

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

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23585

HEARING EXHIBITS

Compulsory Pooling Checklist

- | | |
|-----------|--|
| Exhibit A | Self-Affirmed Statement of Brad Dunn |
| A-1 | Application & Proposed Notice of Hearing |
| A-2 | C-102 |
| A-3 | Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Pooled Parties, Unit Recapitulation |
| A-4 | Sample Well Proposal Letter and AFE |
| A-5 | Chronology of Contact |
| Exhibit B | Self-Affirmed Statement of Jordan Carrell |
| B-1 | Location Map |
| B-2 | Bone Spring Subsea Structure Map |
| B-3 | Stratigraphic Cross-Section |
| Exhibit C | Self-Affirmed Statement of Dana S. Hardy |
| C-1 | Sample Notice Letter to All Interested Parties |
| C-2 | Chart of Notice to All Interested Parties |
| C-3 | Copies of Certified Mail Receipts and Returns |
| C-4 | Affidavit of Publication for June 11, 2023 |

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

| Case: 23585 | APPLICANT'S RESPONSE |
|--|--|
| Date | July 20, 2023 |
| Applicant | Mewbourne Oil Company |
| Designated Operator & OGRID (affiliation if applicable) | OGRID No. 14744 |
| Applicant's Counsel: | Hinkle Shanor LLP |
| Case Title: | Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico. |
| Entries of Appearance/Intervenors: | Marathon Oil Permian LLC |
| Well Family | Belgian Blue |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent: | Bone Spring |
| Primary Product (Oil or Gas): | Oil |
| Pooling this vertical extent: | Bone Spring |
| Pool Name and Pool Code: | Airstrip; Bone Spring Pool (Code 960) |
| Well Location Setback Rules: | Statewide |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 320-acres |
| Building Blocks: | quarter-quarter |
| Orientation: | North/South |
| Description: TRS/County | W/2 W/2 of Sections 21 and 28, Township 18 South, Range 35 East, Lea County |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application? | Yes. |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | No. |
| Proximity Tracts: If yes, description | No. |
| Proximity Defining Well: if yes, description | N/A |
| Applicant's Ownership in Each Tract | Exhibit A-3 |
| Well(s) | |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed |
| Well #1 | Belgian Blue 28/21 State Com #501H (B2MD) (API # 30-025-51337) SHL: 205' FSL & 1880' FWL (Unit N), Section 28, T18S, R35E BHL: 100' FNL & 500' FWL (Unit D), Section 21, T18S, R35E Completion Target: Bone Spring (Approx. 9,639' TVD) |
| Horizontal Well First and Last Take Points | Exhibit A-2 |
| Completion Target (Formation, TVD and MD) | Exhibit A-4 |
| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | \$10,000.00 |
| Production Supervision/Month \$ | \$1,000.00 |
| Justification for Supervision Costs | Exhibit A |

| | |
|--|---------------------------------------|
| Requested Risk Charge | 200% |
| Notice of Hearing | |
| Proposed Notice of Hearing | Exhibit A-1 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit C-1, Exhibit C-2, Exhibit C-3 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit C-4 |
| Ownership Determination | |
| Land Ownership Schematic of the Spacing Unit | Exhibit A-3 |
| Tract List (including lease numbers and owners) | Exhibit A-3 |
| If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements. | N/A |
| Pooled Parties (including ownership type) | Exhibit A-3 |
| Unlocatable Parties to be Pooled | N/A |
| Ownership Depth Severance (including percentage above & below) | N/A |
| Joinder | |
| Sample Copy of Proposal Letter | Exhibit A-4 |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit A-3 |
| Chronology of Contact with Non-Joined Working Interests | Exhibit A-5 |
| Overhead Rates In Proposal Letter | Exhibit A-4 |
| Cost Estimate to Drill and Complete | Exhibit A-4 |
| Cost Estimate to Equip Well | Exhibit A-4 |
| Cost Estimate for Production Facilities | Exhibit A-4 |
| Geology | |
| Summary (including special considerations) | Exhibit B |
| Spacing Unit Schematic | Exhibit B-1 |
| Gunbarrel/Lateral Trajectory Schematic | N/A |
| Well Orientation (with rationale) | Exhibit B |
| Target Formation | Exhibit B |
| HSU Cross Section | Exhibit B-3 |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables | |
| C-102 | Exhibit A-2 |
| Tracts | Exhibit A-3 |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit A-3 |
| General Location Map (including basin) | Exhibit B-1 |
| Well Bore Location Map | Exhibit B-2 |
| Structure Contour Map - Subsea Depth | Exhibit B-2 |
| Cross Section Location Map (including wells) | Exhibit B-3 |
| Cross Section (including Landing Zone) | Exhibit B-3 |
| Additional Information | |
| Special Provisions/Stipulations | N/A |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. | |
| Printed Name (Attorney or Party Representative): | Dana S. Hardy |

