

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

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

CASE NO. 25110

**NOTICE OF REVISED EXHIBITS**

Mewbourne Oil Company, applicant in the above-referenced case, gives notice that it is filing the attached revised exhibit for acceptance into the record.

**Revised Exhibit A** is a revised compulsory pooling checklist with the corrected pool name and code.

**Revised Exhibit C-2** are revised C-102s with corrected pool name and code.

**Revised Exhibit C-3** is a revised structural cross-section that removes the map overlapping the exhibit.

Respectfully submitted,

HOLLAND & HART LLP



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ATTORNEYS FOR MEWBOURNE OIL COMPANY

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING JANUARY 9, 2025**

**CASE No. 25110**

*FLYING DUTCHMAN 7/31 STATE COM #526H &  
#528H*

**LEA COUNTY, NEW MEXICO**



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

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

**CASE NO. 25110**

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  - Mewbourne Exhibit C-2: *Revised* C-102
  - Mewbourne Exhibit C-3: Land Tract Map / Uncommitted Interest Owners
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- **Mewbourne Exhibit D:** Self-Affirmed Statement of Charles Crosby, Geologist
  - Mewbourne Exhibit D-1: Locator map
  - Mewbourne Exhibit D-2: Subsea structure & cross-section map
  - Mewbourne Exhibit D-3: *Revised* Stratigraphic cross-section
- **Mewbourne Exhibit E:** Self-Affirmed Statement of Notice
- **Mewbourne Exhibit F:** Affidavit of Publication for the Case

# COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 25110	APPLICANT'S RESPONSE
Date	January 9, 2025
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company (OGRID No. 14744)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	None
Well Family	Flying Dutchman
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	WC-025 G-07 S193513B;BONE SPRING [97926]
Well Location Setback Rules:	Statewide rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horiztonal
Size (Acres)	1,574.79
Building Blocks:	40 acres
Orientation:	Standup / South to North
Description: TRS/County	Lots 1-4, E/2 W/2, and E/2 (entire Section equivalent) of irregular Section 31, Township 18 South, Range 36 East, and Lots 1-7, SE/4 NW/4, S/2 NE/4, E/2 SW/4, and SE/4 (entire Section equivalent) of irregular Section 6, and Lots 1-2, E/2 NW/4, and NE/4 (N/2 equivalent) of irregular Section 7, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico
	<p><b>BEFORE THE OIL CONSERVATION DIVISION</b>            Santa Fe, New Mexico            Revised Exhibit No. A            Submitted by: Mewbourne Oil Company            Hearing Date: January 9, 2025            Case No. 25110</p>
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	No. Applicant has filed a separate administrative application for approval of a non-standard spacing unit.
<b>Other Situations</b>	
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 C-3
<b>Well(s)</b>	
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	<b>Flying Dutchman 7/31 State Com 526H well</b> SHL: 2,640' FNL, 1,400' FEL (Unit G) of Section 7, T19S-R36E BHL: 100' FNL, 1,850' FEL (Unit B) of Section 31, T18S-R36E Target: Bone Spring Orientation: Standup / South to North Completion: Standard
Well #2	<b>Flying Dutchman 7/31 State Com 528H well</b> SHL: 2,640' FNL, 1,200' FEL (Unit H) of Section 7, T19S-R36E BHL: 100' FNL, 450' FEL (Unit A) of Section 31, T18S-R36E Target: Bone Spring Orientation: Standup / South to North Completion: Standard
Horizontal Well First and Last Take Points	<b>Exhibit C-2</b>
Completion Target (Formation, TVD and MD)	<b>Exhibit C-4</b>
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	<b>\$10,000</b>
Production Supervision/Month \$	<b>\$1,000</b>
Justification for Supervision Costs	<b>Exhibit C</b>
Requested Risk Charge	<b>200%</b>
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	<b>Exhibit B</b>
Proof of Mailed Notice of Hearing (20 days before hearing)	<b>Exhibit E</b>
Proof of Published Notice of Hearing (10 days before hearing)	<b>Exhibit F</b>
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	<b>Exhibit C-3</b>
Tract List (including lease numbers and owners)	<b>Exhibit C-3</b>
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	<b>N/A</b>
Pooled Parties (including ownership type)	<b>Exhibit C-3</b>
Unlocatable Parties to be Pooled	<b>N/A</b>
Ownership Depth Severance (including percentage above & below)	<b>N/A</b>
<b>Joinder</b>	
Sample Copy of Proposal Letter	<b>Exhibit C-4</b>
List of Interest Owners (ie Exhibit A of JOA)	<b>Exhibit C-3</b>
Chronology of Contact with Non-Joined Working Interests	<b>Exhibit C-4</b>
Overhead Rates In Proposal Letter	<b>Exhibit C-4</b>
Cost Estimate to Drill and Complete	<b>Exhibit C-4</b>
Cost Estimate to Equip Well	<b>Exhibit C-4</b>
Cost Estimate for Production Facilities	<b>Exhibit C-4</b>

Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-1
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D, D-3
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Paula M. Vance
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	1/2/2025

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

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

**CASE NO. 25110**

**APPLICATION**

Mewbourne Oil Company (“Mewbourne” or “Applicant”) (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a 1,600-acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation underlying Lots 1-4, E/2 W/2, and E/2 (entire Section equivalent) of irregular Section 31, Township 18 South, Range 36 East, and Lots 1-7, SE/4 NW/4, S/2 NE/4, E/2 SW/4, and SE/4 (entire Section equivalent) of irregular Section 6, and Lots 1-2, E/2 NW/4, and NE/4 (N/2 equivalent) of irregular Section 7, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. In support of its application, Mewbourne states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Flying Dutchman 7/31 State Com #526H**, to be drilled horizontally from a surface location in SW/4 NE/4 (Unit G) of irregular Section 7, T19S-R36E, a first take point in SW/4 NE/4 (Unit G) of irregular Section 7, T19S-R36E and last take point the NW/4 NE/4 (Unit B) of irregular Section 31, T18S-R31E; and **Flying Dutchman 7/31 State Com #528H**, to be drilled horizontally from a surface location in SE/4 NE/4 (Unit H) of irregular Section 7, T19S-R36E, a first take point

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: Mewbourne Oil Company  
Hearing Date: January 9, 2025  
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in SE/4 NE/4 (Unit H) of irregular Section 7, T19S-R36E and last take point the NE/4 NE/4 (Unit A) of irregular Section 31, T18S-R31E.

3. Applicant has filed a separate administrative application for approval of a non-standard spacing unit.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all mineral owners in the subject spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted mineral owners in the horizontal spacing unit;
- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;
- D. 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
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.



Respectfully submitted,

HOLLAND & HART LLP

By:   
\_\_\_\_\_  
Michael H. Feldewert  
Adam G. Rankin  
Paula M. Vance  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
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pmvance@hollandhart.com

**ATTORNEYS FOR MEWBOURNE OIL COMPANY**

CASE: \_\_\_\_\_

**Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a 1,600-acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation underlying Lots 1-4, E/2 W/2, and E/2 (entire Section equivalent) of irregular Section 31, Township 18 South, Range 36 East, and Lots 1-7, SE/4 NW/4, S/2 NE/4, E/2 SW/4, and SE/4 (entire Section equivalent) of irregular Section 6, and Lots 1-2, E/2 NW/4, and NE/4 (N/2 equivalent) of irregular Section 7, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. This spacing unit will be initially dedicated to the proposed **Flying Dutchman 7/31 State Com #526H**, to be drilled horizontally from a surface location in SW/4 NE/4 (Unit G) of irregular Section 7, T19S-R36E, a first take point in SW/4 NE/4 (Unit G) of irregular Section 7, T19S-R36E and last take point the NW/4 NE/4 (Unit B) of irregular Section 31, T18S-R31E; and **Flying Dutchman 7/31 State Com #528H**, to be drilled horizontally from a surface location in SE/4 NE/4 (Unit H) of irregular Section 7, T19S-R36E, a first take point in SE/4 NE/4 (Unit H) of irregular Section 7, T19S-R36E and last take point the NE/4 NE/4 (Unit A) of irregular Section 31, T18S-R31E. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, the operating costs and charges for supervision, the designation of applicant as operator of the proposed non-standard spacing unit, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 13 miles west of Hobbs, New Mexico.

