CASE NO. 22731

APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING AND APPROAL OF OVERLAPPING WELL UNITS, EDDY COUNTY, NEW MEXICO

MEWBOURNE OIL COMPANY'S EXHIBIT LIST

- 1. Application and Proposed Notice
- 2. Landman's Affidavit
- 3. Geologist's Affidavit
- 4. Affidavit of Mailing
- 5. Publication Notice
- 6. Pooling Checklist

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPAN FOR COMPULSORY POOLING AND APPROVAL OF OVERLAPPING WELL UNITS, EDDY COUNTY, NEW MEXICO.

Case No. 22731

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying a (proximity tract) horizontal spacing unit comprised of the N/2 of Section 14 and all of Section 11, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and approval of overlapping well units, and in support thereof, states:

- 1. Applicant is an interest owner in the N/2 of Section 11 and all of Section 14, and has the right to drill a well or wells thereon.
- 2. Applicant proposes to drill the Fuller 14/11 W1FC Fed. Com. Well No. 3H to a depth sufficient to test the Wolfcamp formation. The well has a first take point in the SE/4NW/4 of Section 14 and a last take point in the NE/4NW/4 of Section 11 (2570 feet from the west lines of the two sections).
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2 of Section 11 and all of Section 14 for the purposes set forth herein.
- 4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation in the N/2 of Section 11 and all of Section 14 pursuant to NMSA 1978 §70-2-17.

EXHIBIT

5. The proposed well unit overlaps the following existing, producing well units:

Well Name	Well Unit	Operator
Fuller 14/11 W1HA Fed. Well No. 2H	NE/4 §14 & E/2 §11	Applicant
Fuller 14/11 W2HA Fed. Well No. 3H	NE/4 §14 & E/2 §11	Applicant

6. The pooling of all mineral interests in the Wolfcamp formation underlying the N/2 of Section 11 and all of Section 14, and approval of the overlapping well units, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- B. Pooling all mineral interests in the Wolfcamp formation underlying the N/2 of Section 11 and all of Section 14, and approval of the overlapping well units;
- C. Designating applicant as operator of the well;
- D. Considering the cost of drilling, completing, and equipping the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Mewbourne Oil Company

Application of Mewbourne Oil Company for compulsory pooling and approval of overlapping well units, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a (proximity tract) horizontal well unit comprised of the N/2 of Section 14 and all of Section 11, Township 26 South, Range 29 East, NMPM. The unit will be dedicated to the Fuller 14/11 W1FC Fed. Com. Well No. 3H to be drilled to a depth sufficient to test the Wolfcamp formation, with a first take point in the SE/4NW/4 of Section 14 and a last take point in the NE/4NW/4 of Section 11 (2570 feet from the west lines of the two sections). Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. Applicant also requests approval of the proposed well unit overlapping the well units for the following wells:

Well Name	Well Unit	Operator				
Fuller 14/11 W1HA Fed. Well No. 2H	NE/4 §14 & E/2 §11	Applicant				
Fuller 14/11 W2HA Fed. Well No. 3H	NE/4 §14 & E/2 §11	Applicant				
The unit is located approximately 14 miles southeast of Malaga, 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 FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 22731

VERIFIED STATEMENT OF MITCH ROBB

Mitch Robb, being duly sworn upon his 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. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:
 - (a) The purpose of this application is to force pool working interest owners into the Wolfcamp horizontal spacing unit described below, and in wells to be drilled in the unit.
 - (b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests to the well. Some interest owners may be unlocatable.
 - (c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne seeks an order pooling all mineral interests in the Wolfcamp formation underlying All of Section 11 and the N/2 of Section 14, Township 26 South, Range 29 East, NMPM. The unit will be dedicated to:
 - (i)) the Fuller 14/11 W1FC Fed Com #3H, a horizontal well with a first take point in the SE/4 NW/4 of 14 and a final take point in the NE/4 NW/4 of Section 11;
 - (d) The parties being pooled and their interests are set forth in Attachment B. Their current and correct addresses, or last known addresses, are also set forth.

EXHIBIT 2

- (e) In order to locate the interest owners Mewbourne examined the county records, performed internet searches, checked telephone records, made calls to family members, and searched Accurint and Whitepages.
- (f) Attachment C contains a summary of contacts or attempted contacts with the interest owners, together with copies of the proposal letters sent to the interest owners.
- (g) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well, or to locate the owners.
- (h) Mewbourne has the right to pool the overriding royalty owners in the well unit.
- (i) Attachment D contains the Authorizations for Expenditure for the proposed wells. The estimated costs of the wells set forth therein are fair and reasonable, and comparable to the costs of other wells of similar depth and length drilled in this area of Eddy County.
- (j) Mewbourne requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Eddy County. They are also the rates set forth in the Joint Operating Agreement for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- (k) Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
- (1) Mewbourne requests that it be designated operator of the wells.
- (m) The attachments to this affidavit were prepared by me, or compiled from Company business records.
- (n) The granting of this application is in the interests of conservation and the prevention of waste.

