

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING FEBRUARY 13, 2025**

CASE No. 25142

SAN LORENZO 9/4 STATE COM #553H

EDDY COUNTY, NEW MEXICO



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

**APPLICATION OF MEWBOURNE OIL
COMPANY FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 25142

TABLE OF CONTENTS


- **Mewbourne Exhibit A:** Compulsory Pooling Application Checklist
- **Mewbourne Exhibit B:** Application for Compulsory Pooling
- **Mewbourne Exhibit C:** Self-Affirmed Statement of Carson Cullen, Landman
 - Mewbourne Exhibit C-1: Overlapping Diagram
 - Mewbourne Exhibit C-2: C-102
 - Mewbourne Exhibit C-3: Land Tract Map / Uncommitted Interest Owners
 - Mewbourne Exhibit C-4: Sample Well Proposal Letter with AFEs
 - Mewbourne Exhibit C-5: Chronology of Contacts
- **Mewbourne Exhibit D:** Self-Affirmed Statement of Cole Hatchel, Geologist
 - Mewbourne Exhibit D-1: Locator map
 - Mewbourne Exhibit D-2: Subsea structure & cross-section map
 - Mewbourne Exhibit D-3: 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: 25142	APPLICANT'S RESPONSE
Date:	February 13, 2025
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company [OGRID 14744]
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MEWBOURNE OIL COMPANY FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	N/A
Well Family	San Lorenzo
Formation/Pool	
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:	San Lorenzo; Bone Spring [53600]
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320.50-acres
Building Blocks:	40 acres
Orientation:	Standup / South to North
Description: TRS/County	Lot 3, SW/4 NW/4, and E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 4, and E/2 W/2 of Section 9, Township 25 South, Range 28 East, NMPM, 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	No
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Exhibit No. A Submitted by: Mewbourne Oil Company Hearing Date: February 13, 2025 Case No. 25142

Well #1	San Lorenzo 9-4 State Com #553H (30-015-PENDING) SHL: 330' FSL & 2,110' FWL (Unit N) of Section 9 BHL: 100' FNL & 1,800' FWL (Lot 3) of Section 4 Completion Target: Bone Spring formation Well Orientation: Standup / South to North Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibit C-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3
Tract List (including lease numbers and owners)	Exhibit C-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 C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunsaber, Lateral Trajectory Schematic	Exhibit D-2

Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D, D-3
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
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-1
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
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):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	6-Feb-25

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

**APPLICATION OF MEWBOURNE OIL
COMPANY FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 25142

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 (1) approving a 320.50-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying Lot 3, SW/4 NW/4, and E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 4, and E/2 W/2 of Section 9, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. In support of its application, Mewbourne states:

1. Applicant is a working interest owner in the proposed overlapping horizontal spacing unit and has the right to drill thereon.
2. Mewbourne seeks to dedicate the above-referenced overlapping horizontal spacing unit to the proposed **San Lorenzo 9-4 State Com #553H** well to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 9 to a bottom hole location in Lot 3 (NE/4 NW/4 equivalent) of irregular Section 4.
3. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:
 - 160-acre spacing unit comprised of Lot 3, SE/4 NW/4, and E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 4, T25S-R28E, dedicated to the Nermal 4 State 1H (API: 30-015-41239) well currently operated by RAYBAW Operating, LLC; and

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Mewbourne Oil Company
Hearing Date: February 13, 2025
Case No. 25142**

- 160-acre spacing unit comprised of the E/2 W/2 of Section 9, T25S-R28E, dedicated to the San Lorenzo 9 NC Fee 1H (API: 30-015-40749) well currently operated by Mewbourne Oil Company.

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 February 13, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed overlapping spacing unit;
- B. Pooling all uncommitted interests in the horizontal spacing unit;
- C. Designating Applicant as operator of the overlapping horizontal spacing unit and the horizontal 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,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com

ATTORNEYS FOR MEWBOURNE OIL COMPANY

CASE _____: **Application of Mewbourne Oil Company for Approval an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) approving a 320.50-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying Lot 3, SW/4 NW/4, and E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 4, and E/2 W/2 of Section 9, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Mewbourne seeks to dedicate the above-referenced overlapping horizontal spacing unit to the proposed **San Lorenzo 9-4 State Com #553H** well to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 9 to a bottom hole location in Lot 3 (NE/4 NW/4 equivalent) of irregular Section 4. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:

- 160-acre spacing unit comprised of Lot 3, SE/4 NW/4, and E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 4, T25S-R28E, dedicated to the Nermal 4 State 1H (API: 30-015-41239) well currently operated by RAYBAW Operating, LLC; and
- 160-acre spacing unit comprised of the E/2 W/2 of Section 9, T25S-R28E, dedicated to the San Lorenzo 9 NC Fee 1H (API: 30-015-40749) well currently operated by Mewbourne Oil Company.

Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 5 miles southwest of Malaga, New Mexico.

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

**APPLICATION OF MEWBOURNE OIL
COMPANY FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 25142

SELF-AFFIRMED STATEMENT OF CARSON CULLEN

1. My name is Carson Cullen. I work for Mewbourne Oil Company (“Mewbourne”) as a Landman.

2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. My credentials as a petroleum landman 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 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. Mewbourne seeks an order (1) approving a 320.50-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying Lot 3, SW/4 NW/4, and E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 4, and E/2 W/2 of Section 9, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Mewbourne seeks to dedicate the above-referenced overlapping horizontal spacing unit to the proposed **San Lorenzo 9-4 State Com #553H** well to be drilled from a surface hole

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Mewbourne Oil Company
Hearing Date: February 13, 2025
Case No. 25142**

location in the SE/4 SW/4 (Unit N) of Section 9 to a bottom hole location in Lot 3 (NE/4 NW/4 equivalent) of irregular Section 4.

6. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:

- 160-acre spacing unit comprised of Lot 3, SE/4 NW/4, and E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 4, T25S-R28E, dedicated to the Nermal 4 State 1H (API: 30-015-41239) well currently operated by RAYBAW Operating, LLC; and
- 160-acre spacing unit comprised of the E/2 W/2 of Section 9, T25S-R28E, dedicated to the San Lorenzo 9 NC Fee 1H (API: 30-015-40749) well currently operated by Mewbourne Oil Company.

7. **Mewbourne Exhibit C-1** is a diagram depicting the newly proposed spacing unit in relation to the existing spacing units. Mewbourne provided notice to RAYBAW Operating, LLC and the other working interest owners in its' San Lorenzo 9 NC Fee 1H well, as well as the State Land Office of New Mexico since state lands are involved. A sample copy of the notice and mailing report is included in Exhibit E.

8. **Mewbourne Exhibit C-2** contains a draft Form C-102 for the well. This form demonstrates that the completed interval for the well will comply with statewide setbacks for oil wells. The exhibit shows that the well will be assigned to the San Lorenzo; Bone Spring [53600].

9. **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.

10. **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.

11. Mewbourne requests that the overhead and administrative costs for drilling and producing the proposed well 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.

12. **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.

13. 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.

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

15. 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.



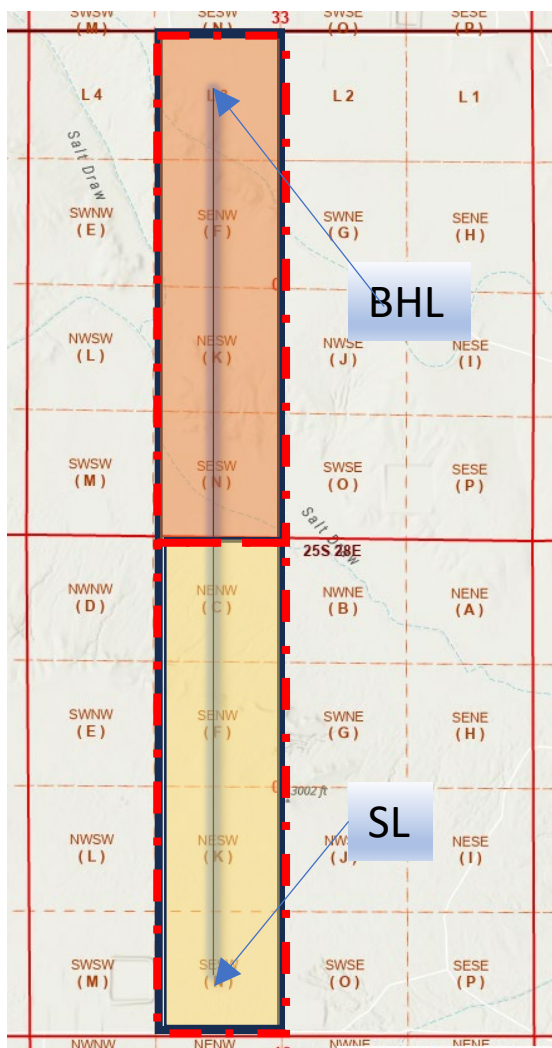
Carson Cullen

2-5-2025

Date

OVERLAP DIAGRAM

San Lorenzo 9-4 State Com #553H
Sections 9 (E/2W/2) & 9 (E/2W/2), T25S, R28E
EDDY COUNTY, NM



Orange = SLO V052840006
 Yellow = Fee

Dark Blue = MOC proposed unit
 Dashed Red = Existing units

BEFORE THE OIL CONSERVATION DIVISION

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Santa Fe, New Mexico Exhibit No. C-2 Revised July 9, 2024 Submitted by: Mewbourne Oil Company Hearing Date: February 13, 2025 Case No. 25142
		Submittal Type: <input type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code 53600	Pool Name SAN LORENZO; BONE SPRING
Property Code	Property Name SAN LORENZO 9/4 STATE COM	Well Number 553H
OGRID No.	Operator Name MEWBOURNE OIL COMPANY	Ground Level Elevation 2981'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input 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
N	9	25S	28E		330 FSL	2110 FWL	32.1382703°N	104.0941770°W	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
C	4	25S	28E	3	100 FNL	1800 FWL	32.1662331°N	104.0952036°W	EDDY