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

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

**CASE NO. 25110**

**SELF-AFFIRMED STATEMENT OF PEYTON WARREN**

1. My name is Peyton Warren. I work for Mewbourne Oil Company (“Mewbourne”) as a Landman.
2. I have not previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. I have included a copy of my resume as **Mewbourne Exhibit C-1** for the Division to review and respectfully request that my credentials be accepted as a matter of record, and I be tendered as an expert in land matters.
3. I am familiar with the application filed by Mewbourne in this case, and I am familiar with the status of the lands in the subject area.
4. None of the uncommitted parties in this case have indicated opposition to proceeding by self-affirmed statement and, therefore, I do not expect any opposition at the hearing.
5. In **Case No. 25110**, Mewbourne seeks to pool the uncommitted interests in the Bone Spring formation (Pearl; Bone Spring; South [49865]) underlying a 1574.97-acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation underlying Lots 1-4, E/2 W/2, and E/2 (entire Section equivalent) of irregular Section 31, Township 18 South, Range 36 East, and Lots 1-7, SE/4 NW/4, S/2 NE/4, E/2 SW/4, and SE/4 (entire Section equivalent) of irregular Section 6, and Lots 1-2, E/2 NW/4, and NE/4 (N/2 equivalent) of irregular Section 7, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. Applicant seeks to initially

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: Mewbourne Oil Company  
Hearing Date: January 9, 2025  
Case No. 25110

dedicate the above-referenced spacing unit to the proposed **Flying Dutchman 7/31 State Com #526H**, to be drilled horizontally from a surface location in SW/4 NE/4 (Unit G) of irregular Section 7, T19S-R36E, a first take point in SW/4 NE/4 (Unit G) of irregular Section 7, T19S-R36E and last take point the NW/4 NE/4 (Unit B) of irregular Section 31, T18S-R31E; and **Flying Dutchman 7/31 State Com #528H**, to be drilled horizontally from a surface location in SE/4 NE/4 (Unit H) of irregular Section 7, T19S-R36E, a first take point in SE/4 NE/4 (Unit H) of irregular Section 7, T19S-R36E and last take point the NE/4 NE/4 (Unit A) of irregular Section 31, T18S-R31E.

6. **Mewbourne Exhibit C-2** contains a draft Form C-102 for the wells. The exhibit shows that the wells will be assigned to the Pearl; Bone Spring; South [49865]. Applicant has filed a separate administrative application for approval of a non-standard spacing unit.

7. **Mewbourne Exhibit C-3** identifies the tracts of land comprising the horizontal spacing unit, the ownership interests in each tract, and ownership interests on a spacing unit basis. The subject acreage is comprised of state and fee lands. The parties Mewbourne seeks to pool are highlighted in yellow.

8. **Mewbourne Exhibit C-4** contains a sample of the well proposal letter and AFEs sent to owners with a working interest. The costs reflected in the AFEs are consistent with what Mewbourne and other operators have incurred for drilling similar horizontal wells in the area in this formation.

9. Mewbourne requests that the overhead and administrative costs for drilling and producing the proposed wells be set at \$10,000 per month while drilling and \$1,000 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

10. **Mewbourne Exhibit C-5** contains a general summary of the contacts with the uncommitted interest owners. As indicated in the exhibit, Mewbourne has made a good faith effort to locate and has had communications with all of the parties that it seeks to pool in this case in an effort to reach voluntary joinder. In my opinion, Mewbourne has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

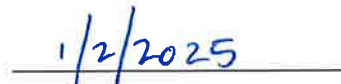
11. Mewbourne has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that Mewbourne seeks to pool and instructed that they be notified of this hearing. Mewbourne has conducted a diligent search of all public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

12. **Mewbourne Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.

13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Peyton Warren



Date

# Peyton Warren

3600 N Edwards St., Apt. 3219, Midland, TX 79705  
(405) 650-5818 | pwarren@mewbourne.com

## EDUCATION

**Texas Tech University, Rawls College of Business**

*Bachelor of Business Administration in Energy Commerce*

Lubbock, TX  
Graduation: May 2023

## WORK EXPERIENCE

**Mewbourne Oil Company**

*Landman*

Tyler/Midland, TX  
June 2023 - Present

- Negotiate and prepare oil and gas leases, letters, assignments and agreements
- Responsible for setting up billing and revenue decks
- Build relationships and trust with industry partners
- Work alongside geologists and engineers to develop profitable acreage positions

**Warren Ranch**

*Ranch Hand*

Mill Creek, OK  
January 2015 - Present

- Keep records of expenditures and cattle
- Perform ranch hand duties such as fencing, working cattle, and bailing hay
- Maintain and improve the land by completing projects

**Mewbourne Oil Company**

*Land Intern*

Oklahoma City, OK  
May 2022 – August 2022

- Negotiate oil and gas leases with mineral owners
- Draft and file applications with the Oklahoma Corporation Commission
- Examine title and compile respondent lists

**Mewbourne Oil Company**

*Land Intern*

Midland, TX  
May 2021 – August 2021

- Build abstracts and runsheets to assist in the determination of ownership
- Interpret how to perpetuate leases, agreements and assignments
- Prepare ownership takeoffs and plats

**Quarry Gate LLC**

*Assistant*

Norman, OK  
October 2017 - August 2019

- Organize and keep records
- Document Oklahoma Corporation Commission Regulatory work
- Consolidate and map Oil and Gas Lease Records
- Review Drilling Title Opinion

## ASSOCIATIONS

**American Association of Petroleum Landmen**

**Permian Basin Landman Association**

August 2020 - Present  
October 2024 - Present

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-1  
Submitted by: Mewbourne Oil Company  
Hearing Date: January 9, 2025  
Case No. 25110



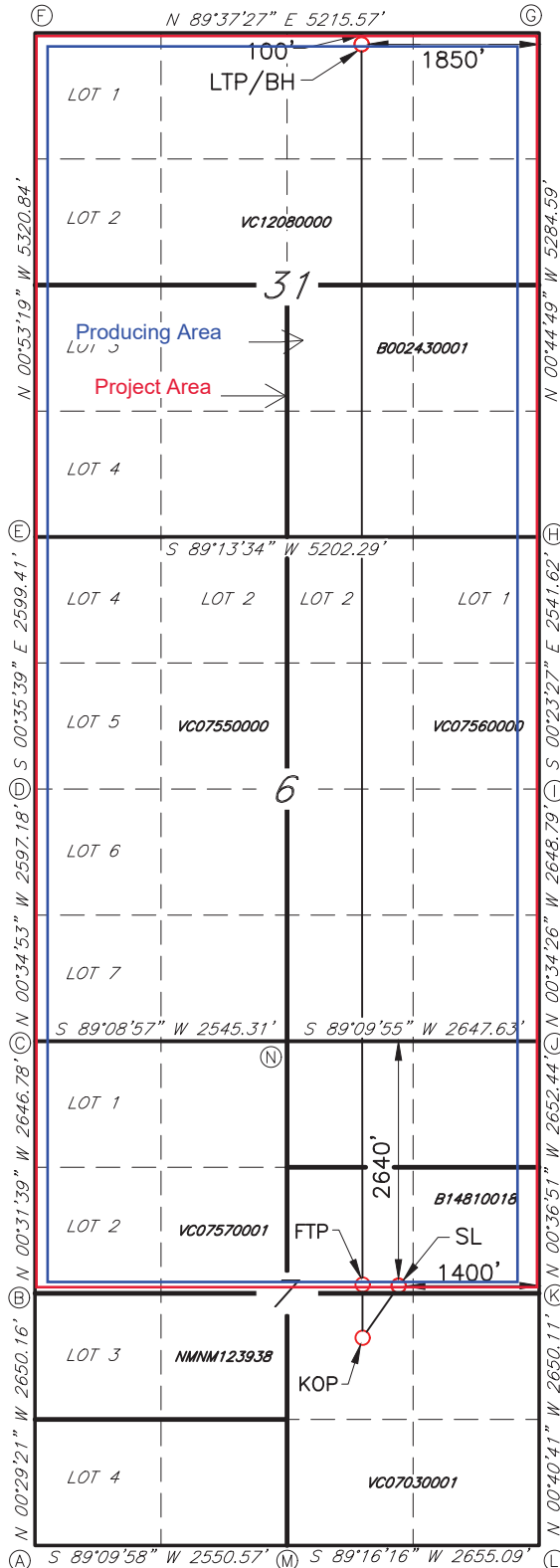


ACREAGE DEDICATION PLATS

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 a 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.

