BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING FEBRUARY 13, 2025

CASE No. 25055

Mysterio 30/19 Fed #521H

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. 25055

TABLE OF CONTENTS

- Mewbourne Exhibit A: Compulsory Pooling Application Checklist
- Mewbourne Exhibit B: Application for Compulsory Pooling
- Mewbourne Exhibit C: Self-Affirmed Statement of Brock Dixon, Landman
 - o Mewbourne Exhibit C-1: Resume
 - o Mewbourne Exhibit C-2: C-102
 - o Mewbourne Exhibit C-3: Land Tract Map / Uncommitted Interest Owners
 - o Mewbourne Exhibit C-4: Sample Well Proposal Letter with AFEs
 - o Mewbourne Exhibit C-5: Chronology of Contacts
- Mewbourne Exhibit D: Self-Affirmed Statement of Charles Crosby, Geologist
 - o Mewbourne Exhibit D-1: Locator map
 - o Mewbourne Exhibit D-2: Subsea structure & cross-section map
 - o 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: 25055	APPLICANT'S RESPONSE					
Date	February 13, 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, LEA COUNTY, NEW MEXICO					
Entries of Appearance/Intervenors:	Avant Operating, LLC					
Well Family	Mysterio					
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:	Corbin; Bone Spring South [13160]					
Well Location Setback Rules:	Statewide rules					
Spacing Unit						
Type (Horizontal/Vertical)	Horizontal					
Size (Acres)	339.24					
Building Blocks:	40 acres					
Orientation:	Standup / North to South					
Description: TRS/County	Lots 1-4 (W2W2 equivalent) of irregular Sections 19 and 30, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico					
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes					
Other Situations						
Depth Severance: Y/N. If yes, description	No					
Proximity Tracts: If yes, description	No					
Proximity Defining Well: if yes, description	N/A					
Applicant's Ownership in Each Tract	Exhibit C-3					
Well(s)						
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A					

Submitted by: Mewbourne Oil Company Hearing Date: February 13, 2025 Case No. 25055

Well #1	Mysterio 30/19 Fed 521H
	API: 30-025-PENDING
	SHL: 450' FSL, 1,630' FWL (Unit N) of Section 18
	BHL: 100' FSL, 500' FWL (Unit M) of Section 30
	Target: Bone Spring
	Orientation: Standup / North to South
	Completion: 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 \$	\$12,000
Production Supervision/Month \$	\$1,200
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
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Spacing Unit Schematic	Exhibit D-1
Gunbarrel/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
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 pro-	vided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	P. Bollo
Date:	2/5/2024

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. 25055

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 standard 320-acre, more or less, horizontal well spacing

unit comprised of the W2W2 of Sections 30 and 19, Township 18 South, Range 33 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 horizontal spacing unit

to the proposed Mysterio 30/19 Fed 521H well, to be horizontally drilled from a surface location

in the SW4 of Section 30, with a first take point in the SW4SW4 (Unit M) of Section 30 and a last

take point in the NW4NW4 (Unit D) of Section 19.

3. Applicant has sought and been unable to obtain voluntary agreement for the

development of these lands from all interest owners in the subject spacing unit.

4. The pooling of uncommitted mineral owners will allow Applicant to obtain a just

and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary

wells, will prevent waste, and will protect correlative rights.

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Exhibit No. B

WHEREFORE, Applicant requests that this application 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 well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- 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 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, NM 87504

505-988-4421

505-983-6043 Facsimile

mfeldewert@hollandhart.com

agrankin@hollandhart.com

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 standard 320-acre, more or less, horizontal well spacing unit comprised of the W2W2 of Sections 30 and 19, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Mysterio 30/19 Fed 521H well, to be horizontally drilled from a surface location in the SW4 of Section 30, with a first take point in the SW4SW4 (Unit M) of Section 30 and a last take point in the NW4NW4 (Unit D) of Section 19. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 19 miles southwest of Lovington, 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. 25055

SELF-AFFIRMED STATEMENT OF BROCK DIXON

My name is Brock Dixon. I work for Mewbourne Oil Company ("Mewbourne") as 1.