Dedicated Acres	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
	9	25S	28E		100 FSL	1800 FWL			

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
		25S	28E		100 FSL	1800 FWL			

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
	4	25S	28E		100 FNL	1800 FWL			

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
---	---	-------------------------

OPERATOR CERTIFICATIONS 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. 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.		SURVEYOR CERTIFICATIONS 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 that the same is true and correct to the best of my belief.	
Signature	Date	Signature and Seal of Professional Surveyor	
Printed Name		Certificate Number	Date of Survey
Email Address		19680	10/24/2024



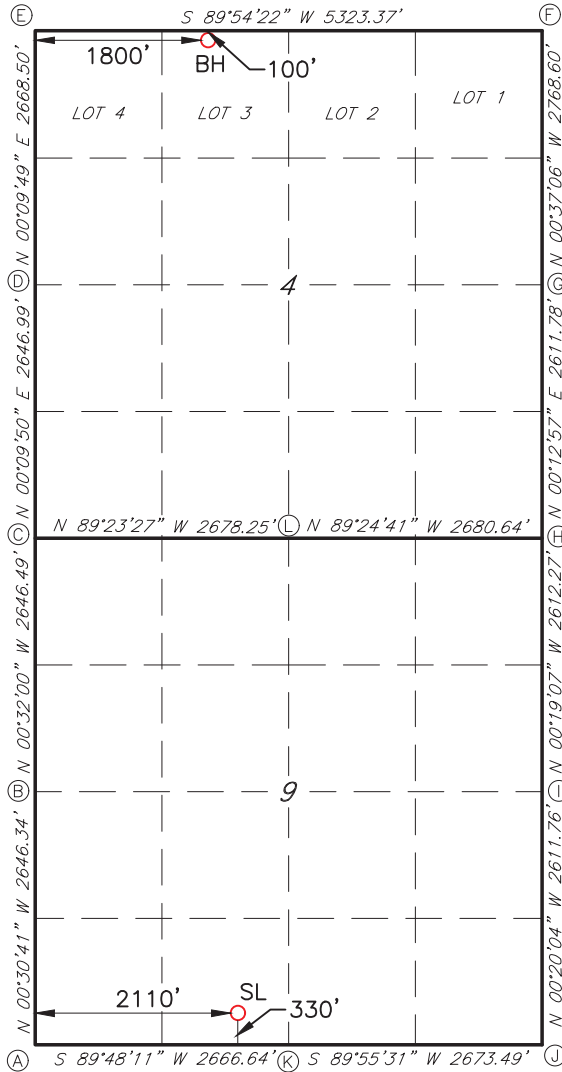
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

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.

SAN LORENZO 9/4 STATE COM #553H



GEODETTIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION (SL)
N: 414120.6 - E: 615361.7

LAT: 32.1382703° N
LONG: 104.0941770° W

BOTTOM HOLE (BH)
N: 424292.1 - E: 615021.5

LAT: 32.1662331° N
LONG: 104.0952036° W

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1940"
N: 413783.4 - E: 613255.2

B: FOUND BRASS CAP "1940"
N: 416429.1 - E: 613231.6

C: FOUND BRASS CAP "1940"
N: 419074.9 - E: 613207.0

D: FOUND BRASS CAP "1940"
N: 421721.3 - E: 613214.5

E: FOUND BRASS CAP "1940"
N: 424389.2 - E: 613222.2

F: FOUND BRASS CAP "1940"
N: 424397.9 - E: 618544.3

G: FOUND BRASS CAP "1940"
N: 421630.1 - E: 618574.2

H: FOUND BRASS CAP "1940"
N: 419018.9 - E: 618564.4

I: FOUND BRASS CAP "1940"
N: 416407.2 - E: 618578.9

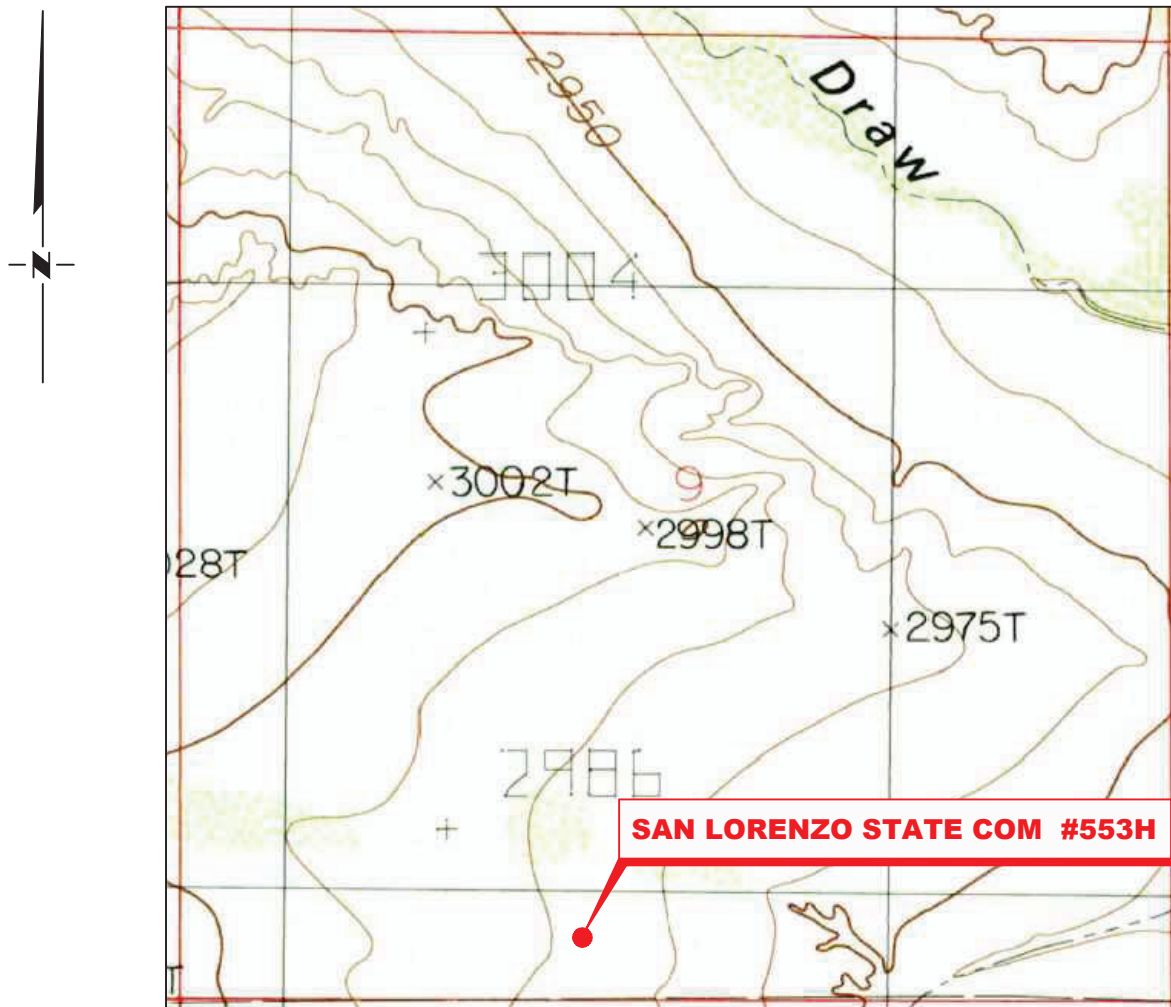
J: FOUND BRASS CAP "1940"
N: 413796.1 - E: 618594.1

K: FOUND BRASS CAP "1940"
N: 413792.6 - E: 615921.2

L: FOUND BRASS CAP "1940"
N: 419046.4 - E: 615884.5

LOCATION VERIFICATION MAP

NOT TO SCALE



*SECTION 9, TWP. 25 SOUTH, RGE. 28 EAST,
N. M. P. M., EDDY CO., NEW MEXICO*

OPERATOR: <u>Mewbourne Oil Company</u>	LOCATION: <u>330' FSL & 2110' FWL</u>
LEASE: <u>San Lorenzo 9/4 State Com</u>	CONTOUR INTERVAL: <u>10'</u>
WELL NO.: <u>553H</u>	USGS TOPO. SOURCE MAP:
ELEVATION: <u>2981'</u>	<u>Malaga, NM (1985)</u>

