

**EXHIBIT LIST**

**APPLICATION OF MEWBOURNE OIL COMPANY  
TO AMEND ORDER NO. R-21736, LEA COUNTY,  
NEW MEXICO.**

**Case No. 22843**

**APPLICATION OF MEWBOURNE OIL COMPANY  
TO AMEND ORDER NO. R-21737, LEA COUNTY,  
NEW MEXICO.**

**Case No. 22844**

**MEWBOURNE OIL COMPANY'S EXHIBIT LIST**

1. Applications and Proposed Notices
2. Landman's Affidavit
3. Notice Affidavit

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION****APPLICATION OF MEWBOURNE OIL COMPANY  
TO AMEND ORDER NO. R-21736, LEA COUNTY,  
NEW MEXICO.**Case No. 22843**APPLICATION**

Mewbourne Oil Company applies for an order amending Order No. R-21736, and in support thereof states:

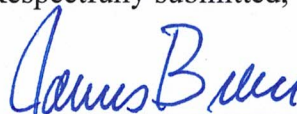
1. Order No. R-21736 pooled all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 17 and the W/2W/2 of Section 8, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico.
2. Applicant proposes to drill the Zach 17/8 B2MD Fed. Com. Well No. 1H to a depth sufficient to test the Bone Spring formation, with a first take point in the SW/4SW/4 of Section 17 and a final take point in the NW/4NW/4 of Section 8. Order No. R-21736 designates Applicant as operator of the well.
3. This matter was heard on June 3, 2021, and Order No. R-21736 was entered on June 10, 2021. Paragraph 19 of Order No. R-21736 requires the operator to commence the well within one year of the date of issuance. Paragraph 20 of Order No. R-21736 provides that the order will terminate if the well is not timely commenced, unless the operator "obtains an extension by amending this Order for good cause shown."
4. Applicant requests an extension of the drilling deadline due to market conditions and public health restrictions which have altered drilling schedules. In addition, an APD has not yet been approved by the Bureau of Land Management, so applicant cannot commence the well. Thus good cause exists for Applicant's request for an extension.

EXHIBIT /

5. Applicant requests an extension of the well commencement deadline to June 10, 2023.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order amending Order No. R-21736 to extend the well commencement deadline to June 10, 2023.

Respectfully submitted,



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

Attorney for Mewbourne Oil Company



***Application of Mewbourne Oil Company to Amend Order No. R-21736, Lea County, New Mexico.*** Mewbourne Oil Company seeks an order amending Order No. R-21736, issued on June 10, 2021, to extend the well commencement deadline one year, to June 10, 2023. Order No. R-21736 pooled mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 17 and the W/2W/2 of Section 8, Township 26 South, Range 33 East, NMPM, for purposes of drilling the Zach 17/8 B2MD 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 24-1/2 miles west-southwest of Jal, New Mexico.



**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION****APPLICATION OF MEWBOURNE OIL COMPANY  
TO AMEND ORDER NO. R-21737, LEA COUNTY,  
NEW MEXICO.**Case No. 22844**APPLICATION**

Mewbourne Oil Company applies for an order amending Order No. R-21737, and in support thereof states:

1. Order No. R-21737 pooled all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 17 and the E/2W/2 of Section 8, Township 26 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

2. Applicant proposes to drill the Zach 17/8 B2NC Fed. Com. Well No. 1H to a depth sufficient to test the Bone Spring formation, with a first take point in the SE/4SW/4 of Section 17 and a final take point in the NE/4NW/4 of Section 8. Order No. R-21737 designates Applicant as operator of the well.

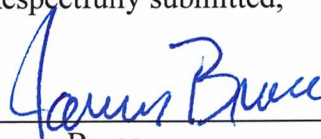
3. This matter was heard on June 3, 2021, and Order No. R-21737 was entered on June 10, 2021. Paragraph 19 of Order No. R-21737 requires the operator to commence the well within one year of the date of issuance. Paragraph 20 of Order No. R-21737 provides that the order will terminate if the well is not timely commenced, unless the operator "obtains an extension by amending this Order for good cause shown."