FLYING DUTCHMAN 7/31 STATE COM 526H



**GEODETIC DATA**  
 NAD 83 GRID - NM EAST

**SURFACE LOCATION (SL)**  
 N: 610639.1 - E: 831672.9

LAT: 32.6751437° N  
 LONG: 103.3897699° W

**KICK OFF POINT (KOP)**  
 2175' FSL & 1850' FEL - SEC.7  
 N: 610149.0 - E: 831228.7

LON: 32.6738075° N  
 LONG: 103.3912275° W

**FIRST TAKE POINT (FTP)**  
 2551' FNL & 1850' FEL - SEC.7  
 N: 610721.9 - E: 831222.0

LON: 32.6753821° N  
 LONG: 103.3912326° W

**LAST TAKE POINT (LTP)/BOTTOM HOLE (BH)**  
 N: 623659.5 - E: 831083.1

LAT: 32.7109424° N  
 LONG: 103.3913107° W

**CORNER DATA**  
 NAD 83 GRID - NM EAST

A: CALCULATED CORNER N: 607926.7 - E: 827899.6	H: CALCULATED CORNER N: 618488.3 - E: 833000.3
B: FOUND BRASS CAP "1936" N: 610576.3 - E: 827877.0	I: FOUND BRASS CAP "1936" N: 615947.2 - E: 833017.6
C: FOUND BRASS CAP "1936" N: 613222.6 - E: 827852.6	J: FOUND BRASS CAP "1936" N: 613298.9 - E: 833044.2
D: FOUND BRASS CAP "1936" N: 615819.2 - E: 827826.3	K: FOUND BRASS CAP "1936" N: 610647.1 - E: 833072.6
E: CALCULATED CORNER N: 618418.1 - E: 827799.3	L: FOUND BRASS CAP "1936" N: 607997.6 - E: 833104.0
F: FOUND NAIL & WASHER "PS 22896" N: 623737.4 - E: 827716.8	M: FOUND BRASS CAP "1936" N: 607963.8 - E: 830449.5
G: FOUND NAIL & WASHER "PS 22896" N: 623771.6 - E: 832931.4	N: FOUND BRASS CAP "1936" N: 613260.4 - E: 830397.2



<p><u>C-102</u></p> <p>Submit Electronically Via OCD Permitting</p>	<p>State of New Mexico Energy, Minerals &amp; Natural Resources Department <b>OIL CONSERVATION DIVISION</b></p>	<p>Revised July 9, 2024</p>
		<p>Submittal Type:</p> <p><input type="checkbox"/> Initial Submittal</p> <p><input type="checkbox"/> Amended Report</p> <p><input type="checkbox"/> As Drilled</p>

**WELL LOCATION INFORMATION**

API Number	Pool Code <b>97926</b>	Pool Name <b>WC-025 G-07 S193513B: BONE SPRING</b>
Property Code	Property Name <b>FLYING DUTCHMAN 7/31 STATE COM</b>	Well Number <b>528H</b>
OGRID No. 14744	Operator Name <b>MEWBOURNE OIL COMPANY</b>	Ground Level Elevation <b>3813'</b>
Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

**Surface Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>H</b>	<b>7</b>	<b>19S</b>	<b>36E</b>		<b>2640 FNL</b>	<b>1200 FEL</b>	<b>32.6751469°N</b>	<b>103.3891202°W</b>	<b>LEA</b>

**Bottom Hole Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>A</b>	<b>31</b>	<b>18S</b>	<b>36E</b>		<b>100 FNL</b>	<b>450 FEL</b>	<b>32.7109334°N</b>	<b>103.3867601°W</b>	<b>LEA</b>

Dedicated Acres <b>1574.97</b>	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

**Kick Off Point (KOP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>I</b>	<b>7</b>	<b>19S</b>	<b>36E</b>		<b>2177 FSL</b>	<b>450 FEL</b>	<b>32.6738257°N</b>	<b>103.3866788°N</b>	<b>LEA</b>

**First Take Point (FTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>H</b>	<b>7</b>	<b>19E</b>	<b>36E</b>		<b>2552 FNL</b>	<b>450 FEL</b>	<b>32.6754003°N</b>	<b>103.3866839°W</b>	<b>LEA</b>

**Last Take Point (LTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>A</b>	<b>31</b>	<b>18S</b>	<b>36E</b>		<b>100 FNL</b>	<b>450 FEL</b>	<b>32.7109334°N</b>	<b>103.3867601°W</b>	<b>LEA</b>

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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<p><b>OPERATOR CERTIFICATIONS</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p> <p style="text-align: right;">   <b>09/19/2024</b> </p>	<p><b>SURVEYOR CERTIFICATIONS</b></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 under my supervision, and what is shown hereon is true and correct to the best of my belief.</i></p> <div style="text-align: center;"> </div> <p style="text-align: center;">                   Signature and Seal of Professional Surveyor             </p> <p style="text-align: center;">                 Certificate Number: <b>19680</b>      Date of Survey: <b>08/06/2024</b> </p>
Signature: <b>Brett Miller</b>	Date:
Printed Name: <b>brett.miller@mewbourne.com</b>	
Email Address:	

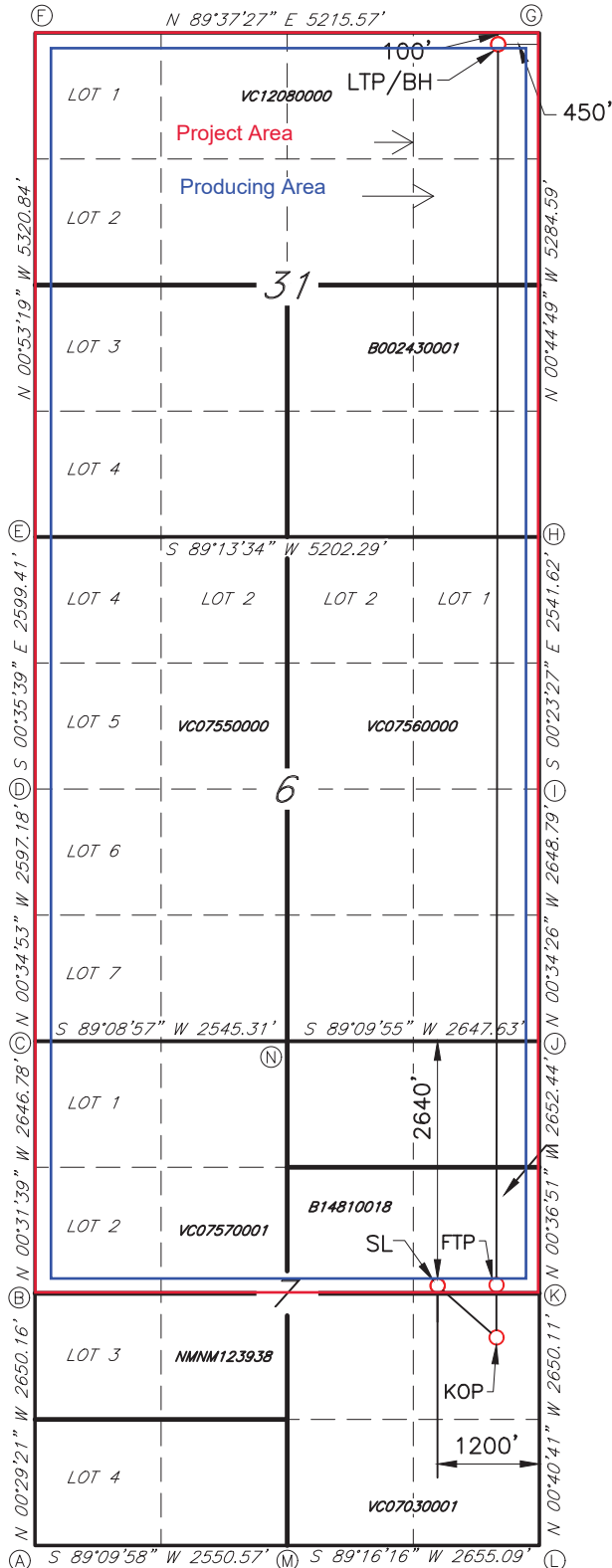
*Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.*

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 a 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.

