

EXHIBIT LIST

**APPLICATION OF MEWBOURNE OIL COMPANY
TO AMEND ORDER NO. R-21186, EDDY COUNTY,
NEW MEXICO.**

Case No. 21809

MEWBOURNE OIL COMPANY'S EXHIBIT LIST

1. Application and Proposed Ad
2. Landman's Affidavit (Adriana Salgado)
3. Notice Affidavit
4. Publication Notice

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MEWBOURNE OIL COMPANY
TO AMEND ORDER NO. R-21186, EDDY COUNTY,
NEW MEXICO.**

Case No. _____

APPLICATION

Mewbourne Oil Company applies for an order amending Order No. R-21186, and in support thereof states:

1. Order No. R-21186 pooled all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2N/2 of Section 25 and the N/2NE/4 of Section 26, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

2. Applicant proposes to drill the Foxhole 25/26 W0AB Fed Com. Well No. 1H to a depth sufficient to test the Wolfcamp formation, with a first take point in the NE/4NE/4 of 25 and a final take point in the NW/4NE/4 of Section 26. Order No. R-21186 designates Applicant as operator of the well.

3. This matter was heard on February 6, 2020, and Order No. R-21186 was entered on April 14, 2020 using an "interim form of order." A newer, amended order template was described in a letter of the Division Director dated April 9, 2020 (the "Amended Order Template").

4. Applicant requests that Order No. R-21186 be amended to conform to the Amended Order Template.

5. Paragraph 19 of Order No. R-21186 requires the operator to commence the well within one year of the date of issuance. Paragraph 20 of Order No. R-21186 provides that the

EXHIBIT /

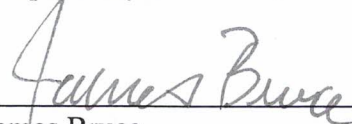
order will terminate if the well is not timely commenced, unless the operator “obtains an extension by an amendment of this Order for good cause shown.”

6. Applicant requests an extension of the drilling deadline due to market conditions which have altered drilling schedules, and due to the coronavirus situation. Thus good cause exists for Applicant’s request for an extension.

7. Applicant requests an extension of the well commencement deadline to April 14, 2022.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order amending Order No. R-21186 (i) to conform to the Amended Order Template, and (ii) to extend the well commencement deadline to April 14, 2022.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. _____:

Application of Mewbourne Oil Company to Amend Order No. R-21186, Eddy County, New Mexico. Mewbourne Oil Company seeks an order amending Order No. R-21186, issued on April 14, 2020, to conform to the Amended Order Template currently in use, and to extend the well commencement deadline one year, to April 14, 2022. Order No. R-21186 pooled mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2N/2 of Section 25 and the N/2NE/4 of Section 26, Township 20 South, Range 28 East, NMPM, for purposes of drilling the Foxhole 25/26 W0AB Fed. Com. Well No. 1H. It requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amendment of the order for good cause shown. The unit is located approximately 11 miles north-northeast of Carlsbad, New Mexico.

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

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

**APPLICATION OF MEWBOURNE OIL COMPANY
TO AMEND ORDER NO. R-21186, EDDY COUNTY,
NEW MEXICO.**

Case No. 21809

SELF-AFFIRMED STATEMENT OF ADRIANA SALGADO

Adriana Salgado, being duly sworn upon her oath, deposes and states:

1. I am a landman for Mewbourne Oil Company ("Mewbourne"), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.
2. I am familiar with the application filed by Mewbourne in the above case. Pursuant to Division rules the following information is submitted in support of the application.
3. No opposition is expected because the affected interest owner has been contacted regarding the amending the subject order, and has not objected or entered an appearance.
4. In this case Mewbourne Oil Company seeks an order amending Order No. R-21186, issued on April 14, 2020, to conform to the Amended Order Template currently in use, and to extend the well commencement deadline one year, to April 14, 2022. Order No. R-21186 pooled all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the N/2N/2 of Section 25 and the N/2NE/4 of Section 26, Township 20 South, Range 28 East, NMPM. The subject well is the Foxhole 25/26 W0AB Fed. Com. Well No. 1H.
5. The subject order is submitted as Attachment A. The Amended Order Template and the related letter from the Division Director are submitted as Attachment B.
6. Good cause exists for Mewbourne's requests for extension of time to commence drilling, due to market conditions over the past year, which have cause Mewbourne to adjust its drilling schedule. Mewbourne still plans on drilling the well.
7. Under the subject order, the deadline to commence the well is April 14, 2021 Mewbourne requests that the deadline to commence the drilling of the subject wells be extended for one year.