STATE OF TEXAS)
) ss
COUNTY OF MIDLAND)

Mitch Robb, being duly sworn upon his oath, deposes and states that: He is a landman for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

Mitch Robb

SUBSCRIBED AND SWORN TO before me this 31 day of May, 2022 by Mitch Robb.

My Commission Expires: Ulu 2026

Notary Public

ALEJANDRA KIRKSEY
Notary Public, State of Texas
Comm. Expires 01-11-2026
Notary ID 131406744

District I 1625 N. French Dr., Hobbs, NM. 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM. 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM. 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM. 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

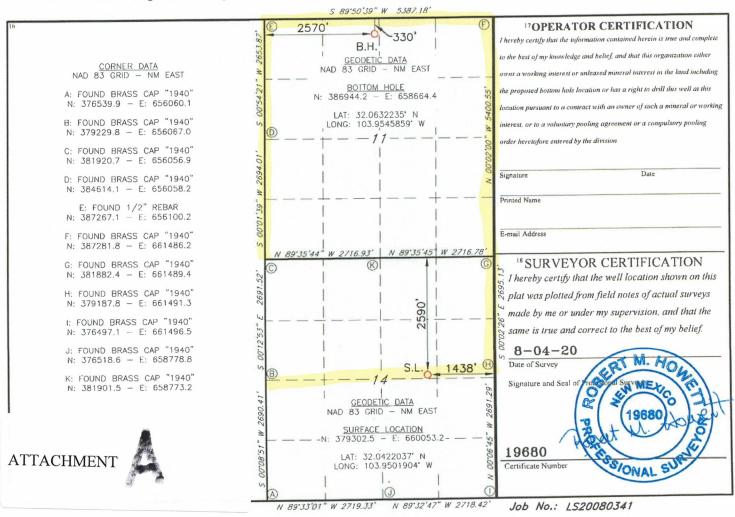
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

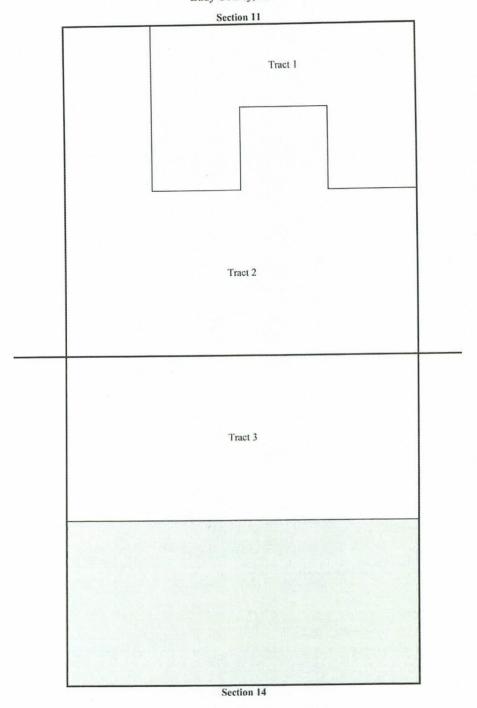
			WELL LO	OCATI	ON AND ACR	EAGE DEDICA	ATION PLAT			
1	API Number			2Pool C	ode					
⁴ Property Cod	le		FULLER 14/11 W1FC FED COM						⁶ Well Number 3H	
7OGRID N	1O.			MEWBOURNE OIL COMPANY					⁹ Elevation 2941	
	-				10 Surface	Location				
UL or lot no.	Section	Townsh	ip Range	Lot ldr	Feet from the	North/South line	Feet From the	East/West		
G	14	26S	29E		2590	NORTH	1438	EAST	r EDDY	
			11]	Bottom	Hole Location	If Different Fro	om Surface			
UL or lot no.	Section	Townsh		Lot Ide		North/South line	Feet from the	East/West	line County	
С	11	26S	29E		330	NORTH	2570	WES	r EDDY	
2 Dedicated Acres	13 Joint	or Infill	14 Consolidation	Code	15 Order No.					