NO.	REVISION	DATE
JOB NO.: LS24100874		
DWG. NO.: LS24100874-2		

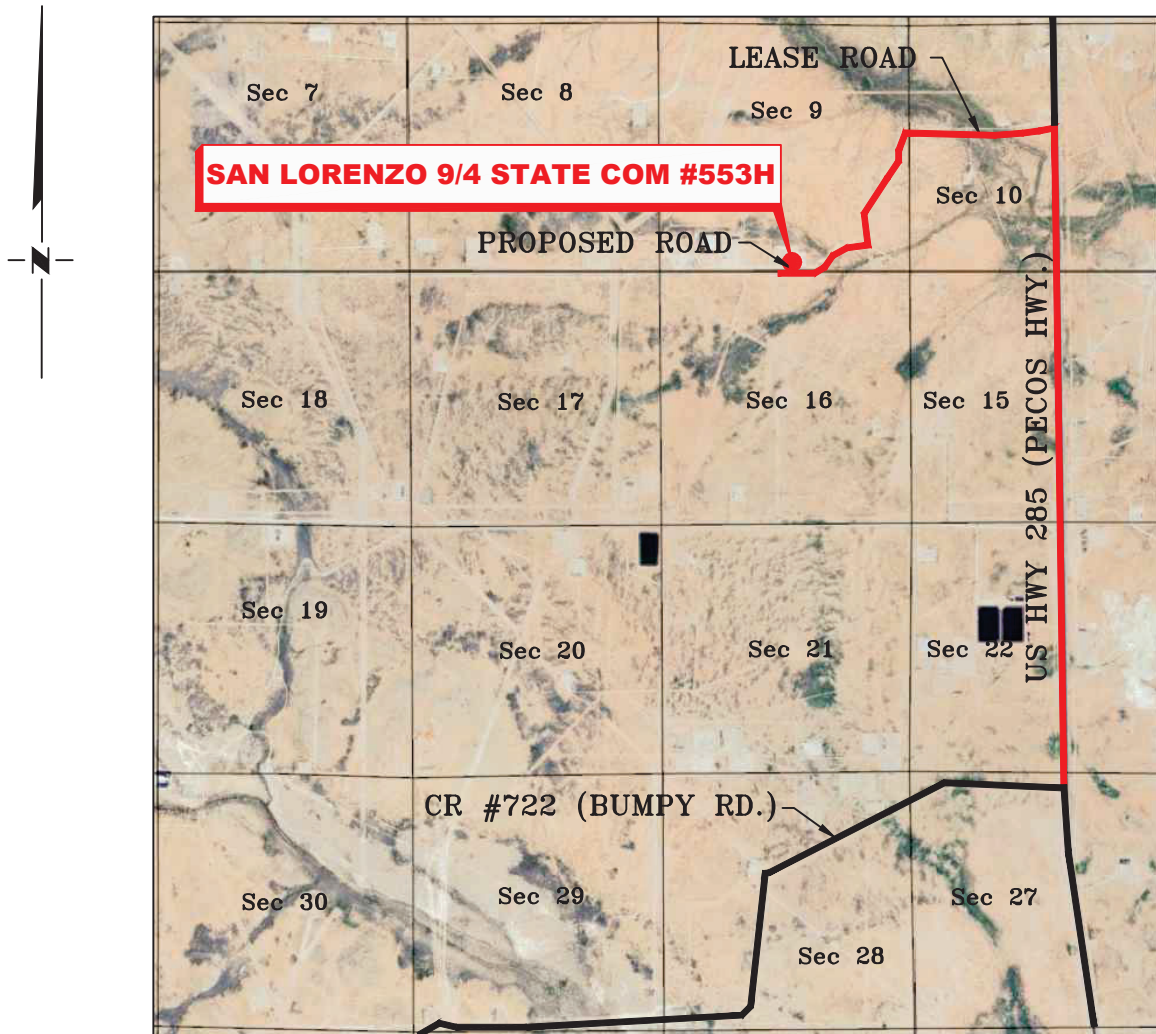


701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200

SCALE: N. T. S.
DATE: 10/24/2024
SURVEYED BY: ML/JH
DRAWN BY: CG
APPROVED BY: RMH
SHEET: 1 OF 1

VICINITY MAP

NOT TO SCALE



*SECTION 9, TWP. 25 SOUTH, RGE. 28 EAST,
N. M. P. M., EDDY COUNTY, NEW MEXICO*

OPERATOR: Mewbourne Oil Company LOCATION: 330' FSL & 2110' FWL
 LEASE: San Lorenzo 9/4 State Com ELEVATION: 2981'
 WELL NO.: 553H

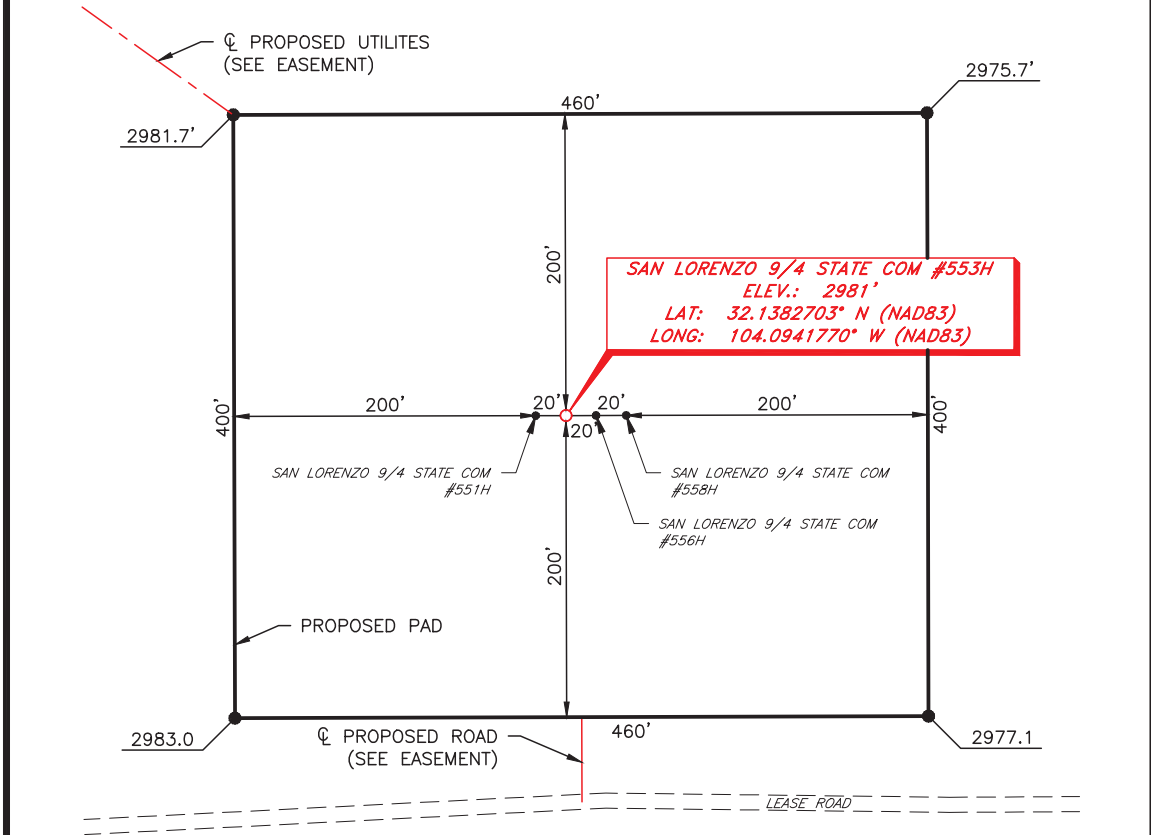
NO.	REVISION	DATE
JOB NO.: LS24100874		
DWG. NO.: LS24100874-3		



701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200

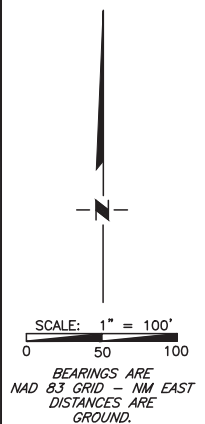
SCALE: N. T. S.
DATE: 10/24/2024
SURVEYED BY: ML/JH
DRAWN BY: CG
APPROVED BY: RMH
SHEET: 1 OF 1

MEWBOURNE OIL COMPANY
 SAN LORENZO 9/4 STATE COM #553H
 (330' FSL & 2110' FWL)
 SECTION 9, T25S, R28E
 N. M. P. M., EDDY CO., NEW MEXICO



DIRECTIONS TO LOCATION

From the intersection of CR #722 (Bumpy Rd.) & U.S. Hwy 285 (Pecos Hwy);
 Go North on U.S. Hwy 285 approx. 2.7 miles to a lease road on the left;
 Turn left and go West approx. 0.6 miles road curves left;
 Continue Southwest for approx. 0.5 miles to a lease road on the right;
 Turn right and go West approx. 0.5 miles to a proposed road on the right;
 Turn right and go North approx. 256 feet to location.



I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that I prepared this unclassified survey of a well location from an actual survey made on the ground under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