EXHIBIT 2

8. Mewbourne has reviewed the Amended Order Template and agrees to its terms. Mewbourne requests that the above order be amended to conform to the Amended Order Template.

9. Mewbourne is in good standing under the Division's Rules.

10. The granting of this application will prevent waste and protect correlative rights.

I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 10 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 4/6/21

ASalgado
Adriana Salgado

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
MEWBOURNE OIL COMPANY**

**CASE NO. 21058
ORDER NO. R-21186**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on February 6th, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Mewbourne Oil Company (“Operator”) submitted an application (“Application”) to compulsorily pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

ATTACHMENT

A

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.

20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by an amendment of this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit to each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."

27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ADRIENNE SANDOVAL
DIRECTOR
AES/kms

Date: 4/14/2020

Exhibit "A"

| COMPULSORY POOLING APPLICATION CHECKLIST | |
|---|---|
| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS | |
| Case: | 21058 |
| Date | February 6, 2020 |
| Applicant | Mewbourne Oil Company |
| Designated Operator & OGRID (affiliation if applicable) | Mewbourne Oil Company/OGRID No. 14744 |
| Applicant's Counsel: | James Bruce |
| Case Title: | Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico |
| Entries of Appearance/Intervenors: | Strata Production Company/Montgomery & Andrews |
| Well Family | Foxhole 25/26 W0AB Fed. Com. Well No. 1H |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent: | Wolfcamp Formation |
| Primary Product (Oil or Gas): | Oil |
| Pooling this vertical extent: | Entire Wolfcamp formation |
| Pool Name and Pool Code: | Burton Flat; Upper Wolfcamp, East/Pool Code 98315 |
| Well Location Setback Rules: | Statewide rules and current horizontal well rules |
| Spacing Unit Size: | Quarter-quarter Section/40 acre |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Vertical |
| Size (Acres) | 240 acres |
| Building Blocks: | 40 acres |
| Orientation: | East-West |
| Description: TRS/County | N/2N/2 §25 and N/2NE/4 §26-20S-28E, NMPM, Eddy County |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe | Yes |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | No |
| Proximity Tracts: If yes, description | No |
| Proximity Defining Well: if yes, description | |
| Applicant's Ownership in Each Tract | Exhibit 1 pages 6-8 |
| Well(s) | |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non- standard) | Foxhole 25/26 W0AB Fed. Com. Well No. 1H API No. 30-015-Pending SHL: 1860 FNL & 380 FEL §25 BHL: 660 FNL & 2554 FEL §26 FTP: 660 FNL & 100 FEL §25 LTP: 660 FNL & 2540 FEL §26 Upper Wolfcamp/TVD 9160 feet/MD 16980 feet |

EXHIBITS

| | |
|--|------------------------------|
| Horizontal Well First and Last Take Points | See above |
| Completion Target (Formation, TVD and MD) | See above |
| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | \$8000 |
| Production Supervision/Month \$ | \$800 |
| Justification for Supervision Costs | Exhibit 1 page 2 |
| Requested Risk Charge | Cost + 200%/Exhibit 1 page 2 |
| Notice of Hearing | |
| Proposed Notice of Hearing | Exhibit 6 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit 3 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit 4 |
| Ownership Determination | |
| Land Ownership Schematic of the Spacing Unit | Exhibit 1 pages 6-8 |
| Tract List (including lease numbers and owners) | Exhibit 1 pages 6-8 |
| Pooled Parties (including ownership type) | Exhibit 1 pages 6-8 |
| Unlocatable Parties to be Pooled | Not applicable |
| Ownership Depth Severance (including percentage above & below) | None |
| Joinder | |
| Sample Copy of Proposal Letter | Exhibit 1 pages 11 |
| List of Interest Owners (i.e. Exhibit A of JOA) | Exhibit 1 pages 6-8 |
| Chronology of Contact with Non-Joined Working Interests | Exhibit 1 Page 12-19 |
| Overhead Rates in Proposal Letter | |
| Cost Estimate to Drill and Complete | Exhibit 1 page 13 |
| Cost Estimate to Equip Well | Exhibit 1 page 13 |
| Cost Estimate for Production Facilities | Exhibit 1 page 13 |
| Geology | |
| Summary (including special considerations) | Exhibit 2 |
| Spacing Unit Schematic | Exhibit 2 Attachment A |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit 2 |
| Well Orientation (with rationale) | Laydown/Exhibit 1 pages 1-2 |
| Target Formation | Wolfcamp |
| HSU Cross Section | Exhibit 2 |
| Depth Severance Discussion | Not Applicable |
| Forms, Figures and Tables | |
| C-102 | Exhibit 1 page 5 |
| Tracts | Exhibit 1 pages 4, 8, and 9 |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit 1 pages 6-9 |