**FLYING DUTCHMAN 7/31 STATE COM 528H**



**GEODETIC DATA**  
NAD 83 GRID - NM EAST

**SURFACE LOCATION (SL)**  
N: 610642.1 - E: 831872.8

LAT: 32.6751469° N  
LONG: 103.3891202° W

**KICK OFF POINT (KOP)**  
2177' FSL & 450' FEL - SEC.7  
N: 610168.1 - E: 832628.3

LON: 32.6738257° N  
LONG: 103.3866788° W

**FIRST TAKE POINT (FTP)**  
2552' FNL & 450' FEL - SEC.7  
N: 610740.9 - E: 832621.6

LON: 32.6754003° N  
LONG: 103.3866839° W

**LAST TAKE POINT (LTP)/BOTTOM HOLE (BH)**  
N: 623668.7 - E: 832482.8

LAT: 32.7109334° N  
LONG: 103.3867601° W

**CORNER DATA**  
NAD 83 GRID - NM EAST

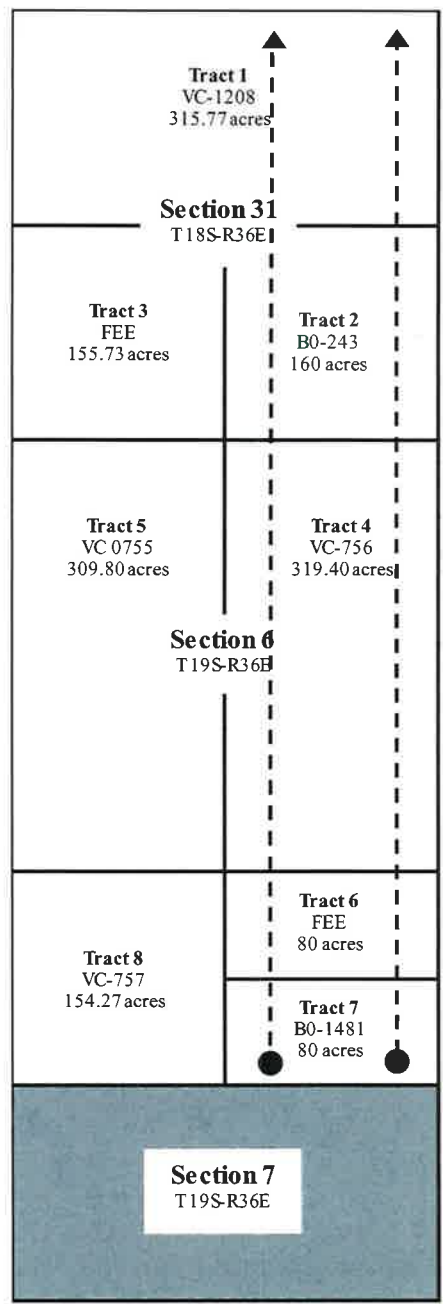
- |  |  |
|--|--|
| A: CALCULATED CORNER<br>N: 607926.7 - E: 827899.6              | H: CALCULATED CORNER<br>N: 618488.3 - E: 833000.3      |
| B: FOUND BRASS CAP "1936"<br>N: 610576.3 - E: 827877.0         | I: FOUND BRASS CAP "1936"<br>N: 615947.2 - E: 833017.6 |
| C: FOUND BRASS CAP "1936"<br>N: 613222.6 - E: 827852.6         | J: FOUND BRASS CAP "1936"<br>N: 613298.9 - E: 833044.2 |
| D: FOUND BRASS CAP "1936"<br>N: 615819.2 - E: 827826.3         | K: FOUND BRASS CAP "1936"<br>N: 610647.1 - E: 833072.6 |
| E: CALCULATED CORNER<br>N: 618418.1 - E: 827799.3              | L: FOUND BRASS CAP "1936"<br>N: 607997.6 - E: 833104.0 |
| F: FOUND NAIL & WASHER "PS 22896"<br>N: 623737.4 - E: 827716.8 | M: FOUND BRASS CAP "1936"<br>N: 607963.8 - E: 830449.5 |
| G: FOUND NAIL & WASHER "PS 22896"<br>N: 623771.6 - E: 832931.4 | N: FOUND BRASS CAP "1936"<br>N: 613260.4 - E: 830397.2 |

**Section Plat**

**Flying Dutchman 7/31 State Com #526H**

**Flying Dutchman 7/31 State Com #528H**

Plat covering Lots 1-2, E/2NW/4, and NE/4 of Section 7,  
Lots 1-7, SE/4NW/4, S/2NE/4, E/2SW/4, and SE/4 of Section 6, Township 19 South,  
Range 36 East, and Lots 1-4, E/2W/2, and E/2 of Section 31, Township 18 South,  
Range 36 East, Lea County, New Mexico.



**Tract 1: N/2 of Section 31 – State Lease VC-1208**

Mewbourne Oil Company

**Tract 2: SE/4 of Section 31 – State Lease B0-0243**

Chevron USA Inc.

**Tract 3: Lots 3-4 and E/2SW/4 of Section 31 – New State Lease # Pending**

Mewbourne Oil Company

**Tract 4: Lots 1-2, S/2NE/4 and SE/4 of Section 6 – State Lease VC-0756**

Mewbourne Oil Company

**Tract 5: Lots 3-7, SE/4NW/4 and E/2SW/4 of Section 6 – State Lease VC-0755**

Mewbourne Oil Company

**Tract 6: N/2NE/4 of Section 7 – New State Lease # Pending**

Mewbourne Oil Company

**Tract 7: S/2NE/4 of Section 7 – State Lease B0-1481**

OXY USA WTP Limited Partnership

**Tract 8: Lots 1-2 and E/2NW/4 of Section 7 – State Lease VC-0757**

Mewbourne Oil Company

**RECAPITULATION FOR**  
**Flying Dutchman 7/31 State Com #526H**  
**Flying Dutchman 7/31 State Com #528H**

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	315.77	20.0493%
2	160.00	10.1589%
3	155.73	9.8878%
4	319.40	20.2798%
5	309.80	19.6702%
6	80.00	5.0795%
7	80.00	5.0795%
8	154.27	9.7951%
<b>Total</b>	<b>1574.97</b>	<b>100.0000%</b>

**TRACT OWNERSHIP**  
**Flying Dutchman 7/31 State Com #526H**  
**Flying Dutchman 7/31 State Com #528H**

**Total:**

Mewbourne Oil Company	84.761615%
Chevron USA Inc.	10.158924%
OXY USA WTP LP	5.079462%
	<b>100.000000%</b>

