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

APPLICATIONS OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case Nos. 22727 - 22728

#### NOTICE OF FILING REPLACEMENT OR SUPPLEMENTAL EXHIBITS

Mewbourne Oil Company hereby submits for filing the following replacement or supplemental exhibits:

Replacement Exhibits 6 are the pooling checklists, which list the pool and pool code.

Exhibit 7 is the letters sent by Mewbourne to the working interest owners regarding the overlapping well units.

Exhibit 8 is the affidavit of Charles Crosby, Mewbourne's geologist, regarding the lack of stranded acreage.

Exhibit 9 includes additional certified green cards receive after the hearing.

Exhibit 10 is a spreadsheet showing the status of the certified mailings in these cases.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

jamesbruc@aol.com

Attorney for Mewbourne Oil Company

## COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICA	ATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS		
Case:	22727		
Date	June 16, 2022		
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:			
Well Family	Pavo Macho Bone Spring wells		
Formation/Pool			
Formation Name(s) or Vertical Extent:	Bone Spring Formation		
Primary Product (Oil or Gas):	Oil		
Pooling this vertical extent:	Entire Bone Spring formation		
Pool Name and Pool Code:	Palmillo; Bone Spring, East (Pool Code 49553)		
Well Location Setback Rules:	Current horizontal well rules		
Spacing Unit Size:	Quarter-quarter sections/40 acres		
Spacing Unit			
Type (Horizontal/Vertical)	Horizontal		
Size (Acres)	480 acres		
Building Blocks:	40 acres		
Orientation:	West-East		
Description: TRS/County	N/2N/2 §31, N/2N/2 §32, and N/2N/2 §33-18S-29E, NMPM, Eddy County		
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes		
Other Situations			
Depth Severance: Y/N. If yes, description	No Replacement		
Proximity Tracts: If yes, description	No		
Proximity Defining Well: if yes, description	EXHIBIT 👂		
Applicant's Ownership in Each Tract			
Well(s)			
Name & API (if assigned), surface and	Pavo Macho 31/33 B3DA Fed. Com. Well No. 2H		
bottom hole location, footages,	API No. 30-015-Pending		
completion target, orientation,	SHL: 860 FNL & 185 FWL §31		
completion status (standard or non-	BHL: 660 FNL & 100 FEL §33		
standard)	FTP: 660 FNL & 100 FWL §31		
	LTP: 660 FNL & 100 FEL §33		
	Third Bone Spring/TVD 8640 feet/MD 23520 feet		

Horizontal Well First and Last Take	See above
Points	
Completion Target (Formation, TVD and	See above
MD)	
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2
Requested Risk Charge	Exhibit 2
Notice of Hearing	
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)	Exhibit 5
Ownership Determination	
Land Ownership Schematic of the	
Spacing Unit	Exhibit 2-B
Tract List (including lease numbers and	·
owners)	Exhibit 2-B
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 2C
List of Interest Owners (i.e. Exhibit A of	
JOA)	Exhibit 2-B
Chronology of Contacts with New Jained	
Chronology of Contacts with Non-Joined	Exhibit 2-C
Working Interests	EXHIBIT 2-C
Overhead Rates In Proposal Letter  Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Brill and Complete  Cost Estimate to Equip Well	Exhibit 2-D
Cost Estimate to Equip Well  Cost Estimate for Production Facilities	Exhibit 2-D
Geology	LAHIDIL Z-D
Summary (including special	
considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 3-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-C
Well Orientation (with rationale)	Exhibit 3
Target Formation	Bone Spring
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 2-A
C 102	LAHIMIL Z-A

Tr Received by OCD: 7/18/2022 6:44:26 PM	Exhibit 2-B  Page 4 of	18
Summary of Interests, Unit		
Recapitulation (Tracts)	Exhibit 2-B	
General Location Map (including basin)	Exhibit 2-A	
Well Bore Location Map	Exhibit 2-A	
Structure Contour Map - Subsea Depth	Exhibit 3-A	
Cross Section Location Map (including		
wells)	Exhibit 3-A	
Cross Section (including Landing Zone)	Exhibit 3-C	
Additional Information		
<b>CERTIFICATION: I hereby certify that the</b>		1
information provided in this checklist is		
complete and accurate.		
Printed Name (Attorney or Party		
Representative):	James Bruce /	
Signed Name (Attorney or Party	1 R	
Representative):	(10Mm) Sely	
Date:	June 14, 2022	

# COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICA	TION MUST BE SUPP	ORTED BY SIGNED AFFIDAVITS		
Case:	22728			
Date	June 16, 2022			
Applicant	Mewbourne Oil Company			
Designated Operator & OGRID		,		
(affiliation if applicable)	Mewbourne Oil Compa	any/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:				
Well Family	Pavo Macho Bone Sprii	ng wells		
Formation/Pool				
Formation Name(s) or Vertical Extent:	Bone Spring Formation			
Primary Product (Oil or Gas):	Oil			
Pooling this vertical extent:	Entire Bone Spring for	mation		
Pool Name and Pool Code:	Palmillo; Bone Spring, I			
Well Location Setback Rules:	Current horizontal well			
Spacing Unit Size:	Quarter-quarter section	ns/40 acres		
Spacing Unit				
Type (Horizontal/Vertical)	Horizontal			
Size (Acres)	480 acres			
Building Blocks:	40 acres			
Orientation:	West-East			
Description: TRS/County	S/2N/2 §31, S/2N/2 §32, and S/2N/2 §33-18S-29E, NMPM, Eddy County			
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes			
Other Situations		0 1/1 1 1 1		
Depth Severance: Y/N. If yes, description	No	Roglacement		
Proximity Tracts: If yes, description	No	EXHIBIT 6		
Proximity Defining Well: if yes, description		EXHIBIT 6		
Applicant's Ownership in Each Tract				
Well(s)				
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or nonstandard)	Pavo Macho 31/33 B3EH Fed. Com. Well No. 2H API No. 30-015-Pending SHL: 890 FNL & 185 FWL §31 BHL: 1980 FNL & 100 FEL §33 FTP: 1980 FNL & 100 FWL §31 LTP: 1980 FNL & 100 FEL §33 Third Bone Spring/TVD 8670 feet/MD 23550 feet			

Horesered word Prist 18/20 22 st 46/20 PM	See above Page 6 of 18
Points	
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
Requested Risk Charge	Exhibit 2
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type)	Exhibit 2-B
Unlocatable Parties to be Pooled	Extract 2
Ownership Depth Severance (including	
percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2C
List of Interest Owners (i.e. Exhibit A of	
JOA)	Exhibit 2-B
Chronology of Contacts 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
<b>Cost Estimate for Production Facilities</b>	Exhibit 2-D
Geology	
Summary (including special	
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Well Orientation (with rationale)	Exhibit 3
Target Formation	Bone Spring
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 2-A
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Summary of Interests, Unit	
Recapitulation (Tracts)	Exhibit 2-B

GeRegeired baig GPW/468 (APOR GIAG BASIM)	Exhibit 2-A	Page 7 o	f 18
Well Bore Location Map	Exhibit 2-A		1
Structure Contour Map - Subsea Depth	Exhibit 3-A		]
Cross Section Location Map (including			]
wells)	Exhibit 3-A		
Cross Section (including Landing Zone)	Exhibit 3-C		
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):		Gerry Drug	
Date:	June 14, 2022		

### MEWBOURNE OIL COMPANY

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

July 8, 2022

#### Certified Mail

1119 Oil & Gas LLC P.O. Box 101265 Fort Worth, Texas 76185

EXHIBIT

Re:

Notice of Overlapping Spacing

Palmillo; Bone Spring, East; Pool Code 49553

Pavo Macho 31/33 B3DA Fed Com #1H – API #pending

Spacing Unit: Lot 1 (NW4NW4), NE4NW4, N2NE4 of Section 31

N2N2 of Section 32, N2N2 of Section 33, T18S, R29E, Eddy County, New Mexico

#### Dear Owner:

Mewbourne Oil Company has proposed the above referenced well for the initial development of the Bone Spring formation underlying the above referenced spacing units. This letter is to advise you that this proposed development plan will require the formation of the following spacing unit for the proposed well:

1) Pavo Macho 31/33 B3DA Fed Com #1H – API #pending

Surface Location: 860' FNL, 185' FWL, Section 31, T18S, R29E Bottom Hole Location: 660' FNL, 100' FEL, Section 33, T18S, R29E

Proposed Total Vertical Depth: 8640' Proposed Total Measured Depth: 23520'

Target: 3<sup>rd</sup>Bone Spring Sand

Spacing Unit: Lot 1 (NW4NW4), NE4NW4, N2NE4 of Section 31

N2N2 of Section 32, N2N2 of Section 33, T18S, R29E, Eddy County, New Mexico

Spacing Unit Acres: 472.51

The proposed spacing unit will overlap the following existing spacing unitand well:

1) Pavo Macho 31/32 B2DA Fed Com #1H - API #30-015-43787

Operator: Mewbourne Oil Company

Surface Location: 660' FNL, 185' FWL, Section 31, T18S, R29E Bottom Hole Location: 896' FNL, 335' FEL, Section 32, T18S, R29E