| | |
|--|--------------------|
| General Location Map (including basin) | Exhibit 1 page 4 |
| Well Bore Location Map | Exhibit 1 page 5 |
| Structure Contour Map - Subsea Depth | Exhibit 2 |
| Cross Section Location Map (including wells) | Exhibit 2 |
| Cross Section (including Landing Zone) | Exhibit 2 |
| Additional Information | |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. | |
| Printed Name (Attorney or Party Representative): | James Bruce |
| Signed Name (Attorney or Party Representative): | <i>James Bruce</i> |
| Date: | February 6, 2020 |

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval
Director, Oil Conservation Division



BY ELECTRONIC MAIL ONLY

April 9, 2020

James Bruce
P.O. Box 1056
Santa Fe, NM 87504
jamesbruc@aol.com

Michael A. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Holland & Hart
P.O. Box 2208
Santa Fe, NM 87504
MFeldewert@hollandhart.com
AGRankin@hollandhart.com
JBroggi@hollandhart.com
KALuck@hollandhart.com

Deanna M. Bennett
Earl E. DeBrine, Jr.
Lance D. Hough
Nicole T. Russell
P.O. Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, NM 87103-2168
dmb@modrall.com
earl.debrine@modrall.com
lance.hough@modrall.com
nicole.russell@modrall.com

Dana S. Hardy
Hinkle Shanor
P.O. Box 2068
Santa Fe, NM 87504-2068
dhardy@hinklelawfirm.com

ATTACHMENT

B

Ocean Munds-Dry
William R. Carr
Elizabeth A. Ryan
Michael Rodriguez
COG Operating LLC
1048 Paseo de Peralta
Santa Fe, NM 87508
omundsdry@concho.com
wcarr@concho.com
eryan@concho.com
rodriguez@concho.com

Sharon T. Shaheen
John F. McIntyre
Montgomery & Andrews
P.O. Box 2307
Santa Fe, NM 87504-2307
sshaheen@montand.com
jmcintyre@montand.com

Ernest L. Padilla
Padilla Law Firm
P.O. Box 2523
Santa Fe, NM 87504
padillalaw@qwestoffice.net

Darin C. Savage
Abadie & Schill
214 McKenzie Street
Santa Fe, NM 87501
darin@abadieschill.com

Dalva L. Moellenberg
Gallagher & Kennedy
1239 Paseo de Peralta
Santa Fe, NM 87501
dml@gknet.com

RE: Amendments to Compulsory Pooling Order Template

Dear Counsel:

The Oil Conservation Division ("OCD") has amended the compulsory pooling order template effective on April 1, 2020. The amended template is attached as Exhibit I.

Prior to April 1, 2020, OCD issued compulsory pooling orders for the cases identified in Exhibit 2. To conform an order with the amended template, please file an application for a hearing.

If you have any questions about this letter, please call Eric Ames, Office of General Counsel, at (505) 476-3463.

Respectfully,



Adrienne Sardoval
Director

cc: Gabriel Wade, Deputy Director
Eric Ames, OGC-EMNRD
Scott Cox, OCD Engineering Bureau

EXHIBIT 1

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
[OPERATOR]**

CASE NO. _____

ORDER NO. R- _____

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on [DATE], and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. [NAME] ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.

8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the ~~described~~ depth(s) and location(s) in the Unit ~~described in Exhibit A.~~
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. ~~If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.~~
- ~~If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well in accordance with 19.15.16.15(C) NMAC.~~
19. The Operator shall commence drilling the ~~Well(s)~~ within one year after the date of this Order and complete each Well no later than one (1) year after the commencement of drilling the Well; and (b) for an infill well, no later than thirty (30) days after completion of the well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.