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. Under Case No. 25055, Mewbourne seeks an order pooling all uncommitted

interests in the Bone Spring formation underlying a standard 339.24-acre, more or less, horizontal

well spacing unit comprised of Lots 1-4 (W2W2 equivalent) of irregular Sections 30 and 19,

Township 18 South, Range 33 East, NMPM, Lea County, New Mexico. Mewbourne seeks to

initially dedicate this Bone Spring spacing unit to the proposed Mysterio 30/19 Fed 521H well,

to be horizontally drilled from a surface location in the SE4SW4 (Unit N) of irregular Section 18,

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico **Exhibit No. C** Submitted by: Mewbourne Oil Company

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Case No. 25055

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with a first take point in Lot 1 (NW4NW4 equivalent) of irregular Section 19 and a last take point in Lot 4 (SW4SW4 equivalent) of irregular Section 30.

- 6. Due to concerns regarding the Dune Sagebrush Lizard, Mewbourne was advised by the Bureau of Land Management that it would be required to change the surface hole and bottom hole locations for the proposed wells. This change is not a material impact to the proposed horizontal spacing units.
- 7. **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 Corbin, Bone Spring South [13160].
- 8. **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 federal lands. The parties Mewbourne seeks to pool are highlighted in yellow.
- 9. **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.
- 10. Mewbourne requests that the overhead and administrative costs for drilling and producing the proposed well be set at \$12,000 per month while drilling and \$1,200 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.
- 11. **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.

- 12. 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.
- 13. **Mewbourne Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.
- 14. 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.

Brock Dixon

Date

2/4/25

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Brock Dixon

(432)664-4779 | bryan.b.dixon@gmail.com

EDUCATION

Texas Tech University, Rawls College of Business

Bachelor of Business Administration, Energy Commerce

• GPA: 3.32

• Dean's Honor List: Fall 2020

RELEVANT COURSEWORK

Energy Industry Fundamentals Petroleum Land Management Oil & Gas Agreements I & II Oil & Gas Law I & II Energy Markets Energy Systems

EXPERIENCE

Mewbourne Oil Co.

Midland, TX

Lubbock, TX

Graduation: May 2023

Landman

June 2023 - Present

- Created JIB and Revenue Decks from calculations derived from Division Order Title Opinions.
- Ran title in the local abstract office to research leasehold ownership.
- Drafted and completed well proposals to parties who own an interest in the lands that we desire to explore.

Mewbourne Oil Co.

Midland, TX

Land Intern

May 2022 - August 2022

- Ran title in the local abstract office to research leasehold ownership.
- Drafted memorandums for multiple wells in preparation to drill.

CAMPUS INVOLVEMENT

Energy Commerce Association-Member American Association of Professional Landmen-Member Delta Tau Delta Fraternity-Member August 2021-May 2022 August 2021-Current August 2018-May 2022

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Email Address

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Propert	y Code		Property Na	ame		IO 19/30 F		J		Well N	umber	521H
OGRIE	No.		Operator Na	ame	MEWBOURN	NE OIL COM	PANY	7		Ground	Level Elevation	3828
Surface	Owner:	State □ Fee □	☐Tribal ☐F	ederal		Mineral Owner:	State	☐ Fee □] Tribal	□Fede	ral	
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UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W		Latitude		Longitu		County
N	18	18S	33E		450 FSL	1630 FWL	32.7	741420	8°N	103.7	7059558°W	LEA
						Hole Location				,		
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitud			Longiti		County
M	30	18S	33E	4	100 FSL	500 FWL	32.7	711408	12°N	103.7	7096082°W	LEA
Dedica	ted Acres	Infill or Defi	ning Well	Defining	; Well API	Overlapping Spa	cing Un	iit (Y/N)	Consoli	dation C	ode	
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						f Point (KOP)						
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitue	de		Longit	ude	County
	18	18S	33E		350 FSL	500 FWL						LEA
					First Ta	ke Point (FTP)						
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitu	de		Longit	ude	County
	19	18S	33E	1	100 FNL	500 FWL						LEA
					Last Ta	ke Point (LTP)						
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitu	de		Longit	ude	County
	30	18S	33E	4	100 FSL	500 FWL						LEA
				-		1						
Unitize	ed Area or A	rea of Uniform	Interest	Spacing	Unit Type Hori	zontal Vertical		Groune	d Floor	Elevatio	n:	
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Printed N	Name					Certificate Number		Date of Surve	у			
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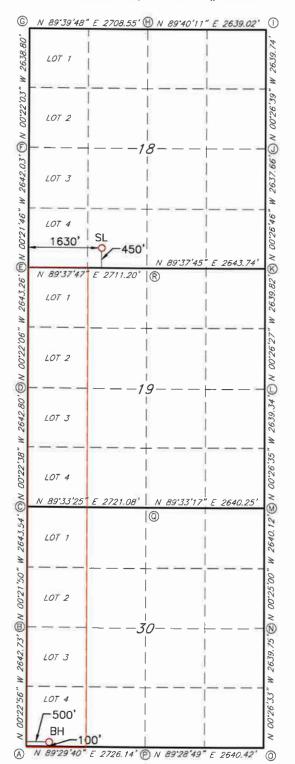
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ACREAGE DEDICATION PLATS