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



Section Plat

Fuller 14/11 W1FC Fed Com #3H All of Section 11 & N/2 of Section 14-T26S-R29E Eddy County, NM



Tract 1: E2NW, NWNE, E2NE of Section 11 - Federal Lease NMNM 011039

Mewbourne Oil Company Carbon Techs Energy, Inc. Nu-Energy Oil & Gas, Inc

Tract 2: W2NW, SWNE of Section 11 - Federal Lease NMNM 121953

Mewbourne Oil Company, et al

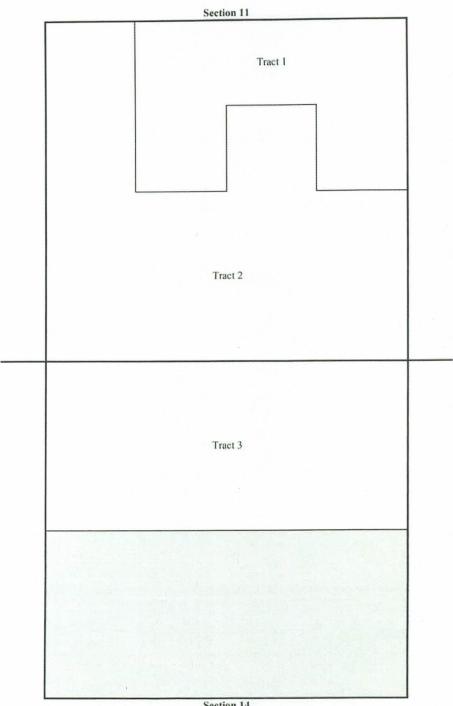
Tract 3: N/2 of Section 14 - Federal Lease NMNM 21767

Mewbourne Oil Company, et al

RECAPITUALTION FOR FULLER 14/11 WIFC FED COM #3H

Tract Number	Number of Acres Committeed	Percentage of Interst in Communitized Area
1 ract Number	200	20.833333%
1	440	45.833333%
2	320	33.333333%
TOTAL	960	100.000000%

T26S-R29E, Eddy County, NM



TRACT OWNERSHIP

Fuller 14/11 W1FC Fed Com #3H All of Section 11 & N/2 of Section 14-T26S-R29E Eddy County, NM

All of Section 11 & N/2 of Section 14 Wolfcamp Formation:

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	98.958333%
*Carbon Techs Energy, Inc.	0.520833%
*Nu-Energy Oil & Gas, Inc	0.520833%
TOTAL	100.000000%

Total Interest Being Pooled:

F2NW NWNF F2NF of Section 11

1.041667%

OWNERSHIP BY TRACT

EZIV VV, IV VVIVE, EZIVE OF SCHOOL II	
Owner	% of Leasehold Interest
Mewbourne Oil Company, et al	95.000000%
*Carbon Techs Energy, Inc.	2.500000%
*Nu-Energy Oil & Gas, Inc	2.500000%
*Exco Resources, Inc. (record title)	0.000000%
*RKC, Inc. (record title)	0.000000%
TOTAL	100.000000%

W2NW, SWNE of Section 11	
Owner	% of Leasehold Interest
Mewbourne Oil Company, et al	100.000000%
TOTAL	100.000000%

N/2 of Section 14	
Owner	% of Leasehold Interest
Mewbourne Oil Company, et al	100.000000%
*K.P. Kauffman Company, Inc. (record title)	0.000000%
TOTAL	100.000000%



Summary of Communications Fuller 14/11 W1FC Fed Com #3H All of Section 11 and N/2 of Section 14-T26S-R28E Eddy County, NM

Carbon Techs Energy, Inc.:

02/22/2022: Mailed Working Interest Unit and Well Proposal to the above listed party.

NU-Energy Oil & Gas, Inc.:

02/22/2022: Mailed Working Interest Unit and Well Proposal to the above listed party.

Exco Resources, Inc.:

02/22/2022: Mailed Communitization Agreement to the above listed party.

K.P. Kauffman Company, Inc.:

02/22/2022: Mailed Communitization Agreement to the above listed party.

RKC, Inc.:

02/22/2022: Mailed Communitization Agreement to the above listed party.

ATTACHMENT

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

February 22, 2022

Via Certified Mail

Carbon Techs Energy, Inc. Attn: Land Manager 312 Waverly Way Greensboro, North Carolina 27404

Re: Fuller 14/11 W1FC Fed Com #3H 2590' FNL & 1438' FEL (SL) (Sec. 14) 330' FNL & 2570' FWL (BHL) (Sec.11)

> Fuller 14/11 W1HA Fed Com #1H - Order R-14664 2590' FNL & 1348' FEL (SL) (Sec. 14) 330' FNL & 1100' FEL (BHL) (Sec.11)

> Fuller 14/11 W1GB Fed Com #1H - Order R-14664 2590' FNL & 1378' FEL (SL) (Sec. 14) 330' FNL & 1665' FEL (BHL) (Sec.11)

> Fuller 14/11 W1GB Fed Com #2H - Order R-14664 2590' FNL & 1408' FEL (SL) (Sec. 14) 330' FNL & 2230' FEL (BHL) (Sec.11)

Sections 14 & 11, T26S, R29E Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned Fuller 14/11 W1FC Fed Com #3H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 10,460 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 18,375 feet. The N/2 of the captioned Section 14 and All of the captioned Section 11 will be dedicated to the well as the proration unit (proximity tract).