Robert M. Howett
 Robert M. Howett NM PS 19680

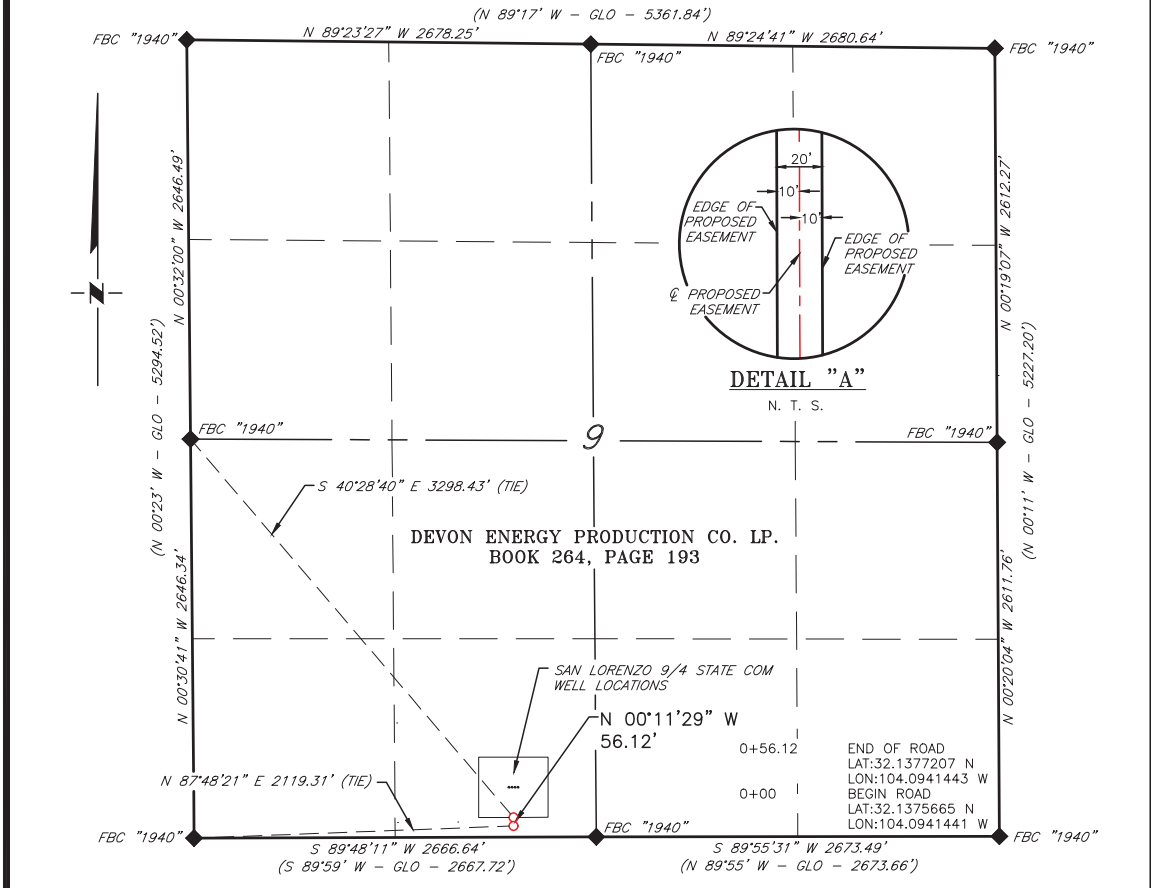


NO.	REVISION	DATE
JOB NO.: LS24100874		
DWG. NO.: LS24100874-4		

RRC
 ENERGY SERVICES, LLC.
 701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200

SCALE: 1" = 100'
DATE: 10/24/2024
SURVEYED BY: ML/JH
DRAWN BY: CG
APPROVED BY: RMH
SHEET: 1 OF 1

**MEWBOURNE OIL COMPANY
ACCESS ROAD FOR THE SAN LORENZO 9/4 STATE COM
WELL LOCATIONS
SECTION 9, T25S, R28E
N. M. P. M., EDDY COUNTY, NEW MEXICO**



DESCRIPTION

A strip of land 20 feet wide, being 56.12 feet or 3.401 rods in length, lying in Section 9, Township 25 South, Range 28 East, N. M. P. M., Eddy County, New Mexico, being 10 feet left and 10 feet right of the following described survey of a centerline across the lands of Devon Energy production Co. Lp. according to a deed filed for record in Book 264, Page 193, of the Deed records of Eddy County, New Mexico:

BEGINNING at Engr. Sta. 0+00, a point in the Southwest quarter of Section 9, which bears, N 87°48'21" E, 2,119.31 feet, from a brass cap, stamped "1940", found for the Southwest quarter corner of Section 9;

Thence N 00°11'29" W, 56.12 feet, to Engr. Sta. 0+56.12, the End of Survey, a point in the Southwest quarter of Section 9, which bears, S 40°28'40" E, 3,298.43 feet, from a brass cap, stamped "1940", found for the West corner of Section 9.

Said strip of land contains 0.026 acres, more or less, and is allocated by forties as follows:

SE 1/4 SW 1/4 56.12 Feet 3.401 Rods 0.026 Acres

SCALE: 1" = 1000'
0 500' 1000'

BEARINGS ARE GRID NAD 83
NM EAST
DISTANCES ARE HORIZ. GROUND.

LEGEND
() RECORD DATA - GLO
◆ FOUND MONUMENT AS NOTED
— PROPOSED ACCESS ROAD

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that I prepared this plat from an actual survey made on the ground under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

Robert M. Howett
Robert M. Howett NM PS 19680



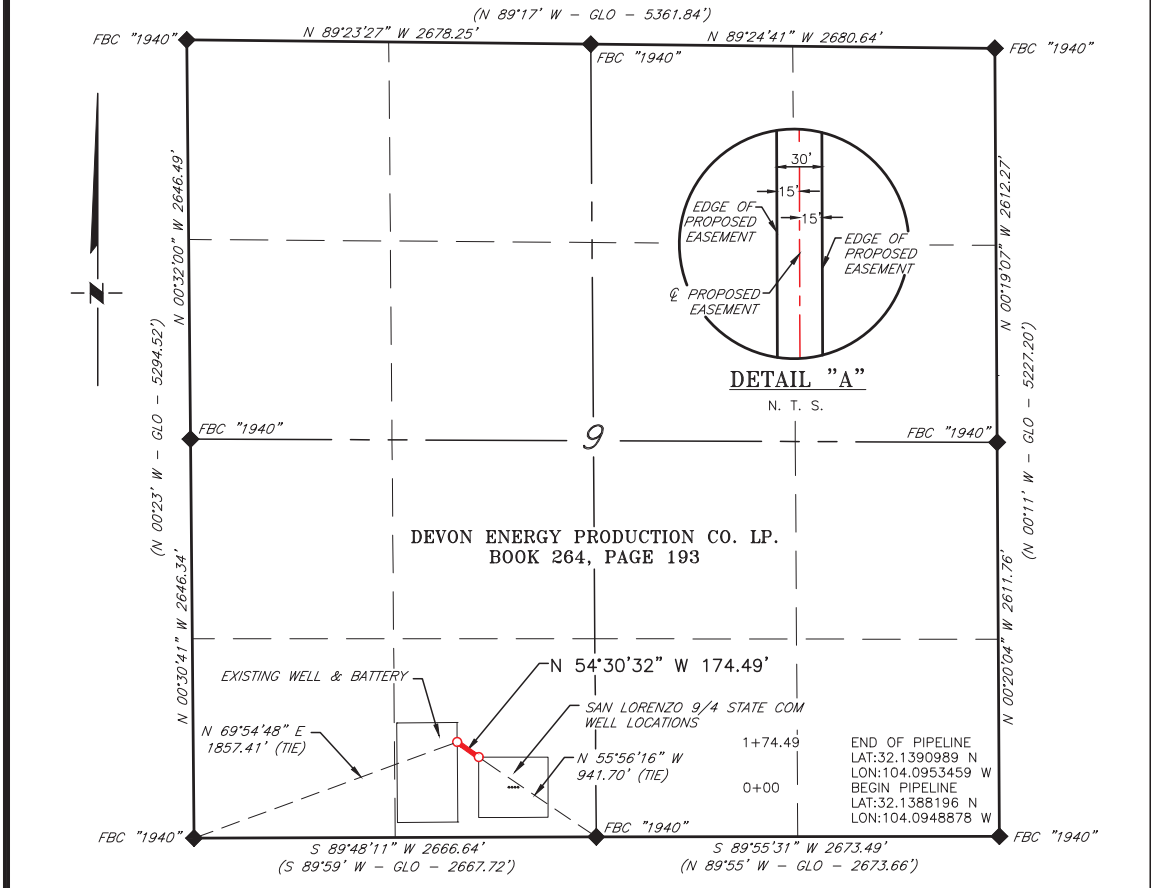
NO.	REVISION	DATE
JOB NO.:	LS24100873	
DWG. NO.:	24100873-1	



701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200

SCALE: 1" = 1000'
DATE: 10/24/2024
SURVEYED BY: ML/JH
DRAWN BY: CG
APPROVED BY: RMH
SHEET: 1 OF 1

**MEWBOURNE OIL COMPANY
UTILITES FOR THE SAN LORENZO 9/4 STATE COM
WELL LOCATIONS
SECTION 9, T25S, R28E
N. M. P. M., EDDY COUNTY, NEW MEXICO**



DEVON ENERGY PRODUCTION CO. LP.
BOOK 264, PAGE 193

DESCRIPTION

A strip of land 30 feet wide, being 174.49 feet or 10.575 rods in length, lying in Section 9, Township 25 South, Range 28 East, N. M. P. M., Eddy County, New Mexico, being 15 feet left and 15 feet right of the following described survey of a centerline across the lands of Devon Energy production Co. Lp. according to a deed filed for record in Book 264, Page 193, of the Deed records of Eddy County, New Mexico:

BEGINNING at Engr. Sta. 0+00, a point in the Southwest quarter of Section 9, which bears, N 55°56'16" W, 941.70 feet, from a brass cap, stamped "1940", found for the South quarter corner of Section 9;

Thence N 54°30'32" W, 174.49 feet, to Engr. Sta. 1+74.49, the End of Survey, a point in the Southwest quarter of Section 9, which bears, N 69°54'48" E, 1,857.41 feet, from a brass cap, stamped "1940", found for the Southwest corner of Section 9.