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.

MYSTERIO 19/30 FED #521H



GEODETIC DATA NAD 83 GRID — NM EAST

<u>SURFACE LOCATION (SL)</u> N: 634031₋8 - E: 734237.4

LAT: 32.7414208° N LONG: 103.7059558° W

BOTTOM HOLE (BH) N: 623106.0 - E: 733178.7

LAT: 32,7114082° N LONG: 103,7096082° W

CORNER DATA NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1913" N: 623001.6 - E: 732679.5

B: FOUND BRASS CAP "1913" N: 625643.7 - E: 732661.8

C: FOUND BRASS CAP "1913" N: 628286.6 - E: 732645.1

D: FOUND BRASS CAP "1913" N: 630928.8 - E: 732627.7

E: FOUND BRASS CAP "1913" N: 633571.4 - E: 732610.7

F: FOUND BRASS CAP "1913"

N: 636212.8 - E: 732594.0

G: FOUND BRASS CAP "1913" N: 638850.9 - E: 732577.0

H: FOUND BRASS CAP "1913"

N: 638866.9 - E: 735284.9

I: FOUND BRASS CAP "1913" N: 638882.1 - E: 737923.3

J: FOUND BRASS CAP "1913" N: 636243.0 - F: 737943.8

K: FOUND BRASS CAP "1913"

N: 633606.0 - E: 737964.3

L: FOUND BRASS CAP "1913" N: 630966.8 - E: 737984.7

M: FOUND BRASS CAP "1913"

N: 628328-2 - E: 738005.1

N: FOUND BRASS CAP "1913" N: 625688.7 - E: 738024.2

O: FOUND BRASS CAP "1913"

N: 623049.6 - E: 738044₊6

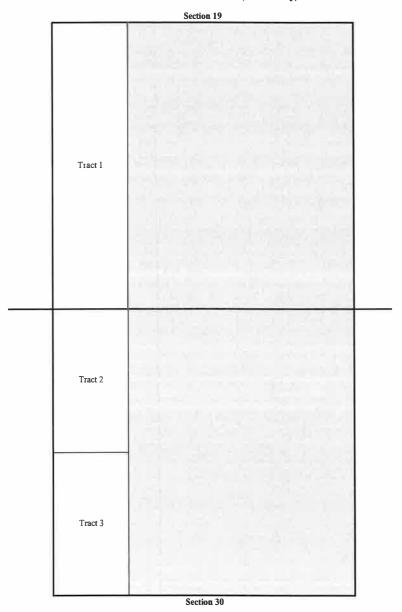
P: FOUND BRASS CAP "1913" N: 623025.7 - E: 735404.9

Q: FOUND BRASS CAP "1913"

N: 628307.6 - E: 735365.5

R: FOUND BRASS CAP "1913" N: 633588-9 - E: 735321-2

Section Plat Mysterio 30/19 Fed #521H W2W2 of Section 19 & 30-T18S-R33E, Lea County, NM



Tract 1: W2W2 of Section 19 - Federal Lease NMLC 0069276

Mewbourne Oil Company, et al.