4. Applicant requests an extension of the drilling deadline due to market conditions and public health restrictions which have altered drilling schedules. In addition, an APD has not yet been approved by the Bureau of Land Management, so applicant cannot commence the well. Thus good cause exists for Applicant's request for an extension.

5. Applicant requests an extension of the well commencement deadline to June 10, 2023.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order amending Order No. R-21737 to extend the well commencement deadline to June 10, 2023.

Respectfully submitted,



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

Attorney for Mewbourne Oil Company

***Application of Mewbourne Oil Company to Amend Order No. R-21737, Lea County, New Mexico.*** Mewbourne Oil Company seeks an order amending Order No. R-21737, issued on June 10, 2021, to extend the well commencement deadline one year, to June 10, 2023. Order No. R-21737 pooled mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 17 and the E/2W/2 of Section 8, Township 26 South, Range 33 East, NMPM, for purposes of drilling the Zach 17/8 B2NC 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 24-1/2 miles west-southwest of Jal, 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-21736, LEA COUNTY,  
NEW MEXICO.**

**Case No. 22843**

**APPLICATION OF MEWBOURNE OIL COMPANY  
TO AMEND ORDER NO. R-21737, LEA COUNTY,  
NEW MEXICO.**

**Case No. 22844**

**SELF-AFFIRMED STATEMENT OF CY SHOOK**

Cy Shook 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 applications filed by Mewbourne in the above cases. 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 notified regarding amending the subject orders, and has not objected or entered an appearance.
4. In Case No. 22843 Mewbourne Oil Company seeks an order amending Order No. R-21736, issued on June 10, 2021, to extend the well commencement deadline one year, to June 10, 2023. The subject order is submitted as Attachment A.
5. Order No. R-21736 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the W/2W/2 of Section 17 and the W/2W/2 of Section 8, Township 26 South, Range 33 East, NMPM, for the purpose of drilling the Zach 17/8 B2MD Fed. Com. Well No. 1H. The only party pooled was COG Operating LLC.
6. In Case No. 22844 Mewbourne Oil Company seeks an order amending Order No. R-21737, issued on June 10, 2021, to extend the well commencement deadline one year, to June 10, 2023. The subject order is submitted as Attachment B.

EXHIBIT

2

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: 5/31/22

Cy Shook  
Cy Shook

6. Order No. R-21737 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the E/2W/2 of Section 17 and the E/2W/2 of Section 8, Township 26 South, Range 33 East, NMPM, for the purpose of drilling the Zach 17/8 B2NC Fed. Com. Well No. 1H. The only party pooled was COG Operating LLC.

7. Good cause exists for Mewbourne's requests for an extension of time to commence drilling, due to market conditions over the past year, and the pandemic, which have caused Mewbourne to adjust its drilling schedule. More importantly, APDs has not yet been approved by the Bureau of Land Management, so applicant cannot commence the wells. Mewbourne still plans on drilling the wells.

8. Mewbourne requests that the deadlines to commence the drilling of the subject wells be extended for one year from June 10, 2022 to June 10, 2023.

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

10. The granting of these applications will prevent waste and protect correlative rights.



**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. 21962  
ORDER NO. R-21736**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard these matters through a Hearing Examiner on June 3, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Orders:

**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.

**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.

ATTACHMENT *A*

10. Operator has the right to drill the Well(s) to a common source of supply at the 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 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 amending 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 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

CASE NO. 21962  
ORDER NO. R-21736

Page 2 of 8



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 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 an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If 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 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 an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If 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 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: 6/10/2021