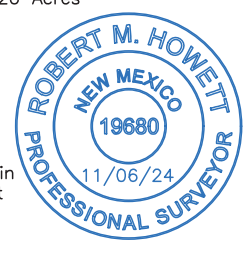
Said strip of land contains 0.120 acres, more or less, and is allocated by forties as follows:

SE 1/4 SW 1/4	174.49 Feet	10.575 Rods	0.120 Acres
---------------	-------------	-------------	-------------

SCALE: 1" = 1000'
0 500' 1000'
BEARINGS ARE GRID NAD 83
NM EAST
DISTANCES ARE HORIZ. GROUND.
LEGEND
() RECORD DATA - GLO
◆ FOUND MONUMENT AS NOTED
— PROPOSED UTILITIES

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that I prepared this plat from an actual survey made on the ground under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

Robert M. Howett
Robert M. Howett NM PS 19680



NO.	REVISION	DATE
JOB NO.:	LS24100873	
DWG. NO.:	24100873-1	

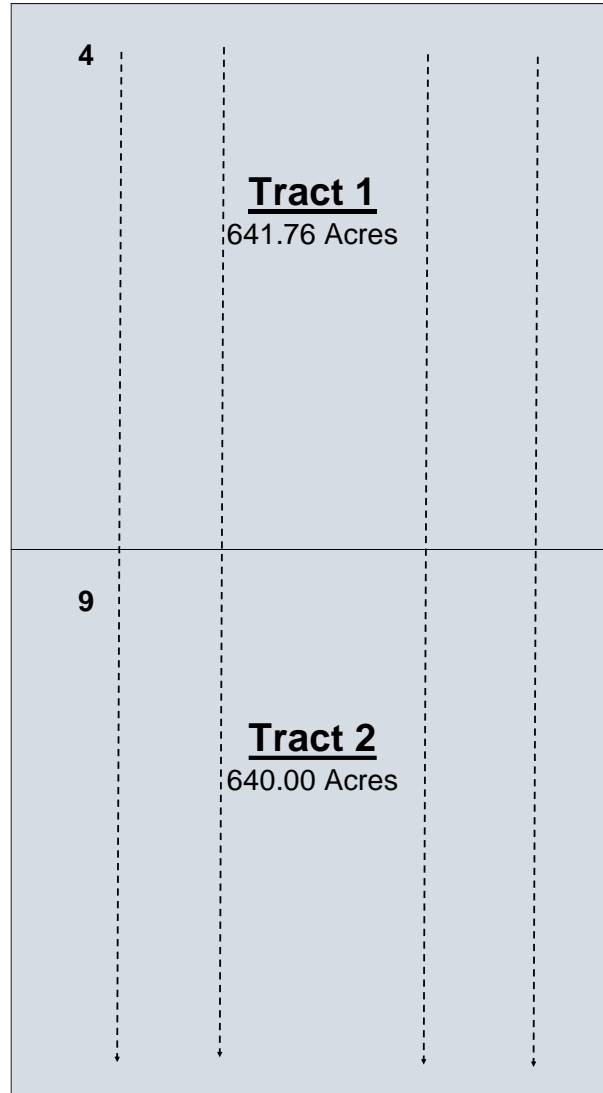
RRC
ENERGY SERVICES, LLC.
701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200

SCALE: 1" = 1000'
DATE: 10/24/2024
SURVEYED BY: ML/JH
DRAWN BY: CG
APPROVED BY: RMH
SHEET: 1 OF 1

Section Plat

San Lorenzo 9-4 State Com #551H
San Lorenzo 9-4 State Com #553H
San Lorenzo 9-4 State Com #556H
San Lorenzo 9-4 State Com #558H

Plat covering Section 4 and Section 9, T-25-S, R-28-E, Eddy County, New Mexico.



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-3
Submitted by: Mewbourne Oil Company
Hearing Date: February 13, 2025
Case No. 25142

Tract 1: Section 4

Marathon Oil Permian, LLC

Tract 2: Section 9

Mewbourne Oil Company
Northern Oil and Gas, LLC

RECAPITULATION FOR

**San Lorenzo 9-4 State Com #551H
San Lorenzo 9-4 State Com #553H
San Lorenzo 9-4 State Com #556H
San Lorenzo 9-4 State Com #558H**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	641.76	50.068656%
2	640.00	49.931344%
Total	1281.76	100.000000%

TRACT OWNERSHIP

**San Lorenzo 9-4 State Com #551H
San Lorenzo 9-4 State Com #553H
San Lorenzo 9-4 State Com #556H
San Lorenzo 9-4 State Com #558H**

Total:

Mewbourne Oil Company	39.945076%
Northern Oil and Gas, Inc.	9.986269%
Marathon Oil Permian, LLC	50.068655%
	100.000000%

***** 50.068655% Total Interest Being Pooled.**

Tract 1: Section 4

Mewbourne Oil Company – 79.890151%
Northern Oil and Gas, Inc. – 19.97238%

Tract 2: Section 9

Marathon Oil Permian, LLC – 100%

MEWBOURNE OIL COMPANY

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

October 30, 2024

Via Certified Mail

Marathon Oil Permian, LLC
990 Town & Country Blvd.
Houston, Texas 77024

Re: San Lorenzo 9-4 State Com #551H
San Lorenzo 9-4 State Com #553H
San Lorenzo 9-4 State Com #556H
San Lorenzo 9-4 State Com #558H
Sections 4 & 9, T25S, R28E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company (“Mewbourne”) as Operator hereby proposes to form a 1281.76-acre Unit covering all of the above captioned acreage in Section 4 & 9 for oil and gas production. Our title shows that Marathon Oil Company, (“Marathon”) owns all of Section 4 (641.76 acres). Accordingly, Marathon would own an 50.068656% interest in the proposed Unit.

Mewbourne Oil Company hereby proposes drilling the following wells:

San Lorenzo 9-4 State Com #551H

Surface Location: 205’ FSL & 2430’ FWL, Sec. 9
Bottom Hole Location: 100’ FNL & 550’ FWL, Sec. 4
Proposed Total Vertical Depth: 8560’
Proposed Total Measured Depth: 19050’
Target: Harkey Sand

San Lorenzo 9-4 State Com #553H

Surface Location: 205’ FSL & 2450’ FWL, Sec. 9
Bottom Hole Location: 100’ FNL & 1800’ FWL, Sec. 4
Proposed Total Vertical Depth: 8580’
Proposed Total Measured Depth: 19070’
Target: Harkey Sand

San Lorenzo 9-4 State Com #556H

Surface Location: 205’ FSL & 2470’ FWL, Sec. 9
Bottom Hole Location: 100’ FNL & 1800’ FEL, Sec. 4
Proposed Total Vertical Depth: 8600’
Proposed Total Measured Depth: 19090’
Target: Harkey Sand

San Lorenzo 9-4 State Com #558H

Surface Location: 205’ FSL & 2490’ FWL, Sec. 9
Bottom Hole Location: 100’ FNL & 500’ FEL, Sec. 4
Proposed Total Vertical Depth: 8620’
Proposed Total Measured Depth: 19110’
Target: Harkey Sand

Regarding the above enclosed for your further handling are our AFE’s dated October 28, 2024 for the above referenced proposed well. In the event Marathon elects to participate in the proposed WIU and wells, please execute the enclosed AFE and return to me within thirty (30) days. Our Operating Agreement to follow.

Should you have any questions regarding the above, please email me at ccullen@mewbourne.com or call me at (432) 682-3715.

Very truly yours,

MEWBOURNE OIL COMPANY



Carson Cullen
Landman

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-4
Submitted by: Mewbourne Oil Company
Hearing Date: February 13, 2025
Case No. 25142

**MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE**

Well Name: SAN LORENZO 9/4 STATE COM #551H	Prospect: SAN LORENZO
Location: SL: 205 FSL & 2430 FWL (9); BHL: 100 FNL & 550 FWL (4)	County: EDDY ST: NM
Sec. 9 Blk: Survey: 	TWP: 25S RNG: 28E Prop. TVD: 8560 TMD: 19050

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$100,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$150,000	0180-0206	\$80,000
Daywork / Turnkey / Footage Drilling 14 days drlg / 3 days comp @ \$28,000/d	0180-0110	\$418,700	0180-0210	\$89,700
Fuel 1700 gal/day @ \$3.90/gal	0180-0114	\$99,100	0180-0214	\$152,400
Alternate Fuels	0180-0115		0180-0215	\$112,000
Mud, Chemical & Additives	0180-0120	\$40,000	0180-0220	
Mud - Specialized	0180-0121	\$240,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$220,000
Stimulation Toe Preparation			0180-0223	\$24,000
Cementing	0180-0125	\$165,000	0180-0225	\$65,000
Logging & Wireline Services	0180-0130	\$40,000	0180-0230	\$363,200
Casing / Tubing / Snubbing Service	0180-0134	\$45,000	0180-0234	\$18,000
Mud Logging	0180-0137	\$15,000		
Stimulation 61 Stg 25.3 MMgal & 25.3 MMLbs			0180-0241	\$2,699,000
Stimulation Rentals & Other			0180-0242	\$273,000
Water & Other	0180-0145	\$35,000	0180-0245	\$160,800
Bits	0180-0148	\$64,100	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	\$75,000
Welding, Construction, & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision	0180-0170	\$96,900	0180-0270	\$71,300
Directional Services Includes vertical control	0180-0175	\$400,000		
Equipment Rental	0180-0180	\$108,400	0180-0280	\$120,000
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$5,700	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	\$61,200	0180-0295	\$27,000
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)	0180-0199	\$119,100	0180-0299	\$234,400
TOTAL		\$2,501,200		\$4,921,800

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
Casing (19.1" - 30")	0181-0793			
Casing (10.1" - 19.0") 400' - 13 3/8" 54.5# J-55 ST&C @ \$42.93/ft	0181-0794	\$18,300		
Casing (8.1" - 10.0") 2435' - 9 5/8" 40# HCL80 LT&C @ \$35.10/ft	0181-0795	\$91,300		
Casing (6.1" - 8.0") 8320' - 7" 29# HPP110 BT&C @ \$30.89/ft	0181-0796	\$274,500		
Casing (4.1" - 6.0") 10880' - 4 1/2" 13.5# P-110 CDC-HTQ @ \$17.99/ft			0181-0797	\$209,000
Tubing 7985' - 2 7/8" 6.5# L-80 IPC Tbg @ \$10.50/ft			0181-0798	\$89,500
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	\$40,000
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	\$35,000
Water Pipeline-Pipe/Valves & Misc			0181-0901	
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	\$56,000
Water Pipeline - Construction			0181-0921	
TOTAL		\$434,100		\$1,410,500
SUBTOTAL		\$2,935,300		\$6,332,300

TOTAL WELL COST \$9,267,600

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 re-drilling 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: 10/28/2024