Total Vertical Depth: 7687' Total Measured Depth: 17345'

Producing Interval: 2<sup>nd</sup> Bone Spring Sand

Spacing Unit: Lot 1 (NW4NW4), NE4NW4, N2NE4 of Section 31 N2N2 of Section 32, T18S, R29E, Eddy County, New Mexico

Spacing Unit Acres: 312.51

Pursuant to NMAC 19.15.16.15.B(9) and 19.15.15.12.B, you have a right to object these overlapping spacing units by delivering a written statement of objection to our office within twenty (20) days of the mailing of this notice. If no objection is received within this 20-day period, we will proceed withobtaining the necessary regulatory approvals for these proposed overlapping spacing unit.

If you have any questions about this matter, please contact me at (432) 682-3715 or at tjolly@mewbourne.com.

Very truly yours,

MEWBOURNE OIL COMPANY

Tyler Jolly Landman

### Pavo Macho 31-33 B3DA Fed Com #1H Overlapping Spacing Unit Letter

1119 Oil & Gas LLC P.O. Box 101265 Fort Worth, Texas 76185

CALM Fort Worth Ventures, LLC 139 Sheridan Winnetka, Illinois 60093

Cimarex Energy Co. 600 Marienfeld Street, Suite 600 Midland, Texas 79701 Attn: John Coffman

Magnum Hunter Production, Inc. 600 Marienfeld Street, Suite 600 Midland, Texas 79701 Attn: John Coffman

Goldfinger Oil & Gas LLC 420 Throckmorton Street, Suite 1000 Fort Worth, Texas 76102

Ivory Oil Company LLC 6500 West Freeway, Suite 222 Fort Worth, Texas 76116

Novo Oil & Gas Northern Delaware LLC 1001 West Wilshire Blvd., Suite 206 Oklahoma City, Oklahoma 73116

OTSS Investments LLC 6500 West Freeway, Suite 222 Fort Worth, Texas 76116

OXY USA WTP Limited Partnership 5 Greenway Plaza, Suite 110 P.O. Box 27570 Houston, Texas 77046-0521 Attn: Jonathan Gonzales SNW Permian LLC 1613 Western Avenue Fort Worth, Texas 76107

Una Oreja LLC P.O Box 101265 Fort Worth, Texas 76185

#### MEWBOURNE OIL COMPANY

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

July 8, 2022

#### Certified Mail

1119 Oil & Gas LLC P.O. Box 101265 Fort Worth, Texas 76185

Re: Notice of Overlapping Spacing

Palmillo; Bone Spring, East; Pool Code 49553

Pavo Macho 31/33 B3EH Fed Com #1H – API #pending

Spacing Unit: Lot 2 (SW4NW4), SE4NW4, S2NE4 of Section 31

S2N2 of Section 32, S2N2 of Section 33, T18S, R29E, Eddy County, New Mexico

#### Dear Owner:

Mewbourne Oil Company has proposed the above referenced well for the initial development of the Bone Spring formation underlying the above referenced spacing units. This letter is to advise you that this proposed development plan will require the formation of the following spacing unit for the proposed well:

1) Pavo Macho 31/33 B3EH Fed Com #1H – API #pending

Surface Location: 890' FNL, 185' FWL, Section 31, T18S, R29E

Bottom Hole Location: 1980' FNL, 100' FEL, Section 33, T18S, R29E

Proposed Total Vertical Depth: 8670' Proposed Total Measured Depth: 23550'

Target: 3<sup>rd</sup>Bone Spring Sand

Spacing Unit: Lot 2 (SW4NW4), SE4NW4, S2NE4 of Section 31

S2N2 of Section 32, S2N2 of Section 33, T18S, R29E, Eddy County, New Mexico

Spacing Unit Acres: 472.66

The proposed spacing unit will overlap the following existing spacing unitand well:

1) Pavo Macho 31/32 B2EH Fed Com #1H – API #30-015-43784

Operator: Mewbourne Oil Company

Surface Location: 1980' FNL, 185' FWL, Section 31, T18S, R29E Bottom Hole Location: 2299' FNL, 333' FEL, Section 32, T18S, R29E

Total Vertical Depth: 7700' Total Measured Depth: 17170'

Producing Interval: 2<sup>nd</sup> Bone Spring Sand

Spacing Unit: Lot 2 (SW4NW4), SE4NW4, S2NE4 of Section 31 S2N2 of Section 32, T18S, R29E, Eddy County, New Mexico

Spacing Unit Acres: 312.66

Pursuant to NMAC 19.15.16.15.B(9) and 19.15.15.12.B, you have a right to object these overlapping spacing units by delivering a written statement of objection to our office within twenty (20) days of the mailing of this notice. If no objection is received within this 20-day period, we will proceed withobtaining the necessary regulatory approvals for these proposed overlapping spacing unit.