Tract 2: Lots 1 & 2 (W2NW4) of Section 30 - Federal Lease NMLC 0069276

Mewbourne Oil Company, et al. Earthstone Permian, LLC Duadav Resources LLC Maverick Oil & Gas Corporation

Tract 3: Lots 3 & 4 (W2SW4) of Section 30 - Federal Lease NMLC 0069276

Mewbourne Oil Company, et al Occidental Permian LP Ovintiv Inc. Avant Operating, LLC Legion Production Partners Double Cabin Minerals, LLC

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. 25055

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RECAPITUALTION FOR Mysterio 30/19 Fed #521H

ract Number	Number of Acres Committeed	Percentage of Interst in Communitized Area
1	169.16	49.864403%
2	84.92	25.032425%
3	85.16	25.103172%
TOTAL	339.24	100.000000%

T18S-R33E, Eddy County, NM

Section 19 Tract 1 Tract 2 Tract 3

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TRACT OWNERSHIP

Mysterio 30/19 Fed #521H W2W2 of Section 30-T18S-R33E, Lea County, NM

W2W2 of Section 30 Bone Spring Formation:

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	84.941672%
*Occidental Permian, LP	5.219263%
*Earthstone Permian, LLC	3.888500%
*Ovintiv, Inc.	3.137896%
*Avant Operating, LLC	1_372830%
*Legion Production Partners	1.132624%
*Double Cabin Minerals, LLC	0.294178%
*Duadav Resources, LLC	0.009778%
*Maverick Oil & Gas Corporation	0.003259%
TOTAL	100.000000%

Total Interest Being Pooled: 15.058328%

OWNERSHIP BY TRACT

Lots	1 (&	2	(W2NW4) of Section	30
------	-----	---	---	--------------------	----

Owner	% of Leasehold Interes
Mewbourne Oil Company, et al	84.414063%
*Earthstone Permian, LLC	15.533853%
*Duadav Resources, LLC	0.039063%
*Maverick Oil & Gas Corporation	0.013021%
TOTAL	100.000000%

Lots 3 & 4 (W2SW4) of Section 30

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al	55.556250%
*Occidental Permian, LP	20.791250%
*Ovintiv, Inc.	12.500000%
*Avant Operating, LLC	5.468750%
*Legion Production Partners	4.511875%
*Double Cabin Minerals, LLC	1,171875%
TOTAL	100.000000%

^{*}Owners being pooled

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

August 30, 2024

Certified Mail

Working Interest Owner Address City, State Zip Attn:

Re:

Mysterio 30/19 Working Interest Unit

All of Section 30 and All of Section 19, T18S, R33E, Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("MOC"), as Operator, hereby proposes creating a working interest unit comprising All of Section 30 and All of Section 19, T18S, R33E, Lea County, New Mexico covering the Bone Spring formation. As part of the initial development, MOC proposes drilling and completing the following wells:

1) Mysterio 30/19 Fed #521H (B2MD) – API #pending

Surface Location: 205' FNL, 2400' FWL, Section 30, T18S, R33E Bottom Hole Location: 100' FNL, 500' FWL, Section 19, T18S, R33E

Proposed Total Vertical Depth: 9439' Proposed Total Measured Depth: 19748'

Target: 2nd Bone Spring Sand

2) Mysterio 30/19 Fed #523H (B2NC) – API #pending

Surface Location: 205' FNL, 2420' FWL, Section 30, T18S, R33E Bottom Hole Location: 100' FNL, 1850' FWL, Section 19, T18S, R33E

Proposed Total Vertical Depth: 9453' Proposed Total Measured Depth: 19592'

Target: 2nd Bone Spring Sand

3) Mysterio 30/19 Fed #525H (B2OB) – API #pending

Surface Location: 205' FNL, 2580' FEL, Section 30, T18S, R33E Bottom Hole Location: 100' FNL, 1850' FEL Section 19, T18S, R33E

Proposed Total Vertical Depth: 9453' Proposed Total Measured Depth: 19660'

Target: 2nd Bone Spring Sand

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4) Mysterio 30/19 Fed #527H (B2PA) – API #pending

Surface Location: 205' FNL, 2600' FEL, Section 30, T18S, R33E Bottom Hole Location: 100' FNL, 500' FEL, Section 19, T18S, R33E

Proposed Total Vertical Depth: 9459' Proposed Total Measured Depth: 19874'

Target: 2nd Bone Spring Sand

The wells are planned to be pad drilled using one (1) rig with the first well tentatively scheduled to spud 1st quarter 2025. In the event you elect to participate in the proposed 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 provide well data when available.

Please contact Brock Dixon at (432) 682-3715 or via email at bdixon@mewbourne.com if you have any questions or need more information.