Company Approval: _____ Date: _____

Joint Owner Interest: 50.06865600% Amount: \$4,640,162.76

Joint Owner Name: Marathon Oil Permian, LLC Signature: _____

MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

Well Name: SAN LORENZO 9/4 STATE COM #553H	Prospect: SAN LORENZO
Location: SL: 205 FSL & 2450 FWL (9); BHL: 100 FNL & 1800 FWL (4)	County: EDDY ST: NM
Sec. 9 Blk: Survey: TWP: 25S RNG: 28E Prop. TVD: 8580 TMD: 19070	

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC	
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200		
Location / Road / Site / Preparation	0180-0105	\$100,000	0180-0205	\$35,000	
Location / Restoration	0180-0106	\$150,000	0180-0206	\$80,000	
Daywork / Turnkey / Footage Drilling	14 days drlg / 3 days comp @ \$28,000/d	\$418,700	0180-0210	\$89,700	
Fuel	1700 gal/day @ \$3.90/gal	\$99,100	0180-0214	\$152,400	
Alternate Fuels	0180-0115		0180-0215	\$112,000	
Mud, Chemical & Additives	0180-0120	\$40,000	0180-0220		
Mud - Specialized	0180-0121	\$240,000	0180-0221		
Horizontal Drillout Services			0180-0222	\$220,000	
Stimulation Toe Preparation			0180-0223	\$24,000	
Cementing	0180-0125	\$165,000	0180-0225	\$65,000	
Logging & Wireline Services	0180-0130	\$40,000	0180-0230	\$363,200	
Casing / Tubing / Snubbing Service	0180-0134	\$45,000	0180-0234	\$18,000	
Mud Logging	0180-0137	\$15,000			
Stimulation	61 Stg 25.3 MMgal & 25.3 MMlbs		0180-0241	\$2,699,000	
Stimulation Rentals & Other			0180-0242	\$273,000	
Water & Other	0180-0145	\$35,000	0180-0245	\$160,800	
Bits	0180-0148	\$64,100	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	\$75,000	
Welding, Construction, & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500	
Contract Services & Supervision	0180-0170	\$96,900	0180-0270	\$71,300	
Directional Services	Includes vertical control	0180-0175	\$400,000		
Equipment Rental	0180-0180	\$108,400	0180-0280	\$120,000	
Well / Lease Legal	0180-0184	\$5,000	0180-0284		
Well / Lease Insurance	0180-0185	\$5,700	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	\$61,200	0180-0295	\$27,000	
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000	
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$119,100	\$234,400	
TOTAL			\$2,501,200	\$4,921,800	
TANGIBLE COSTS 0181					
Casing (19.1" - 30")	0181-0793				
Casing (10.1" - 19.0")	400' - 13 3/8" 54.5# J-55 ST&C @ \$42.93/ft	0181-0794	\$18,300		
Casing (8.1" - 10.0")	2435' - 9 5/8" 40# HCL80 LT&C @ \$35.10/ft	0181-0795	\$91,300		
Casing (6.1" - 8.0")	8340' - 7" 29# HPP110 BT&C @ \$30.89/ft	0181-0796	\$275,100		
Casing (4.1" - 6.0")	10880' - 4 1/2" 13.5# P-110 CDC-HTQ @ \$17.99/ft			0181-0797	\$209,000
Tubing	8005' - 2 7/8" 6.5# L-80 IPC Tbg @ \$10.50/ft			0181-0798	\$89,800
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	\$40,000
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	\$35,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	
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	\$56,000
Water Pipeline - Construction				0181-0921	
TOTAL			\$434,700	\$1,410,800	
SUBTOTAL			\$2,935,900	\$6,332,600	
TOTAL WELL COST		\$9,268,500			

Extra Expense Insurance	
<input type="checkbox"/>	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.
<input type="checkbox"/>	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: 10/28/2024
Company Approval: _____	Date: _____
Joint Owner Interest: 50.06865600% Amount: \$4,640,613.38	Signature: _____
Joint Owner Name: Marathon Oil Permian, LLC	

MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

Well Name: SAN LORENZO 9/4 STATE COM #556H	Prospect: SAN LORENZO
Location: SL: 205 FSL & 2470 FWL (9); BHL: 100 FNL & 1800 FEL (4)	County: EDDY ST: NM
Sec. 9 Blk: Survey: 	TWP: 25S RNG: 28E Prop. TVD: 8600 TMD: 19090

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$100,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$150,000	0180-0206	\$80,000
Daywork / Turnkey / Footage Drilling	14 days drlg / 3 days comp @ \$28,000/d	\$418,700	0180-0210	\$89,700
Fuel	1700 gal/day @ \$3.90/gal	\$99,100	0180-0214	\$152,400
Alternate Fuels			0180-0215	\$112,000
Mud, Chemical & Additives		\$40,000	0180-0220	
Mud - Specialized		\$240,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$220,000
Stimulation Toe Preparation			0180-0223	\$24,000
Cementing	0180-0125	\$165,000	0180-0225	\$65,000
Logging & Wireline Services	0180-0130	\$40,000	0180-0230	\$363,200
Casing / Tubing / Snubbing Service	0180-0134	\$45,000	0180-0234	\$18,000
Mud Logging	0180-0137	\$15,000		
Stimulation	61 Stg 25.3 MMgal & 25.3 MMlbs		0180-0241	\$2,699,000
Stimulation Rentals & Other			0180-0242	\$273,000
Water & Other		\$35,000	0180-0245	\$160,800
Bits		\$64,100	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	\$75,000
Welding, Construction, & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision	0180-0170	\$96,900	0180-0270	\$71,300
Directional Services	Includes vertical control	\$400,000		
Equipment Rental		\$108,400	0180-0280	\$120,000
Well / Lease Legal		\$5,000	0180-0284	
Well / Lease Insurance		\$5,700	0180-0285	
Intangible Supplies		\$7,000	0180-0288	\$1,000
Damages		\$10,000	0180-0290	\$10,000
Pipeline Interconnect & ROW Easements			0180-0292	\$5,000
Company Supervision		\$61,200	0180-0295	\$27,000
Overhead Fixed Rate		\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	\$119,100	0180-0299	\$234,400
TOTAL		\$2,501,200		\$4,921,800

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
Casing (19.1" - 30")	0181-0793			
Casing (10.1" - 19.0")	400' - 13 3/8" 54.5# J-55 ST&C @ \$42.93/ft	\$18,300		
Casing (8.1" - 10.0")	2435' - 9 5/8" 40# HCL80 LT&C @ \$35.10/ft	\$91,300		
Casing (6.1" - 8.0")	8360' - 7" 29# HPP110 BT&C @ \$30.89/ft	\$275,800		
Casing (4.1" - 6.0")	10880' - 4 1/2" 13.5# P-110 CDC-HTQ @ \$17.99/ft		0181-0797	\$209,000
Tubing	8025' - 2 7/8" 6.5# L-80 IPC Tbg @ \$10.50/ft		0181-0798	\$90,000
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	\$40,000
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	\$35,000
Water Pipeline-Pipe/Valves & Misc			0181-0901	
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	\$56,000
Water Pipeline - Construction			0181-0921	
TOTAL		\$435,400		\$1,411,000
SUBTOTAL		\$2,936,600		\$6,332,800
TOTAL WELL COST		\$9,269,400		

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: <u>H. Buckley</u>	Date: <u>10/28/2024</u>
Company Approval: _____	Date: _____
Joint Owner Interest: <u>50.06865600%</u> Amount: <u>\$4,641,064.00</u>	Signature: _____
Joint Owner Name: <u>Marathon Oil Permian, LLC</u>	

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: SAN LORENZO 9/4 STATE COM #558H Prospect: SAN LORENZO
Location: SL: 205 FSL & 2490 FWL (9); BHL: 100 FNL & 500 FEL (4) County: EDDY ST: NM
Sec. 9 Blk: Survey: TWP: 25S RNG: 28E Prop. TVD: 8620 TMD: 19110

Table with 5 columns: Description, CODE, TCP, CODE, CC. Section: INTANGIBLE COSTS 0180. Rows include Regulatory Permits & Surveys, Location/Road/Site/Preparation, Fuel, etc. Total: \$2,501,200 (TCP) / \$4,921,800 (CC)

Table with 5 columns: Description, CODE, TCP, CODE, CC. Section: TANGIBLE COSTS 0181. Rows include Casing (19.1" - 30"), Tubing, Drilling Head, etc. Total: \$436,100 (TCP) / \$1,411,200 (CC). Subtotal: \$2,937,300 (TCP) / \$6,333,000 (CC). Total Well Cost: \$9,270,300

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 re-drilling as estimated in Line Item 0180-0185.

Prepared by: H. Buckley Date: 10/28/2024
Company Approval: Date:

Joint Owner Interest: 50.06865600% Amount: \$4,641,514.62
Joint Owner Name: Marathon Oil Permian, LLC Signature:

Summary of Communications

San Lorenzo 9-4 State Com #551H

San Lorenzo 9-4 State Com #553H

San Lorenzo 9-4 State Com #556H

San Lorenzo 9-4 State Com #558H

1. Marathon Oil Permian, LLC

October 30, 2024 – Well proposal and AFE delivered via certified mail.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-5
Submitted by: Mewbourne Oil Company
Hearing Date: February 13, 2025
Case No. 25142

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

APPLICATION OF MEWBOURNE OIL
COMPANY FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 25142

SELF-AFFIRMED STATEMENT OF GEOLOGIST

1. My name is Cole Hatchel. 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 Harkey 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 top of the Harkey Sand. 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 well noted with a black line. The structure map shows the targeted formation gently dipping to the east. 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: February 13, 2025
Case No. 25142

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 well is marked on the cross-section with a blue directional 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.