**\*\*\* 15.238385% Total Interest Being Pooled.**

**Tract 1: N/2 of Section 31 – State Lease VC-1208**

Mewbourne Oil Company – 100%

**Tract 2: SE/4 of Section 31 – State Lease B0-0243**

Chevron USA Inc. – 100%

**Tract 3: Lots 3-4 and E/2SW/4 of Section 31 – New State Lease # Pending**

Mewbourne Oil Company – 100%

**Tract 4: Lots 1-2, S/2NE/4 and SE/4 of Section 6 – State Lease VC-0756**

Mewbourne Oil Company – 100%

**Tract 5: Lots 3-7, SE/4NW/4 and E/2SW/4 of Section 6 – State Lease VC-0755**

Mewbourne Oil Company – 100%

**Tract 6: N/2NE/4 of Section 7 – New State Lease # Pending**

Mewbourne Oil Company – 100%

**Tract 7: S/2NE/4 of Section 7 – State Lease B0-1481**

OXY USA WTP Limited Partnership – 100%

**Tract 8: Lots 1-2 and E/2NW/4 of Section 7 – State Lease VC-0757**

Mewbourne Oil Company – 100%

**MEWBOURNE OIL COMPANY**

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

November 1, 2024

Certified Mail

Working Interest Owner

Re: Flying Dutchman 7/31 Working Interest Unit  
Lots 1-2, E2NW4, and NE4 of Section 7,  
Lots 1-7, SE4NW4, S2NE4, E2SW4, and SE4  
of Section 6, T19W, R36E, and  
Lots 1-4, E2W2, and E2 of Section 31, T18S, R36E  
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("MOC"), as Operator, hereby proposes creating a working interest unit comprising Lots 1-2, E/2NW/4, and NE/4 of Section 7, Lots 1-7, SE/4NW/4, S/2NE/4, E/2SW/4, and SE/4 of Section 6, Township 19 South, Range 36 East, and Lots 1-4, E/2W/2, and E/2 of Section 31, Township 18 South, Range 36 East,, Lea County, New Mexico. As part of the initial development, MOC also proposes drilling the following wells:

- 1) Flying Dutchman 7/31 State Com #526H – API #pending  
Surface Location: 2652' FNL, 1400' FEL, Section 7, T19S, R36E  
Bottom Hole Location: 100' FNL, 1850' FEL, Section 31, T19S, R36E  
Proposed Total Vertical Depth: 9171'  
Proposed Total Measured Depth: 22168'  
Target: 2<sup>nd</sup> Bone Spring Sand
- 2) Flying Dutchman 7/31 State Com #528H – API #pending  
Surface Location: 2652' FNL, 1200' FEL, Section 7, T19S, R36E  
Bottom Hole Location: 100' FNL, 450' FEL, Section 31, T19S, R36E  
Proposed Total Vertical Depth: 9121'  
Proposed Total Measured Depth: 22129'  
Target: 2<sup>nd</sup> Bone Spring Sand

The wells are planned to be pad drilled with the first well tentatively planned to spud 1<sup>st</sup> quarter of 2025 depending on rig availability, commodity prices, and permit approval. In the event you elect to participate in the above referenced wells, please execute the enclosed Operating Agreement and AFEs before returning them to the undersigned within thirty (30) days. Please enclose your most current well information requirements so that we may supply well data when available.

Page 2 of 2

Please contact me at (432) 682-3715 or via email at [pwarren@mewbourne.com](mailto:pwarren@mewbourne.com) if you have any questions.

Very truly yours,

**MEWBOURNE OIL COMPANY**

Peyton Warren  
Landman

*Enclosures*



## MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

Well Name: <b>FLYING DUTCHMAN 7/31 STATE COM #526H (B2GB)</b>		Prospect: <b>PEARL VALLEY</b>	
Location: <b>SL: 2652 FNL &amp; 1400 FEL (7); BHL: 100 FNL &amp; 1850 FEL(31)</b>		County: <b>LEA</b>	ST: <b>NM</b>
Sec. <b>7</b>	Bik: <b></b>	Survey: <b></b>	TWP: <b>19S</b> RNG: <b>36E</b> Prop. TVD: <b>9171</b> TMD: <b>22168</b>

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$75,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$80,000
Daywork / Turnkey / Footage Drilling      26 days drtg / 3 days comp @ \$28,000/d		0180-0110	\$777,500	0180-0210	\$89,700
Fuel      1700 gal/day @ \$3.90/gal		0180-0114	\$184,100	0180-0214	\$246,100
Alternate Fuels		0180-0115		0180-0215	\$89,000
Mud, Chemical & Additives		0180-0120	\$50,000	0180-0220	
Mud - Specialized		0180-0121	\$250,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$300,000
Stimulation Toe Preparation				0180-0223	\$30,000
Cementing		0180-0125	\$150,000	0180-0225	\$75,000
Logging & Wireline Services		0180-0130	\$34,000	0180-0230	\$393,000
Casing / Tubing / Snubbing Service		0180-0134	\$45,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$15,000		
Stimulation      64 Stg 25.5 MMgal & 25.5 MMlbs				0180-0241	\$2,741,000
Stimulation Rentals & Other				0180-0242	\$282,000
Water & Other		0180-0145	\$35,000	0180-0245	\$745,700
Bits		0180-0148	\$106,800	0180-0248	\$5,000
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	\$65,000
Welding, Construction, & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision		0180-0170	\$165,300	0180-0270	\$76,000
Directional Services      Includes vertical control		0180-0175	\$500,000		
Equipment Rental		0180-0180	\$194,400	0180-0280	\$60,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$6,200	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	\$104,400	0180-0295	\$28,800
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies      5% (TCP) 5% (CC)		0180-0199	\$159,500	0180-0299	\$272,900
<b>TOTAL</b>			<b>\$3,350,200</b>		<b>\$5,731,200</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")      1850' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft		0181-0794	\$94,700		
Casing (8.1" - 10.0")      2975' - 9 5/8" 36# J-55 LT&C @ \$28.85/ft		0181-0795	\$91,700		
Casing (6.1" - 8.0")      9525' - 7" 29# HPP110 BT&C @ \$34.18/ft		0181-0796	\$347,700		
Casing (4.1" - 6.0")      13000' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$19.44/ft				0181-0797	\$269,900
Tubing      8795' - 2 7/8" 6.5# L-80 IPC Tbg @ \$10.50/ft				0181-0798	\$98,600
Drilling Head		0181-0860	\$50,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools				0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Service Pumps      (1/4) TP/CP/Circ pump				0181-0886	\$10,000
Storage Tanks      (1/4) (8)OT/(6)WT/(2)GB				0181-0890	\$135,000
Emissions Control Equipment      (1/4) (4)VRT/(1)VRU/(1)FLARE/(3)KO/(1)AIR				0181-0892	\$99,000
Separation / Treating Equipment      (1/4) (4)H SEP/(2)V SEP/(4)VHT				0181-0895	\$77,000
Automation Metering Equipment				0181-0898	\$93,000
Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0900	\$87,500
Water Pipeline-Pipe/Valves & Misc				0181-0901	\$95,000
On-site Valves/Fittings/Lines&Misc				0181-0906	\$175,000
Wellhead Flowlines - Construction				0181-0907	\$32,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$167,000
Equipment Installation				0181-0910	\$88,000
Oil/Gas Pipeline - Construction				0181-0920	\$135,000
Water Pipeline - Construction				0181-0921	\$85,000
<b>TOTAL</b>			<b>\$584,100</b>		<b>\$1,777,000</b>
<b>SUBTOTAL</b>			<b>\$3,934,300</b>		<b>\$7,508,200</b>
<b>TOTAL WELL COST</b>		<b>\$11,442,500</b>			

Extra Expense Insurance

I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.  
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

I elect to purchase my own well control insurance policy.