Regarding the above, enclosed for your further handling are our AFEs dated February 1, 2022 for the captioned Fuller 14/11 W1FC Fed Com #3H well. In the event your firm elects to participate in the proposed wells, please execute the enclosed AFEs and return to me within thirty (30) days.

In addition, attached for your information and further handling is a copy of the referenced pooling order dated May 14, 2018 regarding the captioned Fuller 14/11 W1HA Fed Com #1H, Fuller 14/11 W1GB Fed Com #1H, and Fuller 14/11 W1GB Fed Com #2H wells. Pursuant to ordering paragraph number 12 on page 5 of the order, enclosed are copies of our AFEs dated February 1, 2022 regarding your working interest in the captioned proposed wells. The enclosed AFEs are an estimated well cost for the proposed wells. Pursuant to ordering paragraph number 13 on page 5 of the pooling order, please sign and return the AFEs within 30 days of your receipt of same in the event you elect to participate in the proposed wells. Should you participate in the wells, please send me your check for the amount indicated on each AFE made payable to Mewbourne Oil Company within 30 days with the signed AFEs.

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

Sincerely,

MEWBOURNE OIL COMPANY

Mitch Robb Landman

20102

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

March 21, 2022

Via Certified Mail

Carbon Techs Energy, Inc. Attn: Land Manager 312 Waverly Way Greensboro, North Carolina 27404

Re:

Fuller 14/11 W1FC Fed Com #3H Fuller 14/11 W1GB Fed Com #1H Fuller 14/11 W1GB Fed Com #2H Fuller 14/11 W1HA Fed Com #1H

Sections 14 & 11, T26S, R29E Eddy County, New Mexico

Ladies and Gentlemen:

By letter dated February 22, 2022, Mewbourne Oil Company proposed the below wells. Please make note that the surface locations have changed as shown below:

New Surface Location
2590 FSL & 1438 FEL (14)
2590 FSL & 1408 FEL (14)
2590 FSL & 1378 FEL (14)
2590 FSL & 1348 FEL (14)