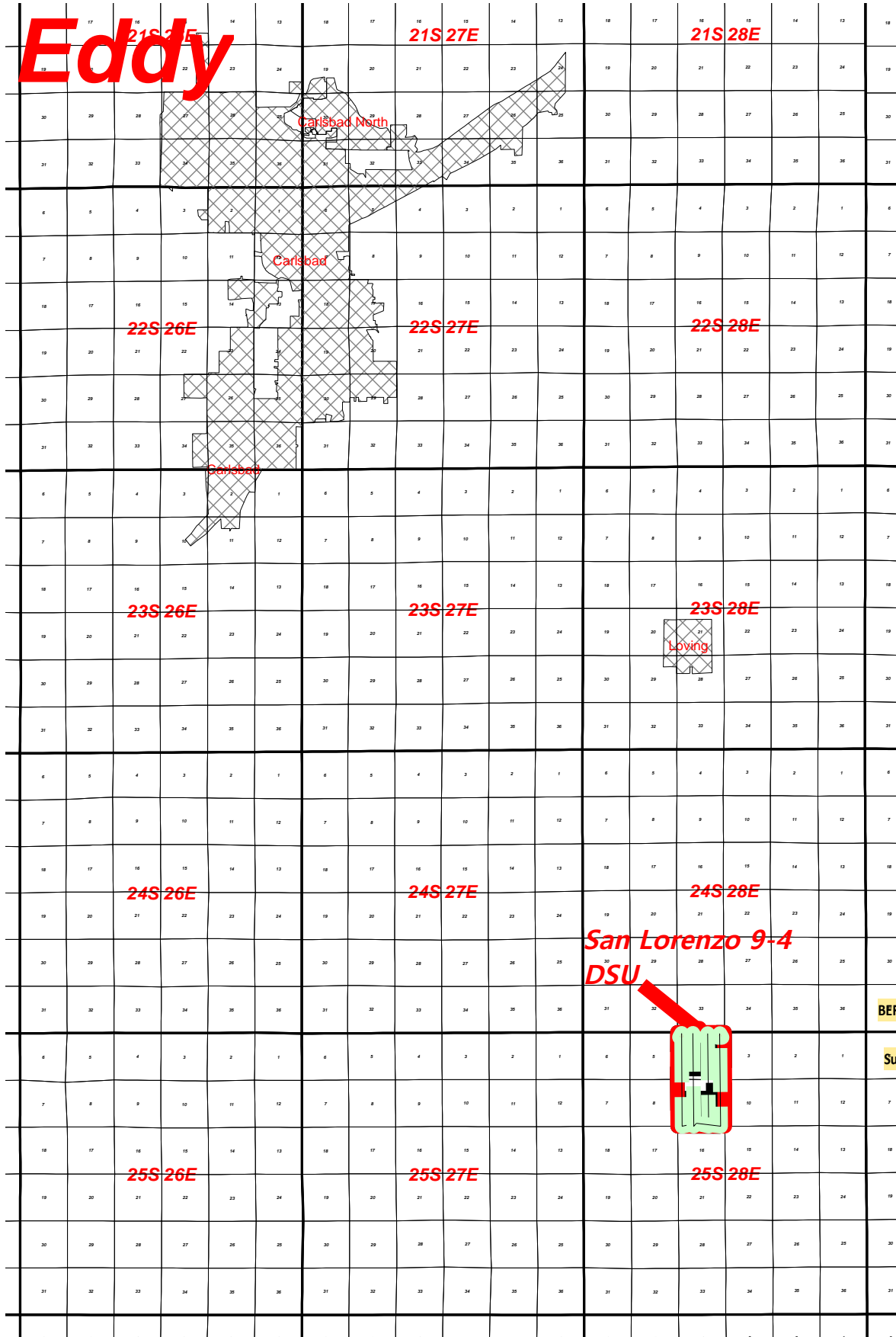
13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



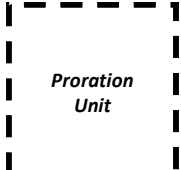
Geologist



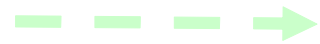
Date



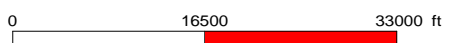
BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-1
 Submitted by: Mewbourne Oil Company
 Hearing Date: February 13, 2025
 Case No. 25142



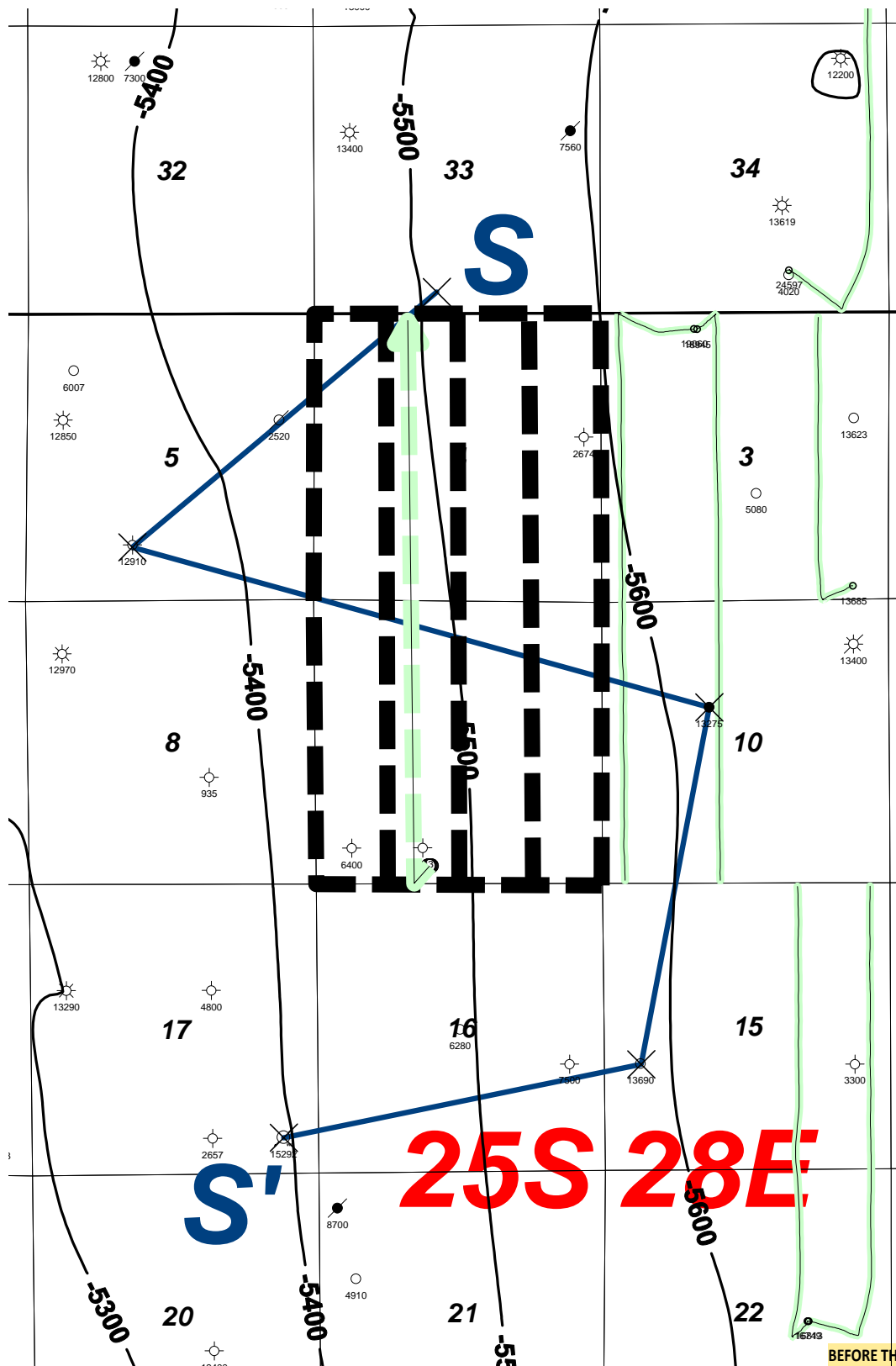
MOC Proposed Horizontal Well



1 inch = 16500 feet



Mewbourne Oil Company		
<h2>Regional Locator Map</h2> <h3>San Lorenzo 9/4</h3>		
February 2025	Eddy County	Geo: C. Hatchel



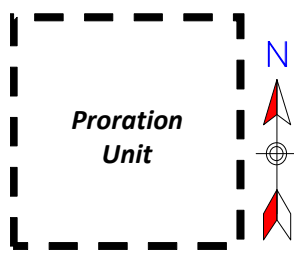
BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-2
 Submitted by: Mewbourne Oil Company
 Hearing Date: February 13, 2025
 Case No. 25142

Horizontal Activity Color Code


 Harkey Sand

MOC Proposed Horizontal Well





0 3000 6000 ft

 Mewbourne Oil Company		
<i>San Lorenzo 9/4 State Com 553H Horizontal Activity Map Top Harkey Sand Structure Map (C.I. 100')</i>		
February 2025	Eddy County	New Mexico
All Vertical Wells		Geo: C. Hatchel

S

S'

300153637200
 7392 ft
 COG OPERATING LLC
 REALLY SCARY FEDERA 3H
 430 FSL 2310 FWL
 TWP: 24 S - Range: 28 E - Sec. 33
 Reference=KB
 Datum=3023.00

300153534200
 11140 ft
 OGX RESOURCES LLC
 WINCHESTER 5 STATE 1
 1004 FSL 1986 FWL
 TWP: 25 S - Range: 28 E - Sec. 5
 Reference=KB
 Datum=3027.00

300153022900
 6759 ft
 LRE OPERATING LLC
 CHAPARRAL 10 1
 1980 FNL 1980 FWL
 TWP: 25 S - Range: 28 E - Sec. 10
 Reference=KB
 Datum=2943.00