Very truly yours,

MEWBOURNE OIL COMPANY

Brock Dixon Landman

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

January 4, 2025

Certified Mail

Working Interest Owner Address City, State, Zip

Re: Mysterio 30/19 Working Interest Unit Correction to Lateral Locations All of Section 30 and All of Section 19, T18S, R33E, Lea County, New Mexico

Ladies and Gentlemen:

By well proposal dated August 30, 2024, Mewbourne Oil Company ("MOC"), as Operator, proposed the following wells:

- 1) Mysterio 30/19 Fed #521H (B2MD) API #pending
- 2) Mysterio 30/19 Fed #523H (B2NC) API #pending
- 3) Mysterio 30/19 Fed #525H (B2OB) API #pending
- 4) Mysterio 30/19 Fed #527H (B2PA) API #pending

This letter is intended to inform you that the proposed Mysterio 30/19 wells will be drilled from the North to South rather than South to North as originally planned due to concerns regarding the Dune Sagebrush Lizard, Mewbourne was advised by the Bureau of Land Management that it would be required to change the surface hole and bottom hole locations for the proposed wells. This change is not a material impact to the proposed horizontal spacing units.

Please see the updated lateral locations for each well as follows below:

- Mysterio 30/19 Fed #521H (B2DM) API #pending Surface Location: 405' FSL, 1630' FWL, Section 18, T18S, R33E Bottom Hole Location: 100' FSL, 500' FWL, Section 30, T18S, R33E
- Mysterio 30/19 Fed #523H (B2CN) API #pending Surface Location: 450' FSL, 1650' FWL, Section 18, T18S, R33E Bottom Hole Location: 100' FSL, 1850' FWL, Section 30, T18S, R33E
- 3) Mysterio 30/19 Fed #525H (B2BO) API #pending Surface Location: 525' FSL, 1850' FEL, Section 18, T18S, R33E Bottom Hole Location: 100' FSL, 1850' FEL Section 30, T18S, R33E

4) Mysterio 30/19 Fed #527H (B2AP) – API #pending Surface Location: 525' FSL, 1830' FEL, Section 18, T18S, R33E Bottom Hole Location: 100' FSL, 500' FEL, Section 30, T18S, R33E

Please contact Brock Dixon at (432) 682-3715 or via email at bdixon@mewbourne.com if you have any questions or need more information.

Very truly yours,

MEWBOURNE OIL COMPANY

Brock Dixon Landman

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

80-0100 90-0105 90-0106 90-0106 90-0110 90-01110 90-0115 90-0120 90-0121 90-0121 90-0125 90-0130 90-0137 90-0145 90-0145 90-0150 90-0150	\$20,000 \$50,000 \$150,000 \$150,000 \$1750,000 \$1750,000 \$1750,000 \$230,000 \$2	CODE 0180-0200 0180-0200 0180-0200 0180-0210 0180-0214 0180-0215 0180-0221 0180-0223 0180-0223 0180-0223 0180-0223 0180-0234 0180-0234 0180-0242 0180-0242 0180-0242 0180-0245 0180-0255	\$T: NM TMD: 19748 CC \$25,00 \$85,00 \$89,70 \$203,90 \$72,00 \$30,00 \$30,00 \$60,00 \$313,20 \$222,00 \$222,00 \$320,00 \$320,00 \$330,
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80-0105 80-0106 \$ 80-0110 \$ 80-0111 \$ 80-0114 \$ 80-0120 \$ 80-0121 \$ 80-0121 \$ 80-0130 \$ 80-0134 \$ 80-0137 \$ 80-0145 \$ 80-0150 \$ 80-0150 \$ 80-0150 \$ 80-0154 \$ 80-0154 \$ 80-0154 \$ 80-0154 \$ 80-0156 \$ 80-0154 \$ 80-0156	\$50.000 \$150,000 \$478,500 \$113,300 \$50,000 \$230,000 \$45,000 \$2,000 \$45,000 \$20,000 \$45,000 \$40,000	0180-0205 0180-0206 0180-0210 0180-0215 0180-0225 0180-0222 0180-0223 0180-0223 0180-0223 0180-0223 0180-0223 0180-0224 0180-0241 0180-0242 0180-0245 0180-0245 0180-0255 0180-0255	\$85.00 \$89,7(\$203,9(\$72,0(\$30,0(\$313,2(\$15,0(\$2,215,0(\$436,6(\$5,0(\$5,0(
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30-0168	\$5,000	0180-0268	\$15,00
30-0170	\$36,100	0180-0270	\$37,10
30-0175	\$350,000		
30-0180	\$119,600	0180-0280	\$110,00
30-0184	\$5,000	0180-0284	
30-0185	\$5,200	0180-0285	
30-0188	\$10,000	0180-0288	\$1.00
30-0190	\$10,000	0180-0290	\$10,00
30-0192			\$5,00
			\$37,80
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		0180-0299	\$216,20 \$4,540,00
31-0794	\$68,300		
31-0796	\$354,600		
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Released to Imaging: 2/13/2025 8:28:02 AM