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

Sincerely,

MEWBOURNE OIL COMPANY

Mitch Robb Landman

2015

Released to Imaging: 6/1/2022 8:43:43 AM

MEWBOURNE OIL COMPANY

		AUTHORIZATION							
Well Name:		14/11 W1FC FED COM #3H		100	unty: Eddy			ST	NM
		. (14); BHL: 330 FNL & 2570 FW	TWP: 26	CERT	The second second	E Prop. TVD	10460	1	8375
Sec. 14 Blk:	Survey:		1WP: 20	00					
		SIBLE COSTS 0180			0180-0100	TCP \$20,000	0180-0200	C	c
Regulatory Permits				-	0180-0105		0180-0205		
Location / Road / Sit Location / Restoration					0180-0106		0180-0206		\$25,000
Daywork / Turnkey /		19 days drlg / 4 days comp @	\$21000/d		0180-0110		0180-0210		\$89,700
Fuel		1700 gal/day @ \$3.15/gal			0180-0114	\$108,700	0180-0214		\$383,300
Alternate Fuels				-	0180-0115 0180-0120	\$80,000	0180-0213		
Mud, Chemical & Ad Mud - Specialized	iditives				0180-0120		0180-0221		
Horizontal Driflout S	ervices						0180-0222		\$150,000
Stimulation Toe Pre							0180-0223		\$25,000
Cementing					0180-0125		0180-0225		\$37,000 \$417,500
Logging & Wireline				_	0180-0130		0180-0230 0180-0234		\$13,000
Casing / Tubing / Sn Mud Logging	lubbing Services				0180-0137	\$20,000	0100-020-1		0.0,000
Stimulation		58 Stg 18.2 MM gal / 18.2 I	MM Ib				0180-0241	\$	1,928,500
Stimulation Rentals	& Other						0180-0242		\$231,000
Water & Other					0180-0145		0180-0245		\$183,600
Bits					0180-0148		0180-0248		\$8,000
Inspection & Repair				_	0180-0150	\$40,000	0180-0250		\$10,000
Misc. Air & Pumping Testing & Flowback				_	0180-0154	\$15,000	0180-0258		\$30,000
Completion / Worko					0100-0100	410,000	0180-0260		\$10,500
Rig Mobilization	TO TUIS				0180-0164	\$120,000			
Transportation		***************************************			0180-0165		0180-0265		\$15,000
Welding, Construction		es			0180-0168		0180-0268		\$15,000
Contract Services &					0180-0170		0180-0270	-	\$48,700
Directional Services		Includes Vertical Control		-	0180-0175	\$272,000	0180-0280	_	\$6,300
Equipment Rental Well / Lease Legal				-	0180-0180		0180-0284		\$0,500
Well / Lease Insurar	nce				0180-0185		0180-0285		
Intangible Supplies					0180-0188		0180-0288		\$10,000
Damages					0180-0190	\$32,500	0180-0290		
Pipeline Interconnec		S			0180-0192	2105.000	0180-0292	****	\$10,000
Company Supervision Overhead Fixed Rate				_	0180-0195		0180-0295 0180-0296		\$86,400
Contingencies		TCP) 5% (CC)		-	0180-0198		0180-0299		\$187,900
Commigorial		70,7 0,0 1007	TOT	AL		\$2,205,100		-	3,946,400
	TANG	IBLE COSTS 0181							NATIONAL DESCRIPTION OF THE PARTY OF THE PAR
Casing (19.1" - 30")					0181-0793				
Casing (10.1" - 19.0		0' - 13 3/8" 54.5# J-55 ST&C @ \$58.			0181-0794	\$38,900			
Casing (8.1" - 10.0"		00' - 9 5/8" 40# HCL80 LT&C @ \$49.		-	0181-0795 0181-0796	\$221,900 \$388,800			
Casing (6.1" – 8.0") Casing (4.1" – 6.0")		50' - 7" 29# HPP110 BT&C @ \$36.92 30' - 4 1/2" 13.5# HCP-110 CDC-HTC		-	0161-0796	\$300,000	0181-0797		\$185,000
Tubing		50' - 3 1/2" 9.2# L-80 IPC Tbg @ \$14					0181-0798		\$147,900
Drilling Head		X X			0181-0860	\$40,000			
Tubing Head & Uppe							0181-0870		\$30,000
Horizontal Completic		mpletion Liner Hanger		_			0181-0871		\$70,000
Subsurface Equip. & Pumping Unit Syster				_			0181-0880 0181-0885		
Service Pumps		P/ 1 CP/ Circ pump		-			0181-0886		\$8,000
Storage Tanks		T/ 1 WT		\neg			0181-0890		\$23,300
Emissions Control E		TS/ 2 VRUS/ Flare/ KOS					0181-0892		\$43,800
Separation / Treating		ep/ V Sep/ HT					0181-0895		\$66,700
Automation Metering							0181-0898		\$40,500
Line Pipe & Valves -		nile 12" SWDL		_			0181-0900		\$9,900
Fittings / Valves & A Cathodic Protection	ccessones Fio	wline/Parts		-			0181-0906	-	\$200,700
Electrical Installation	1						0181-0909		\$47,000
Equipment Installation							0181-0910		\$87,500
Pipeline Construction		nile 12" SWDL					0181-0920		\$14,900
				-					
			тот	AL		\$689,600			\$975,200
			SUBTOTA		*	\$2,894,700		\$	4,921,600
TOTAL WELL COST				r		\$7,8	16,300		
extra Expense Insuren	66 20 fighted his hope	The special of and a management		-	AND THE PERSON	CONTRACTOR DESCRIPTION OF THE PERSON NAMED IN CONTRACTOR DESCRIPTION	District of the local division in which the	es the	-581x-
		perator's Extra Expense Insurance							
parameter 1		Expense Insurance covering costs	of well control, cle	ean t	p and redrilling	ng as estimated	n Line Item	0180-018	5,
-		n well control insurance policy.							
		rking interest owner elects to be covered							
Prepared by:		Ryan McDaniel		ate:	2/1/2022				
Company Approval:	12.4	succe	Da	ate:	2/1/2022	-			
Joint Owner Interest	t:	Amount:							
Joint Owner Name:			Signature:						





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

APPLICATIONS OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING AND APPROVAL OF OVERLAPPING WELLS UNITS, EDDY COUNTY, NEW MEXICO.

Case Nos. 22731

SELF-AFFIRMED STATEMENT OF CHARLES CROSBY

COUNTY OF MIDLAND

STATE OF TEXAS

Charles Crosby deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in these cases. I have been qualified by the Division as an expert petroleum geologist.
- 3. Live geological testimony on the Upper Wolfcamp formation was presented several years ago in Case No. 15862 for Wolfcamp wells in the E/2 of Section 11 and the NE/4 of Section 14, Township 26 South, Range 29 East, NMPM, abutting the proposed well in this case. We ask that the Division refer to that testimony.
 - 3. The following geological plats from that hearing are attached hereto:
 - (a) Attachment A, a structure map on the top of the Wolfcamp, which is the target formation for the well in this case. It shows that structure dips gently to the east. It also shows Wolfcamp wells in the immediate area, and a line of cross-section.
 - (b) Attachment C is a cross section of the Wolfcamp formation the well logs on the cross-section give a representative sample of the Wolfcamp in this area. The target zone for the well is continuous and uniformly thick across the well unit.
- 4. I conclude from the maps that:
 - (a) The horizontal spacing unit is justified from a geologic standpoint.
 - (b) The target zone is continuous and of relatively uniform thickness across the well units.