If you have any questions about this matter, please contact me at (432) 682-3715 or at tiolly@mewbourne.com.

Very truly yours,

MEWBOURNE OIL COMPANY

Tyler Jolly Landman

### Pavo Macho 31-33 B3EH Fed Com #1H Overlapping Spacing Unit Letter

1119 Oil & Gas LLC P.O. Box 101265 Fort Worth, Texas 76185

CALM Fort Worth Ventures, LLC 139 Sheridan Winnetka, Illinois 60093

Cimarex Energy Co. 600 Marienfeld Street, Suite 600 Midland, Texas 79701 Attn: John Coffman

Magnum Hunter Production, Inc. 600 Marienfeld Street, Suite 600 Midland, Texas 79701 Attn: John Coffman

Goldfinger Oil & Gas LLC 420 Throckmorton Street, Suite 1000 Fort Worth, Texas 76102

Ivory Oil Company LLC 6500 West Freeway, Suite 222 Fort Worth, Texas 76116

OTSS Investments LLC 6500 West Freeway, Suite 222 Fort Worth, Texas 76116

OXY USA WTP Limited Partnership 5 Greenway Plaza, Suite 110 P.O. Box 27570 Houston, Texas 77046-0521 Attn: Jonathan Gonzales

SNW Permian LLC 1613 Western Avenue Fort Worth, Texas 76107 Una Oreja LLC P.O Box 101265 Fort Worth, Texas 76185

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

APPLICATIONS OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case Nos. 21727 & 22728

#### SELF-AFFIRMED STATEMENT OF CHARLES CROSBY

COUNTY OF MIDLAND	)
	) ss.
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 and acreage development involved in these cases. I have been qualified by the Division as an expert petroleum geologist.
- 3. The Examiners asked at the hearing about the possibility of stranded acreage by drilling three mile laterals. Exhibit 3-A submitted at the hearing shows that there are no wells to the east or west of the proposed wells, and that acreage may be developed on well units in excess of 1 mile laterals. In addition, Mewbourne is the operator of the offset acreage, and has no desire to strand its acreage.

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 3 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: June 18, 2022 /s/ Charles Crosby
Charles Crosby

EXHIBIT 8

Released to Imaging: 7/19/2022 8:01:21 AM

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, d3.</li> <li>Print your name and address on the revers so that we can return the card to you.</li> <li>Attach this card to the back of the mailpier or on the front if space permits.</li> </ul>	Sarah O'Shaughnesey
MeCombs Energy Ltd. 750 East Mulberry Avenue, Suite 403 San Antonio, Texas 78212	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
	3. Service Type □ Priority Mail Express® □ Registered Mail™ □ Adult Signature Restricted Delivery □ Registered Mail Restricted
9590 9402 6746 1074 4072 19	☐ Certified Mail® Delivery ☐ Certified Mail Restricted Delivery ☐ Signature Confirmation™ ☐ Signature Confirmation ☐ Signature Confirmation

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	□ Priority Mail Express®     □ Registered Mail™     □ Registered Mail Restricted Delivery     □ Signature Confirmation™     □ Signature Confirmation Restricted Delivery
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EXHIBIT 9

#### **CASE NOS. 22727 - 22728**

### STATUS OF CERTIFIED NOTICE

INTEREST OWNER	MAILING DATE	RECEIPT DATE	CARD RETURNED
8 Way Oil & Gas, Inc.	May 26, 2022	June 15, 2022	Yes
Cimarex Energy Company	66	Unknown	No

Note: Magnum Hunter production Company, Inc. is a subsidiary of Cimarex Energy Co., and it did receive actual notice, as indicated below.

Earthstone Permian LLC	46	June 6, 2022	Yes
EOG Resources, Inc.	66	66	Yes
Grace Smith	66	66	Yes
Kastman Oil Company	66	Unknown	Yes
Magnum Hunter Production, Inc.	44	June 6, 2022	Yes
McCombs Energy Ltd.	cc	June 7, 2022	Yes
Estate of Nona Snow	44	June 6, 2022	Yes
Novo Oil & Gas Northern Delaware LLC	66	66	Yes
OXY USA WTP Limited Partnership	<b>دد</b>	66	Yes
P.J. Guy Family Trust	44	Unknown	No
Snow Oil & Gas, Inc.	44	June 6, 2022	Yes
Trans-Ram, LLC		"	Yes

EXHIBIT /