Summary of Communications

Mysterio 30/19 Fed #521H

Mysterio 30/19 Fed #523H

Mysterio 30/19 Fed #525H

Mysterio 30/19 Fed Com #527H

ALL of Section 19 and ALL of Section 30-T18S-R33E Lea County, NM

Occidental Permian LP:

08/02/2024: Well Proposal to the above listed party for above captioned wells were delivered.

11/21/2024: Email Correspondence with Samuel D'Amico regarding the Operating Agreement for the wells captioned above.

12/10/2024: Correction to the Well Proposal to the above listed party for above captioned wells were delivered.

Legion Production Partners:

08/02/2024: Well Proposal to the above listed party for above captioned wells were delivered.

12/10/2024: Correction to the Well Proposal to the above listed party for above captioned wells were delivered.

12/26/2024: Email Correspondence with Sophia Guerra regarding the Operating Agreement for the wells captioned above.

Ovintiv, Inc.:

11/21/2024: Email Correspondence with Marissa Bergeron regarding the Operating Agreement and a Letter Agreement for the wells captioned above.

12/10/2024: Correction to the Well Proposal to the above listed party for above captioned wells were delivered.

Avant Operating, LLC:

08/03/2024: Well Proposal to the above listed party for above captioned wells were delivered.

12/10/2024: Correction to the Well Proposal to the above listed party for above captioned wells were delivered.

12/26/2024: Email Correspondence with Sophia Guerra regarding the Operating Agreement for the wells captioned above.

ConocoPhillips Company:

08/02/2024: Well Proposal to the above listed party for above captioned wells were delivered.

12/10/2024: Correction to the Well Proposal to the above listed party for above captioned wells were delivered.

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. 25055

12/31/2024: Called the above listed party regarding the above captioned wells.

Double Cabin Minerals, LLC

08/02/2024: Well Proposal to the above listed party for above captioned wells were delivered.

12/10/2024: Correction to the Well Proposal to the above listed party for above captioned wells were delivered.

12/26/2024: Email Correspondence with Sophia Guerra regarding the Operating Agreement for the wells captioned above.

Earthstone Permian, LLC

09/6/2024: Well Proposal to the above listed party for above captioned wells were delivered.

12/10/2024: Correction to the Well Proposal to the above listed party for above captioned wells were delivered.

12/31/2024: Called the above listed party regarding the above captioned wells.

Duaday Resources, LLC

09/6/2024: Well Proposal to the above listed party for above captioned wells were delivered.

12/31/2024: Called the above listed party regarding the above captioned wells.

Maverick Oil & Gas Corporation:

09/16/2024: Well Proposal to the above listed party for above captioned wells were delivered.

9/19/2024: Email Correspondence with Lisa Builta regarding AFE's for the wells captioned above.

12/11/2024: Correction to the Well Proposal to the above listed party for above captioned wells were delivered.

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. 25055

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 2nd Bone Spring Sand interval 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 2nd Bone Spring Sand. The contour intervals are 100 feet. The area comprising the proposed

spacing unit is outlined in dashed black boxes with the approximate location and orientation of the

initial well noted with a dashed green arrow. The structure map shows the targeted formation

gently dipping to the southeast. 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