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

Prepared by: H. Buckley      Date: 08/22/2024

Company Approval: \_\_\_\_\_      Date: \_\_\_\_\_

Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_

Joint Owner Name: \_\_\_\_\_      Signature: \_\_\_\_\_



## MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

Well Name: **FLYING DUTCHMAN 7/31 STATE COM #528H (B2HA)** Prospect: **PEARL VALLEY**  
 Location: **SL: 2652 FNL & 1200 FEL (7); BHL: 100 FNL & 450 FEL(31)** County: **LEA** ST: **NM**  
 Sec. **7** Blk:  Survey:  TWP: **19S** RNG: **36E** Prop. TVD: **9121** TMD: **22129**

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$75,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$200,000	0180-0206	\$80,000
Daywork / Turnkey / Footage Drilling 26 days drlg / 3 days comp @ \$28,000/d	0180-0110	\$777,500	0180-0210	\$89,700
Fuel 1700 gal/day @ \$3.90/gal	0180-0114	\$184,100	0180-0214	\$246,100
Alternate Fuels	0180-0115		0180-0215	\$89,000
Mud, Chemical & Additives	0180-0120	\$50,000	0180-0220	
Mud - Specialized	0180-0121	\$250,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$300,000
Stimulation Toe Preparation			0180-0223	\$30,000
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Casing / Tubing / Snubbing Service	0180-0134	\$45,000	0180-0234	\$15,000
Mud Logging	0180-0137	\$15,000		
Stimulation 64 Stg 25.5 MMgal & 25.5 MMlbs			0180-0241	\$2,741,000
Stimulation Rentals & Other			0180-0242	\$282,000
Water & Other	0180-0145	\$35,000	0180-0245	\$745,700
Bits	0180-0148	\$106,800	0180-0248	\$5,000
Inspection & Repair Services	0180-0150	\$50,000	0180-0250	\$5,000
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Transportation	0180-0165	\$30,000	0180-0265	\$65,000
Welding, Construction, & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision	0180-0170	\$165,300	0180-0270	\$76,000
Directional Services Includes vertical control	0180-0175	\$500,000		
Equipment Rental	0180-0180	\$194,400	0180-0280	\$60,000
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$6,200	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	\$104,400	0180-0295	\$28,800
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)	0180-0199	\$159,500	0180-0299	\$272,900
<b>TOTAL</b>		<b>\$3,350,200</b>		<b>\$5,731,200</b>

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
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Casing (6.1" - 8.0") 9475' - 7" 29# HPP110 BT&C @ \$34.18/ft	0181-0796	\$345,900		
Casing (4.1" - 6.0") 13000' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$19.44/ft			0181-0797	\$269,900
Tubing 8745' - 2 7/8" 6.5# L-80 IPC Tbg @ \$10.50/ft			0181-0798	\$98,100
Drilling Head	0181-0860	\$50,000		
Tubing Head & Upper Section			0181-0870	\$30,000
Horizontal Completion Tools			0181-0871	\$75,000
Subsurface Equip. & Artificial Lift			0181-0880	\$25,000
Service Pumps (1/4) TP/CP/Circ pump			0181-0886	\$10,000
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Emissions Control Equipment (1/4) (4)VRT/(1)VRU/(1)FLARE/(3)KO/(1)AIR			0181-0892	\$99,000
Separation / Treating Equipment (1/4) (4)H SEP/(2)V SEP/(4)VHT			0181-0895	\$77,000
Automation Metering Equipment			0181-0898	\$93,000
Oil/Gas Pipeline-Pipe/Valves&Misc			0181-0900	\$87,500
Water Pipeline-Pipe/Valves & Misc			0181-0901	\$95,000
On-site Valves/Fittings/Lines&Misc			0181-0906	\$175,000
Wellhead Flowlines - Construction			0181-0907	\$32,000
Cathodic Protection			0181-0908	
Electrical Installation			0181-0909	\$167,000
Equipment Installation			0181-0910	\$88,000
Oil/Gas Pipeline - Construction			0181-0920	\$135,000
Water Pipeline - Construction			0181-0921	\$85,000
<b>TOTAL</b>		<b>\$582,300</b>		<b>\$1,776,500</b>
<b>SUBTOTAL</b>		<b>\$3,932,500</b>		<b>\$7,507,700</b>
<b>TOTAL WELL COST</b>				<b>\$11,440,200</b>

**Extra Expense Insurance**

I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.  
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

I elect to purchase my own well control insurance policy.

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

Prepared by: H. Buckley Date: 08/22/2024  
 Company Approval: \_\_\_\_\_ Date: \_\_\_\_\_  
 Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_  
 Joint Owner Name: \_\_\_\_\_ Signature: \_\_\_\_\_

**Summary of Communications**  
**Flying Dutchman 7/31 State Com #526H**  
**Flying Dutchman 7/31 State Com #528H**  
**Lots 1-2, E/2NW/4, and NE/4 of Section 7, Lots 1-7, SE/4NW/4, S/2NE/4,**  
**E/2SW/4, and SE/4 of Section 6-T19S-R36E, and Lots 1-4, E/2W/2, and**  
**E/2 of Section 31-T18S-R36E, Lea County, NM**

**OXY USA WTP LP:**

- 11/1/2024: Mailed Working Interest Unit, Well Proposal, Joint Operating Agreement, AFEs, and Communitization Agreements to above listed party.
- 11/14/2024: Email with an employee of the above listed party.
- 11/15/2024: Email with an employee of the above listed party.
- 11/19/2024: Email with an employee of the above listed party.
- 11/20/2024: Email with an employee of the above listed party.
- 12/5/2024: Email with an employee of the above listed party.
- 12/11/2024: Email with an employee of the above listed party.
- 12/13/2024: Email with an employee of the above listed party.
- 12/17/2024: Email with an employee of the above listed party.
- 1/2/2025: Email with an employee of the above listed party.

**Chevron USA Inc.:**

- 11/1/2024: Mailed Working Interest Unit, Well Proposal, Joint Operating Agreement, AFEs, and Communitization Agreements to above listed party.
- 11/6/2024: Email with an employee of the above listed party.
- 11/15/2024: Received executed Communitization Agreements from the above listed party.
- 11/21/2024: Email with an employee of the above listed party.
- 12/10/2024: Email with an employee of the above listed party.
- 12/12/2024: Email with an employee of the above listed party.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-5  
Submitted by: Mewbourne Oil Company  
Hearing Date: January 9, 2025  
Case No. 25110

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

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

**CASE NO. 25110**

**SELF-AFFIRMED STATEMENT OF CHARLES CROSBY**

1. My name is Charles Crosby. I work for Mewbourne Oil Company (“Mewbourne”) as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Mewbourne in this case, and I have conducted a geologic study of the lands in the subject area.
4. Mewbourne is targeting the 2<sup>nd</sup> Bone Spring Sand of the Bone Spring formation in this case.
5. **Mewbourne Exhibit D-1** is a general locator map.
6. **Mewbourne Exhibit D-2** is a subsea structure map that I prepared for the base of the 2<sup>nd</sup> Bone Spring Sand formation. The contour intervals are 100 feet. The area comprising the proposed spacing unit is outlined in red with the approximate location and orientation of the initial wells noted with a black line. The structure map shows the targeted formation gently dipping to the southwest. The structure appears consistent across the proposed spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D  
Submitted by: Mewbourne Oil Company  
Hearing Date: January 9, 2025  
Case No. 25110

7. Mewbourne Exhibit D-2 also shows a line of cross-section through the proposed horizontal spacing unit from A to A'. I chose the logs from these wells to create the cross-section because they penetrate the targeted interval, are of good quality and have been subjected to petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.

8. **Mewbourne Exhibit D-3** is a stratigraphic cross-section that I prepared using the logs from the representative wells shown in Exhibit D-2. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells is marked on the cross-section with a green arrow. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

9. In my opinion, standup orientation of the proposed wells is the appropriate orientation for horizontal well development in this area because it is more near perpendicular to the maximum horizontal stress of the area.

10. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will contribute more-or-less equally to the production from the wellbore. I have not identified any geologic impediments to drilling horizontal wells in the area of the spacing unit proposed.

11. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery, and that approving Mewbourne's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

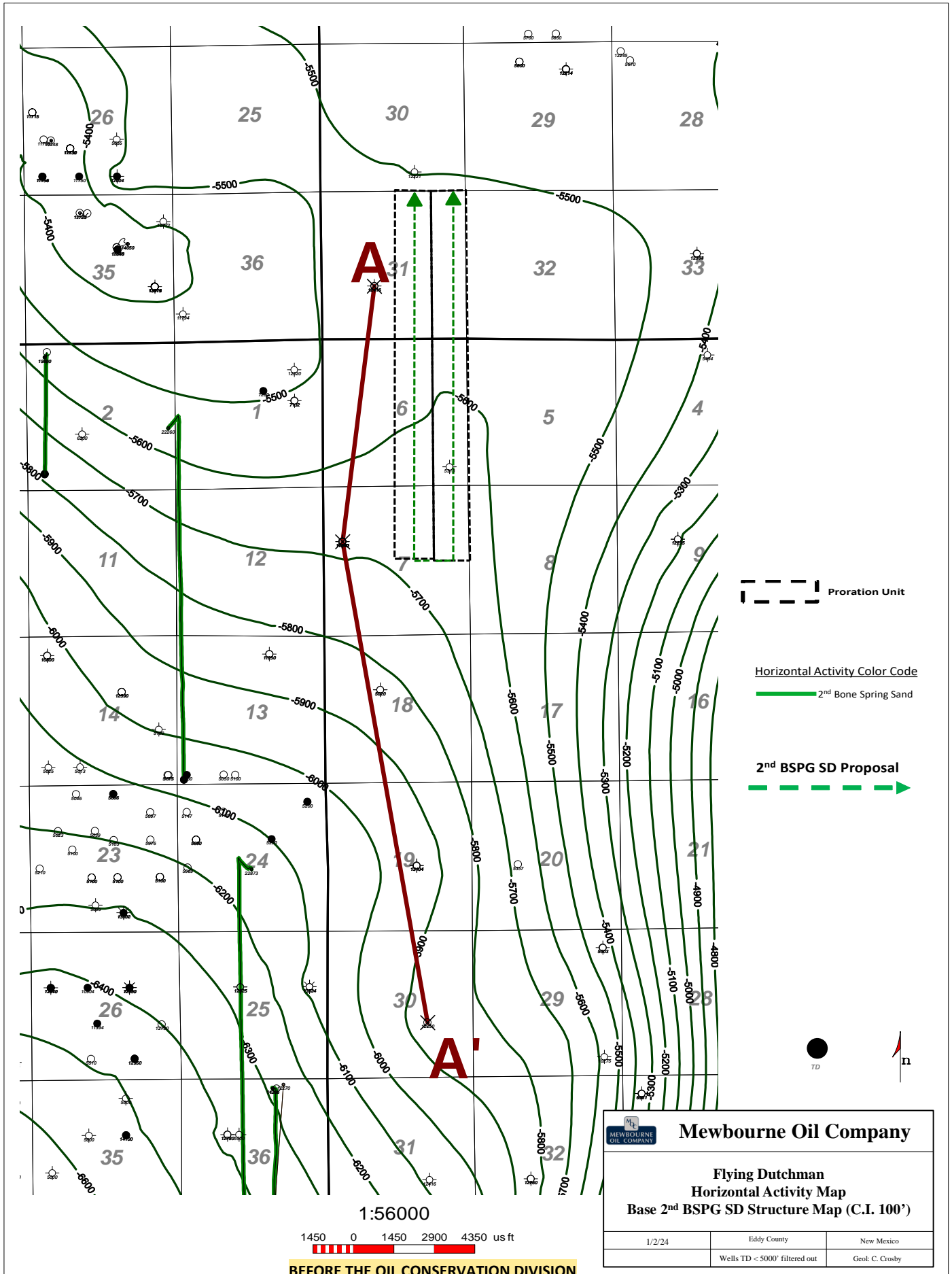
12. **Mewbourne Exhibits D-1 through D-3** were either prepared by me or compiled under my direction and supervision.

13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

CS  
Charles Crosby

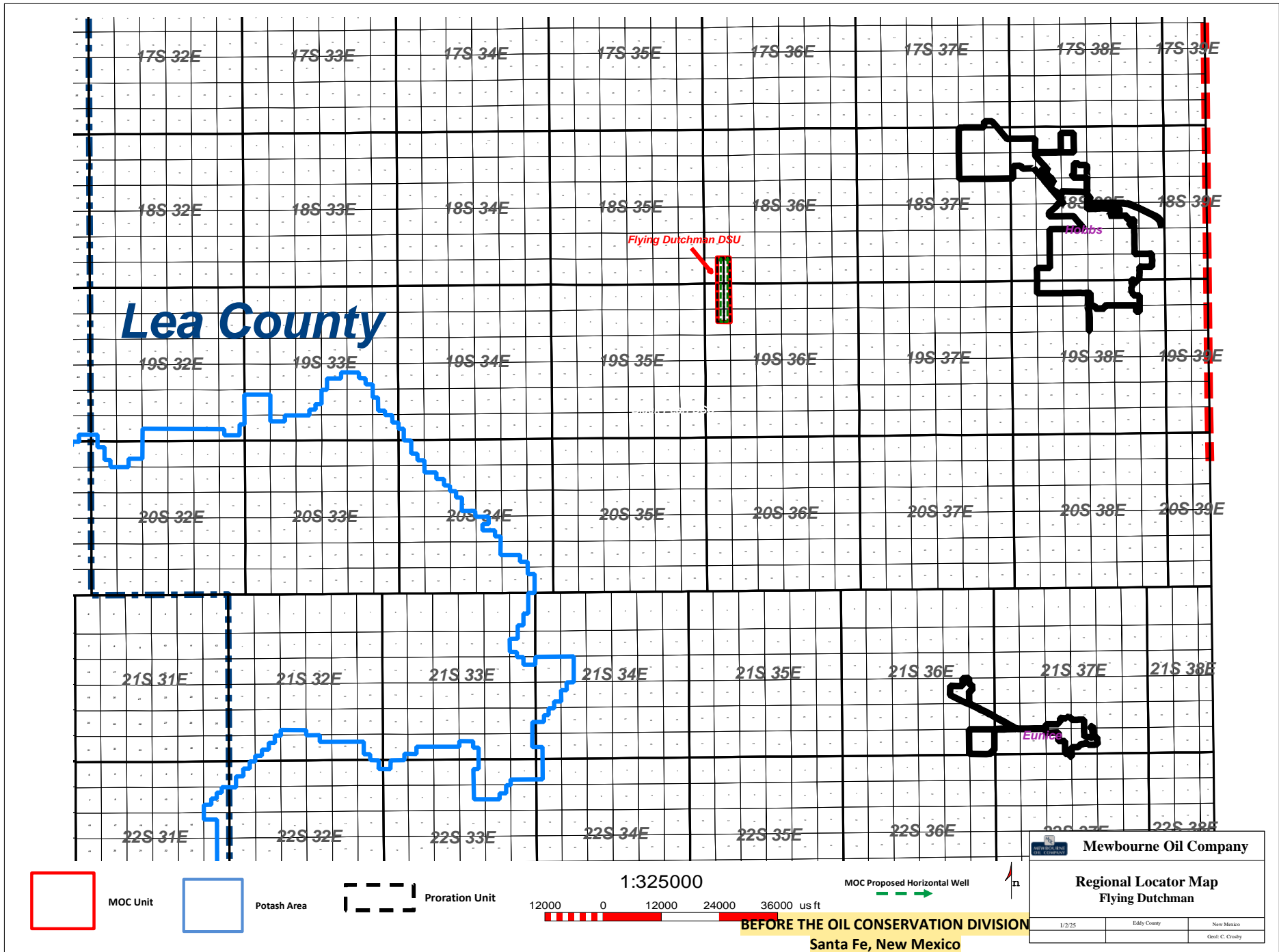
1/2/25  
Date





**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Exhibit No. D-1  
Submitted by: Mewbourne Oil Company  
Hearing Date: January 9, 2025  
Case No. 25110





A  
N

A'  
E

30025039790000 9221 ft 30025284680000 17479 ft 30025313380000

SHELL OIL CO STATE RA 1 Datum=3846.00 1980 FSL/1909 FWL TWP: 18 S - Range: 36 E - Sec. 31

AMOCO PROD CO STATE NO 001 Datum=3845.00 1980 FNL 660 FWL TWP: 19 S - Range: 36 E - Sec. 7