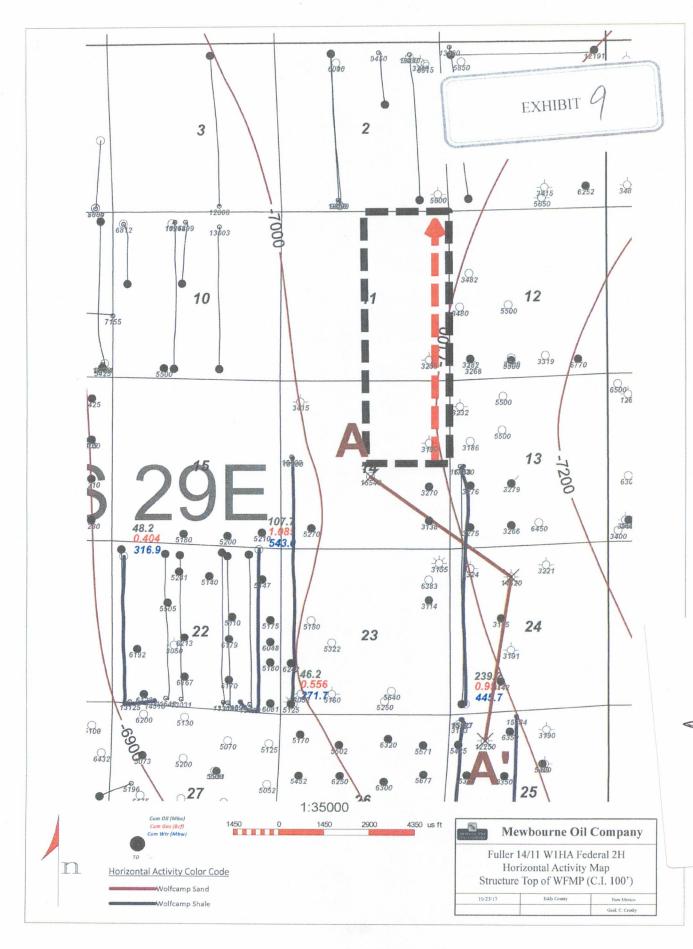
EXHIBIT 3

- (c) Each quarter section in the well unit will contribute more or less equally to production from the target zone.
- (d) There is no faulting or other geologic impediment in the area which will affect the drilling of the subject well.
- 5. Attachment D contains information from nearby Wolfcamp wells drilled in this area. The drilled and completed wells indicate that standup wells are a reasonable method to develop the reservoir in these sections.
- 6. I understand that this Self-Affirmed Statement will be used as written testimony in these cases. 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.

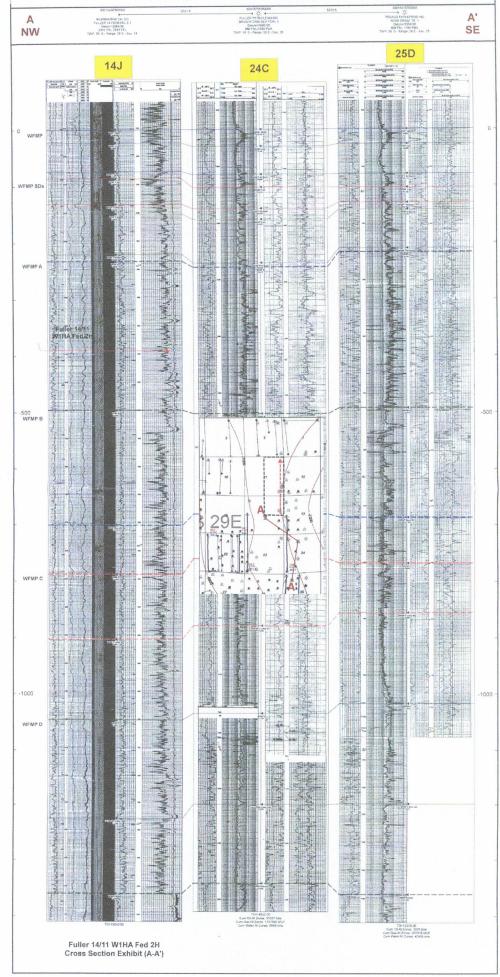
I understand that this Self-Affirmed Statement will be used as written testimony in these cases. I affirm that my testimony in paragraphs 1 through above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten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

Date:

Charles Crosb







			Fuller 14	Fuller 14/11 W1HA Fed 2H Offsets	Offsets					
Well Name	Operator	API	Location	WFMP Comp Date	Cum Oil (Mbo)	Cum Gas (BCF)	Cum Oil (Mbo) Cum Gas (BCF) Cum Water (Mbw) NS/EW WFMP Zone	NS/EW	WFMP Zone	
Pecos East Federal 22 9H	RKI	3001543349	3001543349 22MD/26S/29E	5/14/2017	48	0.4	316	316 NS	WFMP D Shale	
Ross Draw 25 3H	хто	3001543472 26	26MD/26S/29E	7/14/2017	23	90.0	61	51 NS	WFMP A Shale	
Fuller 13/24 W1LM Federal Com 3H Mewbourne	Mewbourne	3001543517	13LM/26S/29E	8/29/2016	239	6.0	445	445 NS	WFMP A Shale	
East Pecos Federal Com 22-14H	RKI	3001543586 2.	22PA/26S/29E	9/25/2016	107	1.1	543	543 NS	WFMP D Shale	
Fuller 14/23 W2LM Federal Com 2H	Mewbourne	3001543859	14LM/26S/29E	5/12/2017	46	0.6	2	71 NS	WFMP D Shale	
Ross Draw 25 3H	хто	3001543473	3001543473 25CN/26S/29E		Pending	ing		NS	WFMP A Shale	

ATTACHMENT C

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

APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING AND APPROVAL OF OVERLAPPING WELL UNITS, EDDY COUNTY, NEW MEXICO.

Case No. 22731

SELF-AFFIRMED STATEMENT OF NOTICE

COUNTY OF SANTA FE)
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 application filed herein.
4. Notice of the application was provided to the interest ownerS, at their last known addresses, by certified or registered mail. Copies of the notice letter and certified or registered receipts 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: 5/3//22 Date: 5/3//22 EXHIBIT

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

May 12, 2022

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application (Case No. 22731), filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, seeking an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 14 and the all of Section 11, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico, to drill the Fuller 14/11 W1FC Fed. Com. Well No. 1. This matter is scheduled for hearing at 8:15 a.m. on Thursday, June 2, 2022. 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 <u>emnrd.state.nm.us/OCD/hearings</u> 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 five business days before the hearing date. 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.

Very truly yours,

Attorney for Mewbourne Oil Company

ATTACHMENT



EXHIBIT A

Carbon Techs Energy, Inc. P.O. Box 4548 Greensboro, North Carolina 27404

Carbon Techs Energy, Inc. 312 Waverly Way Greensboro, North Carolina 27404

John F. Green 43 Haight Ave Poughkeepsie, NY 12603

John F. Green P.O. Box 29 Clinton Corners, NY 12514-0029

Nu-Energy Oil & Gas, Inc 1217 E. 4th St., North Vancouver, B.C. V7J1G8

Nu-Energy Oil & Gas, Inc 302-1550 W 8th Ave Vancouver, BC V654R8

Nu-Energy Oil & Gas, Inc 302-1550 W 8th Ave Vancouver, BC V654R8

Record Title Owners:

- RKC, Inc.
 7500 Arapahoe Road, Suite 380 Centennial, Colorado 80112
- 9.) K.P. Kauffman Company, Inc. Attn: Land Manager 1675 Broadway #2800 Denver, CO 80202
- 10.)Exco Resources, Inc. 12377 Merit Dr., Suite 1700 Dallas, Texas 75251-2256

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See Reverse for Instructions

COMPLETE THIS SECTION ON DELIVERY	A. Signature X	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	3. Service Type C. Adult Signature Certified Mail® Certified Mail® Certified Mail Restricted Delivery	M Fulls Domestic Return Receipt
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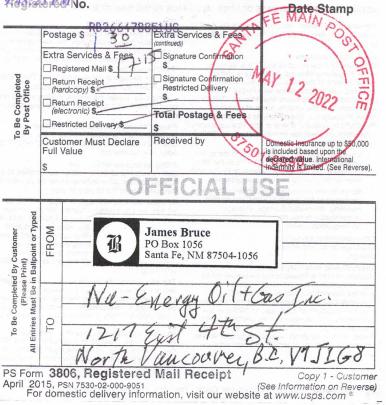
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otal Postage and Fees		
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Carlsbad Current Argus.