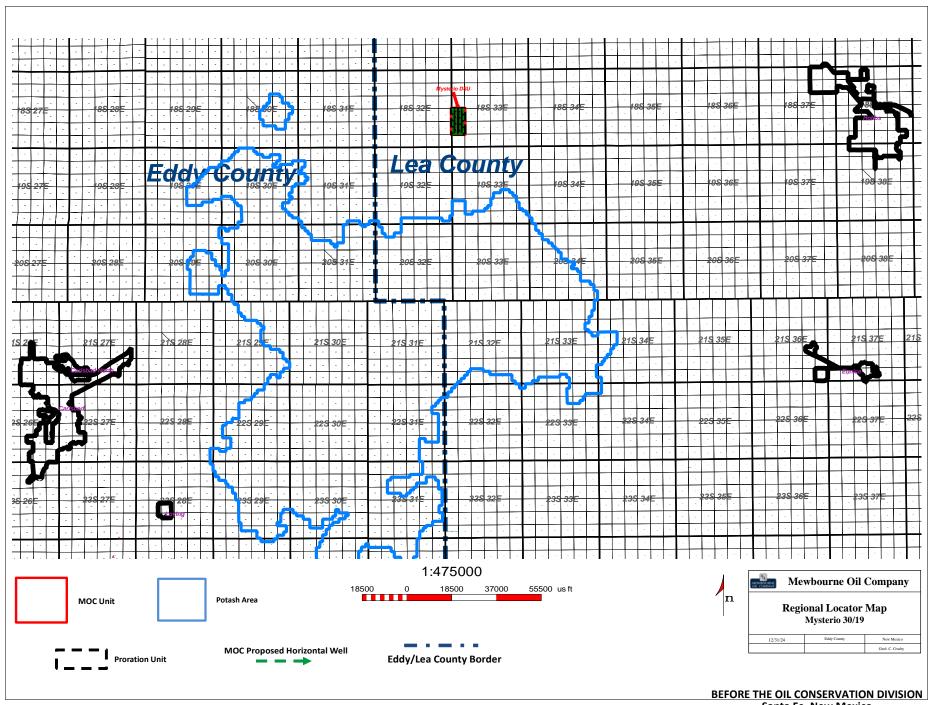
Exhibit No. D

- 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 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 well 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. (2/3)/24

Charles Crosby

Date



Santa Fe, New Mexico
Exhibit No. D-1
Submitted by: Mewbourne Oil Company
Hearing Date: February 13, 2025
Case No. 25055

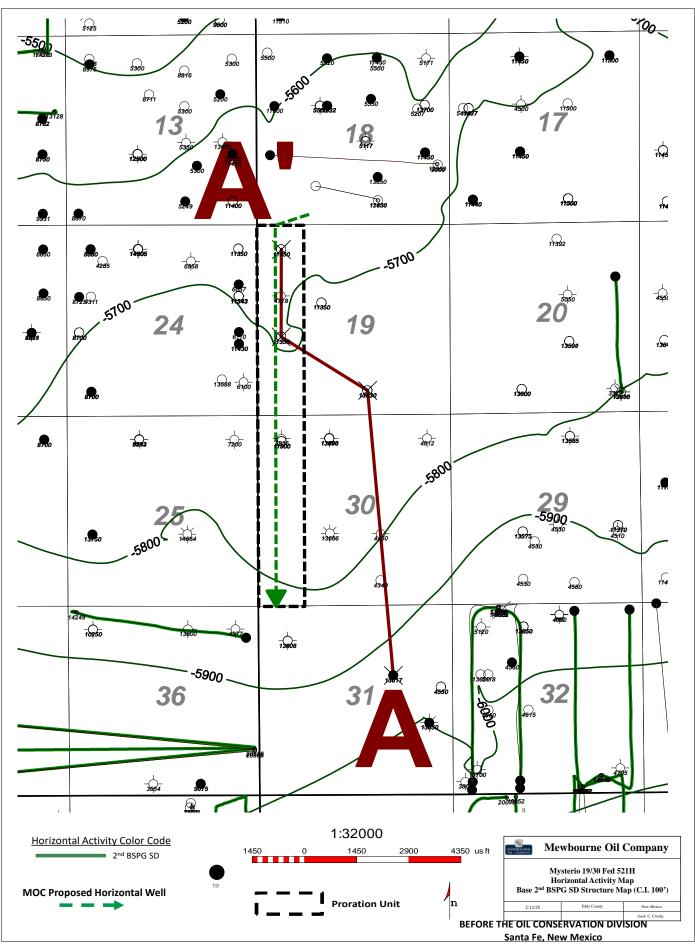


Exhibit No. D-2 Submitted by: Mewbourne Oil Company Hearing Date: February 13, 2025 Case No. 25055

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. 25055

Page 30 of 36

Received by OCD: 2/6/2025 9:09:12 AM

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. 25055

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. 25055 2/6/2025

Paula M. Vance Date



December 20, 2024

<u>VIA CERTIFIED MAIL</u> CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Mewbourne Company for Compulsory Pooling, Lea County,

New Mexico: Mysterio 30/19 Fed 521H

Ladies & Gentlemen:

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 Brock Dixon at (432) 682-3715, or at bdixon@mewbourne.com.