NEARBURG PRODUCING CO LEO 30 FEDERAL COM 1 Datum=3690.00 NW SE TWP: 19 S - Range: 36 E - Sec. 30

31K

7E

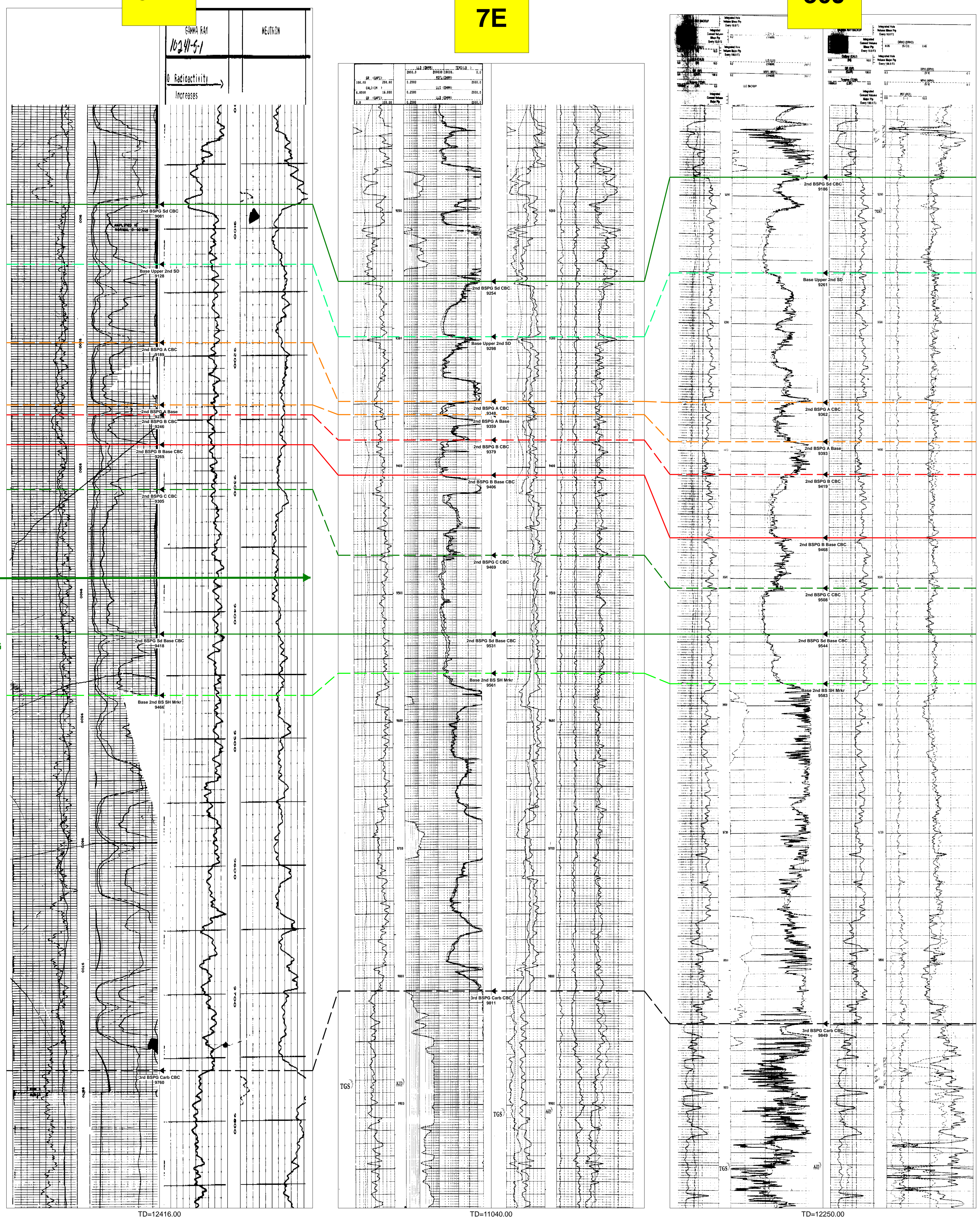
30J

Top 2nd BSPG SD

Flying Dutchman 2nd BSPG Sd Target

Base 2nd BSPG SD

Top 3rd BSPG Carbonate



Flying Dutchman Black Pearl 2nd BSPG SD Cross Section Exhibit (A-A')



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

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

**CASE NO. 25110**

**SELF-AFFIRMED STATEMENT OF  
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of Mewbourne Oil Company (“Mewbourne”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of December 27, 2024.

5. I caused a notice to be published to all parties subject to this compulsory pooling proceeding. An affidavit of publication from the publication’s legal clerk with a copy of the notice of publication is attached herein.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. E  
Submitted by: Mewbourne Oil Company  
Hearing Date: January 9, 2025  
Case No. 25110**



\_\_\_\_\_  
Paula M. Vance

01/02//2025

\_\_\_\_\_  
Date

33961658\_v1



**Paula M. Vance**  
**Associate**  
Phone (505) 988-4421  
Email pmvance@hollandhart.com

December 20, 2024

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico: *Flying Dutchman 7/31 State Com #526H and #528H wells***

Greetings:

This letter is to advise you that Mewbourne Oil Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on January 9, 2025, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

**It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, 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. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Peyton Warren at (432) 682-3715, or at [pwarren@mewbourne.com](mailto:pwarren@mewbourne.com).

Sincerely,

Paula M. Vance  
**ATTORNEY FOR MEWBOURNE OIL COMPANY**

T 505.988.4421 F 505.983.6043  
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849  
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208  
[www.hollandhart.com](http://www.hollandhart.com)

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

MOC - Flying Dutchman 526H and 528H wells - Case no. 25110  
 Postal Delivery Report

9414811898765459526822	OXY USA WTP Limited Partnership	PO Box 27570	5 Greenway Plaza, Suite 110	Houston	TX	77227-7570	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765459526808	Chevron USA Inc.	1400 Smith St	Hou140/45130	Houston	TX	77002-7311	Your item was picked up at a postal facility at 10:48 am on December 26, 2024 in HOUSTON, TX 77002.
9414811898765459526891	Chevron USA Inc.	6301 Deauville	Attn Land Dept.	Midland	TX	79706-2964	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Andy Brosig, Editor of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
December 24, 2024  
and ending with the issue dated  
December 24, 2024.



Editor

Sworn and subscribed to before me this  
24th day of December 2024.



Business Manager

My commission expires  
January 29, 2027

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

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

67100754

HOLLAND & HART LLC  
110 N GUADALUPE ST., STE. 1  
SANTA FE, NM 87501

00297009

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Exhibit No. F

Submitted by: Mewbourne Oil Company

Hearing Date: January 9, 2025

Case No. 25110

**LEGAL NOTICE**  
December 24, 2024

Case No. 25110: Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: OXY USA WTP Limited Partnership; Chevron USA Inc. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on January 9, 2025, to consider this application. The hearing will be conducted in a hybrid fashion, both 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 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a 1,600-acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation underlying Lots 1-4, E/2 W/2, and E/2 (entire Section equivalent) of irregular Section 31, Township 18 South, Range 36 East, and Lots 1-7, SE/4 NW/4, S/2 NE/4, E/2 SW/4, and SE/4 (entire Section equivalent) of irregular Section 6, and Lots 1-2, E/2 NW/4, and NE/4 (N/2 equivalent) of irregular Section 7, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. This spacing unit will be initially dedicated to the proposed Flying Dutchman 7/31 State Com #526H, to be drilled horizontally from a surface location in SW/4 NE/4 (Unit G) of irregular Section 7, T19S-R36E, a first take point in SW/4 NE/4 (Unit G) of irregular Section 7, T19S-R36E and last take point the NW/4 NE/4 (Unit B) of irregular Section 31, T18S-R31E; and Flying Dutchman 7/31 State Com #528H, to be drilled horizontally from a surface location in SE/4 NE/4 (Unit H) of irregular Section 7, T19S-R36E, a first take point in SE/4 NE/4 (Unit H) of irregular Section 7, T19S-R36E and last take point the NE/4 NE/4 (Unit A) of irregular Section 31, T18S-R31E. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, the operating costs and charges for supervision, the designation of applicant as operator of the proposed non-standard spacing unit, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 13 miles west of Hobbs, New Mexico.  
#00297009