300152306700
 6786 ft
 MEWBOURNE OIL CO
 SAN LORENZO SWD 1
 1980 FSL/660 FWL
 TWP: 25 S - Range: 28 E - Sec. 15
 Reference=KB
 Datum=3011.00

300154180600
 COG OPERATING LLC
 WILLOW 17 STATE SWD 001
 660 FSL/660 FWL
 TWP: 25 S - Range: 28 E - Sec. 17
 Reference=KB
 Datum=3038.00

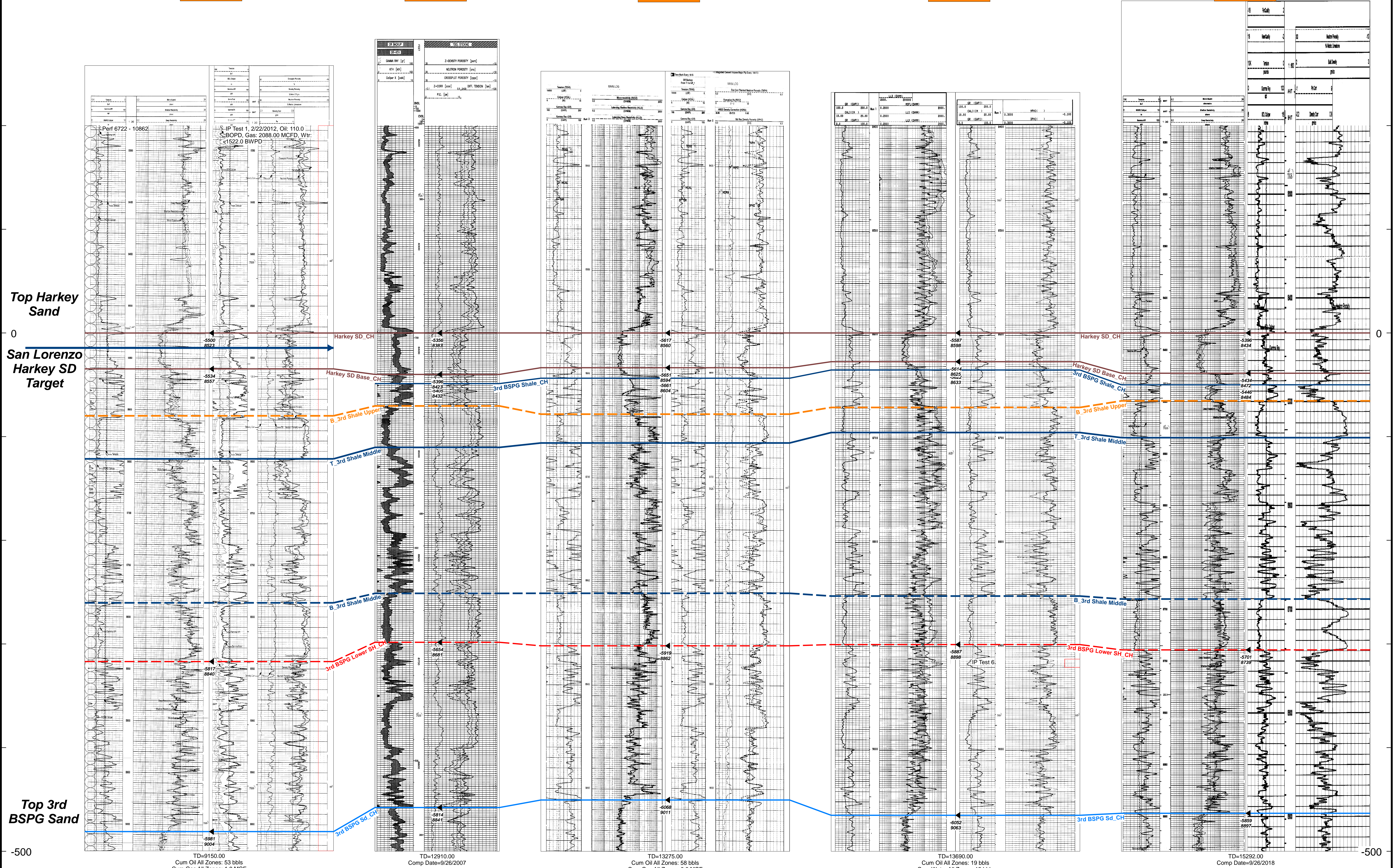
33 N

5 N

10 F

15 E

17 P



Top 3rd BSPG Sand

TD=9150.00
 Cum Oil All Zones: 53 bbls
 Cum Gas All Zones: 1.8 MCF
 Cum Water All Zones: 313 bbls
 Comp Date=2/6/2012

TD=12910.00
 Comp Date=9/26/2007

TD=13275.00
 Cum Oil All Zones: 58 bbls
 Cum Gas All Zones: 0.0 MCF
 Cum Water All Zones: 20 bbls
 Comp Date=7/18/2012

TD=13690.00
 Cum Oil All Zones: 19 bbls
 Cum Water All Zones: 18 bbls
 Comp Date=8/1/1985

TD=15292.00
 Comp Date=9/26/2018

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-3
 Submitted by: Mewbourne Oil Company
 Hearing Date: February 13, 2025
 Case No. 25142

**San Lorenzo 9/4 Harkey SD
 Cross Section Exhibit D-3 (S-S')**

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

**APPLICATION OF MEWBOURNE OIL
COMPANY FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 25142

**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 January 31, 2025.

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: February 13, 2025
Case No. 25142**



Paula M. Vance

02/06/2025

Date



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

January 24, 2025

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS AND APPROVAL OF THE OVERLAPPING WELL SPACING UNIT

Re: Application of Mewbourne Oil Company for Approval an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico: *San Lorenzo 9-4 State Com #553H well*

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 February 13, 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/>.

Your interest is not being pooled. This notice is for approval for the overlapping spacing unit. 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 Carson Cullen at (432) 682-3715, or at ccullen@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

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



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

January 24, 2025

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS AND APPROVAL OF THE OVERLAPPING WELL SPACING UNIT

Re: Application of Mewbourne Oil Company for Approval an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico: *San Lorenzo 9-4 State Com #553H well*

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 February 13, 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 Carson Cullen at (432) 682-3715, or at ccullen@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

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

MOC - San Lorenzo 551H, 553H, 556H, 558H wells - Overlapping - Case nos. 25141-25144
 Postal Delivery Report

9414811898765457978609	Raybaw Operating, LLC	2626 Cole Ave Ste 300	Dallas	TX	75204-1094	Your item was delivered to the front desk, reception area, or mail room at 5:37 pm on January 30, 2025 in DALLAS, TX 75204.
9414811898765457978692	Chevron U.S.A. Inc.	6301 Deauville	Midland	TX	79706-2964	Your item was delivered to an individual at the address at 2:22 pm on January 27, 2025 in MIDLAND, TX 79706.
9414811898765457978685	Northern Oil & Gas, Inc.	4350 Baker Rd Ste 400	Minnetonka	MN	55343-8628	Your item was delivered to the front desk, reception area, or mail room at 10:30 am on January 28, 2025 in HOPKINS, MN 55343.
9414811898765457978630	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Your item was picked up at a postal facility at 7:52 am on January 29, 2025 in SANTA FE, NM 87501.

MOC - San Lorenzo 551H, 553H, 556H, 558H wells Standard - Case nos. 25141-25144
Postal Delivery Report

9414811898765458844842	Marathon Oil Permian, LLC	990 Town And Country Blvd	Houston TX	77024-2217	A shipping label has been prepared for your item. A delivery date will be provided when USPS receives the package; contact the shipper or shipping partner with any inquiries.
------------------------	---------------------------	---------------------------	------------	------------	--

AFFIDAVIT OF PUBLICATION

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

STATE OF NEW MEXICO } SS
COUNTY OF EDDY }

Account Number: 1232
Ad Number: 31750
Description: MOC - San Lorenzo 553H 25142
Ad Cost: \$149.39

Sherry Groves, 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:

January 30, 2025

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

SIGNED:

Sherry Groves

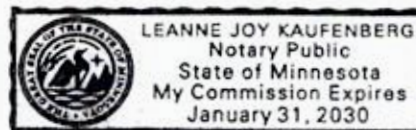
Agent

Subscribed to and sworn to me this 30th day of January 2025.

Leanne Kaufenberg

Leanne Kaufenberg, Notary Public, Redwood County Minnesota

KARI REESE
HOLLAND & HART LLP
420 L STREET, SUITE 550
ANCHORAGE, AK 99501
kreesee@hollandhart.com



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: Mewbourne Oil Company
Hearing Date: February 13, 2025
Case No. 25142

PUBLIC NOTICE

Case No. 25142: Application of Mewbourne Oil Company for Approval an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Raybow Operating, LLC; Chevron U.S.A. Inc.; Northern Oil & Gas, Inc.; New Mexico State Land Office; Marathon Oil Permian, LLC. 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 February 13, 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 (1) approving a 320.50-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying Lot 3, SW/4 NW/4, and E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 4, and E/2 W/2 of Section 9, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Mewbourne seeks to dedicate the above-referenced overlapping horizontal spacing unit to the proposed **San Lorenzo 9-4 State Com #553H** well to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 9 to a bottom hole location in Lot 3 (NE/4 NW/4 equivalent) of irregular Section 4. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:

160-acre spacing unit comprised of Lot 3, SE/4 NW/4, and E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 4, T25S-R28E, dedicated to the Nermal 4 State 1H (API: 30-015-41239) well currently operated by RAYBAW Operating, LLC; and

160-acre spacing unit comprised of the E/2 W/2 of Section 9, T25S-R28E, dedicated to the San Lorenzo 9 NC Fee 1H (API: 30-015-40749) well currently operated by Mewbourne Oil Company.

Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 5 miles southwest of Malaga, New Mexico.

Published in the Carlsbad Current-Argus January 30, 2025.
#31750