Affidavit of Publication Ad # 0005263016 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 in editions dated as follows:

05/19/2022

NOTICE

To: Carbon Techs Energy Inc., John F. Green, Nu-Energy Oil & Gas Inc., RKC Inc., K.P. Kauffman Company Inc., and Exco Resources Inc., or your heirs, devisees, successors, or assigns: Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division (Case 22731) seeking an order pooling all uncommitted mineral interest (Working Interest and Record Title) owners in the Wolfcamp formation in a (proximity tract) horizontal spacing unit comprised of the N/2 of Section 14 and all of Section 11, Township 26 South, Range 29 East, NMPM. The unit will be dedicated to the Fuller 14/11 W1FC Fed. Com. Well No. 3H. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. Applicant also requests approval of the proposed well unit overlapping the well units for the following wells:

Well Name

Well Unit

Operator

Fuller 14/11 W1HA Fed. Well No. 2H NE/4 §14 & E/2 §11 Applicant

Also to be considered will be the designation of applicant as operator of the wells. This matter is scheduled for hearing at 8:15 a.m. on Thursday, June 2, 2022. 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 that may be affected by this application, you may appear and present testimony. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, May 26, 2022. This statement may be filed online with the Division at occl. hearin

Legal Clerk Subscribed and sworn before me this May 19, 2022:

> State of WI, County of Brown **NOTARY PUBLIC**

My commission expires

Ad # 0005263016 PO #: 22731 # of Affidavits 1

This is not an invoice

KATHLEEN ALLEN Notary Public State of Wisconsin **EXHIBIT**

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICA Case:		2731
Date:		2, 2022
Applicant	Mewbourne Oil Company	
Designated Operator & OGRID	Wiewsdame on company	
(affiliation if applicable)	Mewbourne Oil Company/OGRID	No.14744
Applicant's Counsel:	James Bruce	
Case Title:	27 Sept. 2012 (2012) 2013 (2012) 2014 (2012)	empany for Compulsory Pooling and
cuse mile:	Approval of Overlapping Well Un	
Entries of Appearance/Intervenors:		
Well Family	Fuller wells	
Formation/Pool		
Formation Name(s) or Vertical Extent:	Wolfcamp Formation	
Primary Product (Oil or Gas):	Gas	
Pooling this vertical extent:	Entire Wolfcamp formation	
Pool Name and Pool Code:	Purple Sage; Wolfcamp (Gas) /Po	
Well Location Setback Rules:	Purple Sage Special Rules and cu	rrent horizontal well rules
Spacing Unit Size:	Half sections/320 acres	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	960 acres	
Building Blocks:		
Orientation:	South - North	4014 511 0
Description: TRS/County Standard Horizontal Well Spacing Unit	N/2 §14 and All §11-26S-29E, NN	MPINI, Eddy County
(Y/N), If No, describe	Yes	
		DANIEL 6
Other Situations		EXHIBIT
Depth Severance: Y/N. If yes, description	No	
Proximity Tracts: If yes, description	Yes. See well described below.	
Proximity Defining Well: if yes,		
description	Exhibit 2-B	
Applicant's Ownership in Each Tract Well(s)	EXHIDIT 2-B	
Name & API (if assigned), surface and	Fuller 14/11 W1FC Fed. Com. We	II No. 2H
bottom hole location, footages,	API No. 30-015-Pending	11 110. 311
completion target, orientation,	SHL: 2590 FNL & 1438 FEL §14	
completion status (standard or non-	BHL: 330 FNL & 2570 FWL §11	
standard)	FTP: 2310 FNL & 2570 FWL §13	
	LTP: 330 FNL & 2570 FWL §11	
	Wolfcamp /TVD 10460 feet/MD 1	L8375 feet

Hoffschital Well Phist/31/2022s 9:143k25 PM Points	See above Page 31 of 32
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 2, page 2
•	Cost + 200%/Exhibit 2, page 2
Requested Risk Charge	COST + 200%/ EXHIBIT 2, page 2
Notice of Hearing	F. b. ib is 4
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20	Full it is a
days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10	
days before hearing)	Exhibit 5
Ownership Determination	
Land Ownership Schematic of the	
Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and	
owners)	Exhibit 2-A
Pooled Parties (including ownership	
type)	Exhibit 2-B
Unlocatable Parties to be Pooled	
Ownership Depth Severance (including	
percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (i.e. Exhibit A of	
JOA)	Exhibit 2-B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D
Cost Estimate for Production Facilities	Exhibit 2-D
Geology	
Summary (including special	
considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 2-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-B
Well Orientation (with rationale)	Standup/Exhibit 3
Target Formation	Wolfcamp
HSU Cross Section	Exhibit 3-B
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit 2-A
Tracts	Exhibits 2-A and 2-B
Summary of Interests, Unit	
Recapitulation (Tracts)	Exhibit 2-B
Palagrad to Imaging: 6/1/2022 9:42:42 AM	

General Location Map (Including: Basim)	Exhibits2-A	Page 32 of 32
Well Bore Location Map	Exhibit 2-A	
Structure Contour Map - Subsea Depth	Exhibit 3-A	
Cross Section Location Map (including		
wells)	Exhibits 3-A and 3-B	
Cross Section (including Landing Zone)	Exhibit 3-B	
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	1 Muse Dille	
Representative):	Centry + 2 oc	
Date:	May 31, 2022	