CASE NO. 21962  
ORDER NO. R-21736

Page 5 of 8

## Exhibit "A"

<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case:</b>	<b>21962</b>
<b>Date:</b>	<b>June 3, 2021</b>
<b>Applicant</b>	Mewbourne Oil Company
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	Mewbourne Oil Company/OGRID No.14744
<b>Applicant's Counsel:</b>	James Bruce
<b>Case Title:</b>	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
<b>Entries of Appearance/Intervenors:</b>	
<b>Well Family</b>	Zach Bone Spring wells
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Bone Spring Formation
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	Entire Bone Spring formation
<b>Pool Name and Pool Code:</b>	Not yet assigned to a pool
<b>Well Location Setback Rules:</b>	Statewide rules and current horizontal well rules
<b>Spacing Unit Size:</b>	Quarter-quarter sections/40 acres
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	320 acres
<b>Building Blocks:</b>	
<b>Orientation:</b>	South-North
<b>Description: TRS/County</b>	W/2W/2 §17 and W/2W/2 §8-26S-33E, NMPM, Lea County
<b>Standard Horizontal Well Spacing Unit (Y/N), if No, describe</b>	Yes
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	No
<b>Proximity Tracts: If yes, description</b>	No
<b>Proximity Defining Well: if yes, description</b>	
<b>Applicant's Ownership in Each Tract</b>	Exhibit 2-A-B
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	Zach 17/8 B2MD Fed. Com. Well No. 1H API No. 30-025-Pending SHL: 210 FNL & 1130 FWL §20 BHL: 100 FNL & 330 FWL §8 FTP: 100 FSL & 330 FWL §17 LTP: 100 FNL & 330 FWL §8 Bone Spring/TVD 10824 feet/MD 21354 feet
<b>Horizontal Well First and Last Take Points</b>	See above

EXHIBIT 5-4

CASE NO. 21962  
ORDER NO. R-21736

Page 6 of 8



Completion Target (Formation, TVD and MD)	See above
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2-A
Requested Risk Charge	Cost + 200%/Exhibit 2-A, page 2
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Not necessary
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-A-B
Pooled Parties (including ownership type)	Exhibit 2-A-B
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	None
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit 2-A-C
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2-B-B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-A-C
Overhead Rates in Proposal Letter	Exhibit 2-A-C
Cost Estimate to Drill and Complete	Exhibit 2-A-D
Cost Estimate to Equip Well	Exhibit 2-A-D
Cost Estimate for Production Facilities	Exhibit 2-A-D
<b>Geology</b>	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 3-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-A
Well Orientation (with rationale)	Standup/Exhibit 3
Target Formation	Bone Spring
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	Not Applicable
<b>Forms, Figures and Tables</b>	
C-102	Exhibit 2-A-A
Tracts	Exhibit 2-A-A
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-A-B
General Location Map (including basin)	Exhibit 2-A-A
Well Bore Location Map	Exhibit 2-A-A

CASE NO. 21962  
ORDER NO. R-21736

Page 7 of 8

Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3-C
Cross Section (including Landing Zone)	Exhibit 3-C
<b>Additional Information</b>	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	James Bruce
<b>Signed Name</b> (Attorney or Party Representative):	<i>James Bruce</i>
<b>Date:</b>	June 1, 2021

CASE NO. 21962  
ORDER NO. R-21736

Page 8 of 8







Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
1. Name of Applicant	2. Address of Applicant
3. Date of Application	4. Signature of Applicant
5. Signature of Applicant	6. Signature of Applicant
7. Signature of Applicant	8. Signature of Applicant
9. Signature of Applicant	10. Signature of Applicant
11. Signature of Applicant	12. Signature of Applicant
13. Signature of Applicant	14. Signature of Applicant
15. Signature of Applicant	16. Signature of Applicant
17. Signature of Applicant	18. Signature of Applicant
19. Signature of Applicant	20. Signature of Applicant
21. Signature of Applicant	22. Signature of Applicant
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91. Signature of Applicant	92. Signature of Applicant
93. Signature of Applicant	94. Signature of Applicant
95. Signature of Applicant	96. Signature of Applicant
97. Signature of Applicant	98. Signature of Applicant
99. Signature of Applicant	100. Signature of Applicant

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



ADRIANNE R. DOVAL  
DIRECTOR

DATE 5/31/2022

Page 2 of 2

CASE NO. 2005  
ORDER NO. R-21737



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 consider payment to be made 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."