Sincerely,

Adam G. Rankin

ATTORNEY FOR MEWBOURNE OIL COMPANY

MOC - Mysterio 521H, 523H, 525H, 527H wells - Case nos. 25055-25057, 25059 Postal Delivery Report

9414811898765459526600	Occidental Permian Limited Partnership	5 Greenway Plz Ste 110	Houston	TX	77046-0521	We now anticipate delivery of your package the next business day. We apologize for the delay.
	P	.,				,
						Your item was delivered to
						the front desk, reception
						area, or mail room at 2:40
						pm on December 23, 2024
9414811898765459526648	Legion Production Partners	1515 Wynkoop St Ste 700	Denver	СО	80202-2062	in DENVER, CO 80202.
						Your item was delivered to
						the front desk, reception
						area, or mail room at 9:38
						am on December 23, 2024
9414811898765459526631	Ovintiv, Inc.	370 17th St Ste 1700	Denver	со	80202-5632	in DENVER, CO 80202.
3414011030703433320031	Ovinciv, inc.	370 17111 30 300 1700	Deliver	-	00202 3032	III BEITVER, CO GGZGZ.
						Your item was delivered to
						the front desk, reception
						area, or mail room at 2:40
						pm on December 23, 2024
9414811898765459526112	Avant Operating, LLC	1515 Wynkoop St Ste 700	Denver	CO	80202-2062	in DENVER, CO 80202.
						Your item has been
						delivered and is available
						at a PO Box at 8:12 am on
						December 27, 2024 in
9414811898765459526150	ConocoPhillips Company	600 W Illinois Ave	Midland	TX	79701-4882	MIDLAND, TX 79701.
						\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
						Your item was delivered to
						the front desk, reception
						area, or mail room at 2:40
0.44.404.4000765.4505364.67	Davible Cabin Minagele 11 C	1515 Minches of Ct - 700	D =	66	00202 2062	pm on December 23, 2024
9414811898765459526167	Double Cabin Minerals, LLC	1515 Wynkoop St Ste 700	Denver	СО	80202-2062	in DENVER, CO 80202.

Received by OCD: 2/6/2025 9:09:12 AM

MOC - Mysterio 521H, 523H, 525H, 527H wells - Case nos. 25055-25057, 25059 Postal Delivery Report

						Your item was delivered to
						an individual at the
						address at 10:56 am on
						December 24, 2024 in
9414811898765459526105	Earthstone Permian, LLC	300 N Marienfeld St Ste 1000	Midland	TX	79701-4688	MIDLAND, TX 79701.
						Your item was delivered to
						an individual at the
						address at 4:46 pm on
						December 26, 2024 in
9414811898765459526198	Duadav Resources, LLC	6441 Waggoner Dr	Dallas	TX	75230-5144	DALLAS, TX 75230.
						Your item was delivered to
						an individual at the
						address at 9:34 am on
						December 24, 2024 in
9414811898765459526143	Maverick Oil & Gas Corporation	1001 W Wall St	Midland	TX	79701-6637	MIDLAND, TX 79701.

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.

LEGAL NOTICE December 24, 2024

Case No. 25055: 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 Occidental Permian Limited Partnership; Legion Production Partners; Ovintiv, Inc.; Avant Operating, LLC; ConocoPhillips Company; Double Cabin Minerals, LLC; Earthstone Permian, LLC; Duadav Resources, LLC; Maverick Oil & Gas Corporation. 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/orc.o.n.tact 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 standard 320-acre, more or lass, horizontal well spacing unit comprised of the W2W2 of Sections 30 and 19, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Mysterio 30/19 Fed 521H well, to be horizontally drilled from a surface location in the SW4 of Section 30; with a first take point in the SW4SW4 (Unit M) of Section 30 and a last take point in the NW4NW4 (Unit D) of Section 19, Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 19 miles southwest of Lov

67100754

00297013

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

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: Mewbourne Oil Company
Hearing Date: February 13, 2025
Case No. 25055