subscribed to and sworn to me this 24th day of August 2024.

Kelli Metzger
Notary Public, State of Ohio
MY COMMISSION EXPIRES OCTOBER 19, 2024
Notary Public
Van Wert County Ohio
ID#: _____
My commission expires: Oct-19, 2024

PUBLIC NOTICE

This is to notify all interested parties, including ZPZ Delaware I, LLC, and its successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Mewbourne Oil Company (Case No. 24791). The hearing will be conducted on September 12, 2024, in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Section 27 and the N/2 NW/4 of Section 26, Township 18 South, Range 28 East, Eddy County, New Mexico (Unit). The Unit will be dedicated to the Woodford 27/26 State Com #611H (B3DC) well (Well), which will be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 27 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 26. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as operator of the Unit and Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 21 miles North-Northeast of Carlsbad, New Mexico.

10530-Published in the Carlsbad Current-Argus on Aug 24, 2024.

TAMARA CHAVEZ
HINKLE SHANOR LLP
P.O. BOX 10
ROSWELL, NM 88202-0010

Mewbourne Oil Company
Case No. 24791
Exhibit C-4