CASE NO. _____
 ORDER NO. R- _____

- ~~21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.~~
- ~~22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.~~
23. Operator shall submit to OCD and each owner of a ~~uncommitted~~ uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") ~~no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well prepared by Operator, no later than 40) days after the date of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the EX-13 Director pursuant to 19.15.13.10(D) NMAC; or (c) for an infill well prepared by an owner of a Pooled Working Interest, no later than sixty (60) days after expiration of the last action required by 19.15.13.11 NMAC.~~
24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
25. No later than ~~within~~ within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after ~~the later of~~ the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, ~~whichever is later~~, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share

CASE NO. _____
 ORDER NO. R

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

**APPLICATION OF MEWBOURNE OIL COMPANY
TO AMEND ORDER NO. R-21186, EDDY COUNTY,
NEW MEXICO.**

Case No. 21809

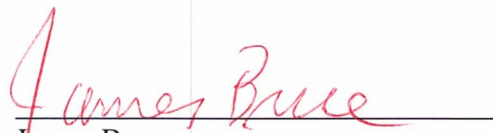
SELF-AFFIRMED STATEMENT OF NOTICE

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

James Bruce deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Mewbourne Oil Company.
3. Mewbourne Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the applications filed herein.
4. Notice of the applications was provided to the interest owner, at its last known address, by certified mail. Copies of the notice letter and certified return receipt are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Rules.
6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 4/6/21



James Bruce

EXHIBIT 3

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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

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

jamesbruc@aol.com

March 18, 2021

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application

Enclosed is a copy of an application (Case No. 21809), filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, seeking to amend compulsory pooling Order No. R-21186, pertaining to a Wolfcamp well in the N/2N/2 of Section 25 and the N/2NE/4 of Section 26, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Applicant is seeking to conform the order to the current form of order used by the Division, and extend the well commencement deadline by one year.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, April 8, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, <http://emnrd.state.nm.us/OCD/announcements.html>. You are not required to attend this hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, April 1, 2021. This statement may be filed online with the Division at ocd.hearings@state.nm.us, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

ATTACHMENT **A**

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT A

Petroleum Synergy Group Inc.
No. 102
980 Caughlin Crossing
Reno, Nevada 89519

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

7020 0640 0000 1405 0805

| | |
|--|----|
| Certified Mail Fee | \$ |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |
| Postage | \$ |
| Total Postage and Fees | \$ |

Postmark
Here

| | |
|----------------------------------|----------------------------------|
| Sent To | Petroleum Synergy Group Inc. |
| Street and Apt. No., or P.O. Box | No. 102 980 Caughlin Crossing |
| City, State, ZIP+4® | Reno, Nevada 89519 |

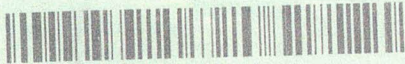
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Petroleum Synergy Group Inc.
 No. 102
 980 Caughlin Crossing
 Reno, Nevada 89519



9590 9402 5941 0062 9328 14

2. / 7020 0640 0000 1405 0805

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *M Fox* Agent
 Addressee

B. Received by (Printed Name)
 C. Date of Delivery
 3/30/21

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

| | |
|--|---|
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | <input type="checkbox"/> Signature Confirmation Restricted Delivery |

PS Form 3811, July 2015 PSN 7530-02-000-9053

M Fox

Domestic Return Receipt

Affidavit of Publication

Ad # 0004658841

This is not an invoice

JAMES BRUCE ATTORNEY AT LAW
POBOX 1056

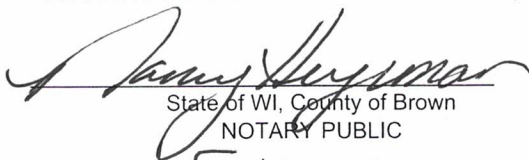
SANTA FE, NM 87504

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

03/25/2021


Legal Clerk

Subscribed and sworn before me this March 25, 2021:


State of WI, County of Brown
NOTARY PUBLIC
5.15.23
My commission expires

NOTICE

To: Petroleum Synergy Group Inc., or your successors or assigns: Mewbourne Oil Company has filed an application (Case No. 21809) with the New Mexico Oil Conservation Division an seeking order amending the pooling order described below in the following respects: to conform the order to the Amended Order Template currently in use by the Division, and to extend the well commencement deadline by one year. The order covers the Wolfcamp formation in a horizontal spacing unit comprised of the following lands in Eddy County, New Mexico: the N/2N/2 of Section 25 and the N/2NE/4 of Section 26, Township 20 South, Range 28 East, NMPM, as set forth in Order No. 21186. This matter is scheduled for hearing at 8:15 a.m. on Thursday, April 8, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, <http://emnrd.state.nm.us/OCD/announcements.html>. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, April 1, 2021. This statement must be filed with the Division's Santa Fe office at ocd.hearings@state.nm.us. It should include: The name of the party and its attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, jamesbruc@aol.com. The unit is located approximately 11 miles north-northeast of Carlsbad, New Mexico.

#4658841, Current Argus, March 25, 2021

Ad # 0004658841
PO #: 4658841
of Affidavits 1

This is not an invoice

NANCY HEYRMAN
Notary Public
State of Wisconsin

EXHIBIT

4