No later than one hundred eighty (180) days after Operation submits a Form O-105 for a well, Operation shall submit to each owner of a Pooled Working Interest as required to be the Responsible Well Costs owner an owner of a Pooled Working Interest a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Responsible Well Costs after public notice and hearing.

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 Responsible Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operation its share of the Responsible Well Costs now owned and the Estimated Well Costs or Operation shall pay to each owner of a Pooled Working Interest who paid the share of the Estimated Well Costs its share of the Responsible Well Costs and exceed the Responsible Well Costs.

The responsible parties to the expenses to drill and produce a well ("Expenses") shall be determined and shall be included in Exhibit A provided however that the expenses shall be determined annually pursuant to the OWS form included in the Operating Agreement for the well.

No later than ninety (90) days after Operation submits a Form O-105 for a well, Operation shall submit to each owner of a Pooled Working Interest as required to be the Responsible Well Costs owner an owner of a Pooled Working Interest the schedule of the Responsible Well Costs for operating and maintaining the well ("Operating Charges") provided however that Operation Charges shall include the Responsible Well Costs or Operation Charges. The Operating Charges shall be submitted each month to each owner of a Pooled Working Interest after a written objection to the schedule is not received by the Responsible Well Costs owner. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Responsible Well Costs after public notice and hearing.

Operation may terminate the OWS at any time and charges from the share of production from the well shall be paid to the owner of the well by the date of

CASE NO. 21963  
ORDER NO. 202117

Page 2 of 8





STATE OF NEW MEXICO  
DEPT. OF MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

IN THE MATTER OF APPLICATION FOR  
REGISTRATION FOR THE SUBMITTAL OF  
MR. WILSON'S OIL COMPANY  
CASE NO. 11803  
ORDER NO. B-1173

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard the evidence through a hearing conducted on June 1, 2021, and after considering the testimony, evidence and recommendations of the Hearing Examiner, issues the following Order:

TERMS OF CASE

1. The Applicant ("Applicant") submitted an application ("application") to the OCD for registration of the mineral and gas interests within the estate and to the estate of the Applicant ("Estate"). The Estate is a limited liability company ("LLC") organized under the laws of the State of New Mexico. The Applicant is the sole owner of the Estate.
2. The Applicant has submitted the application for registration of the mineral and gas interests within the Estate to the OCD.
3. The Applicant has submitted the application for registration of the mineral and gas interests within the Estate to the OCD.
4. The Applicant has submitted the application for registration of the mineral and gas interests within the Estate to the OCD.
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TERMS OF CASE

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**Case No. 22843**

**Case No. 22844**

## EXHIBIT

**JAMES BRUCE**  
ATTORNEY AT LAW

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May 12, 2022

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ATTACHMENT

A

Ladies and gentlemen:

Enclosed are copies the attached applications, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company ("Mewbourne"), seeking to amend pooling orders to extend the time allowed to commence the wells identified in the orders:

(i) Case 22843: Mewbourne seeks an order amending Order No. R-21736 to extend the well commencement deadline one year, to June 10, 2023. Order No. R-21736 pooled mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 17 and the W/2W/2 of Section 8, Township 26 South, Range 33 East, NMPM, for purposes of drilling the Zach 17/8 B2MD Fed. Com. Well No. 1H.

(ii) Case 22844: Mewbourne seeks an order amending Order No. R-21737 to extend the well commencement deadline one year, to June 10, 2023. Order No. R-21737 pooled mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 17 and the E/2W/2 of Section 8, Township 26 South, Range 33 East, NMPM, for purposes of drilling the Zach 17/8 B2NC Fed. Com. Well No. 1H.

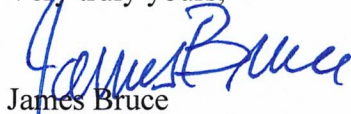
These matters are scheduled for hearing at 8:15 a.m. on Thursday, June 2, 2022. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to [emnrd.state.nm.us/OCD/hearings](http://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 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 [ocd.hearings@state.nm.us](mailto: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,

A handwritten signature in blue ink, appearing to read "James Bruce", is written over the typed name.

James Bruce

Attorney for Mewbourne Oil Company

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