| | | |
|---|-------------------|--------------|
| Received by (Attorney or Party Representative): | /s/ Dana S. Hardy | Page 4 of 37 |
| Date: | | 7/18/2023 |

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

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23585

**SELF-AFFIRMED STATEMENT
OF BRAD DUNN**

1. I am a landman for Mewbourne Oil Company (“Mewbourne”). I am over 18 years of age, have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in the above-referenced case. Copies of Mewbourne’s Application and proposed hearing notice are attached as **Exhibit A-1**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

4. Mewbourne applies for an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Sections 21 and 28, Township 18 South, Range 35 East in Lea County, New Mexico (“Unit”).

5. Mewbourne seeks to dedicate the Unit to the Belgian Blue 28/21 State Com #501H (B2MD) well (“Well”), which will be completed Airstrip; Bone Spring Pool (Code 960).

6. The completed interval of the Well will be orthodox.

7. **Exhibit A-2** contains the C-102 for the Well.

**Mewbourne Oil Company
Case No. 23585
Exhibit A**

8. **Exhibit A-3** contains a plat that identifies ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Mewbourne seeks to pool highlighted in yellow. All of the interest owners are locatable in that Mewbourne believes it located valid addresses for them.

9. **Exhibit A-4** contains a sample well proposal letter and AFE sent to the working interest owners for the Well. The estimated costs reflected on the AFE is a fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

10. Mewbourne has conducted a diligent search of all county public records, including phone directories and computer databases, to locate the interest owners. I also used the Accurant subscription search service to identify the last known address of each interest owner.

11. In my opinion, Mewbourne made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-5**.

12. Mewbourne requests overhead and administrative rates of \$10,000.00 per month while the Well is being drilled and \$1,000.00 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Mewbourne and other operators in the vicinity.

13. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

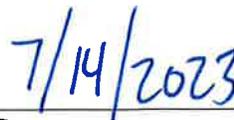
14. In my opinion, the granting of Mewbourne's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

15. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony 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.



Brad Dunn



Date

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

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NO. 23585

APPLICATION

In accordance with NMSA 1978, § 70-2-17, Mewbourne Oil Company (“Mewbourne” or “Applicant”) (OGRID No. 14744), through its undersigned attorneys, applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Sections 21 and 28, Township 18 South, Range 35 East, Lea County, New Mexico (“Unit”). In support of this application, Mewbourne states the following.

1. Mewbourne is a working interest owner in the Unit and has the right to drill thereon.
2. Applicant seeks to dedicate the Unit to the proposed **Belgian Blue 28/21 State Com #501H (B2MD)** well (“Well”), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 28 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 21.
3. The completed interval of the Well will be orthodox.
4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interests owners in the Unit.
5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**Mewbourne Oil Company
Case No. 23585
Exhibit A-1**

6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the proposed horizontal Well and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 6, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- E. Approving the actual operating charged and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy
Dana S. Hardy
Jaclyn M. McLean
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554

Facsimile: (505) 98208623
dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com
Counsel for Mewbourne Oil Company

Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico. Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Sections 21 and 28, Township 18 South, Range 35 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Belgian Blue 28/21 State Com #501H (B2MD)** well ("Well"), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 28 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 21. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 17 miles west of Hobbs, New Mexico.

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 LOCATION AND ACREAGE DEDICATION PLAT **AIRSTRIP;BONE**

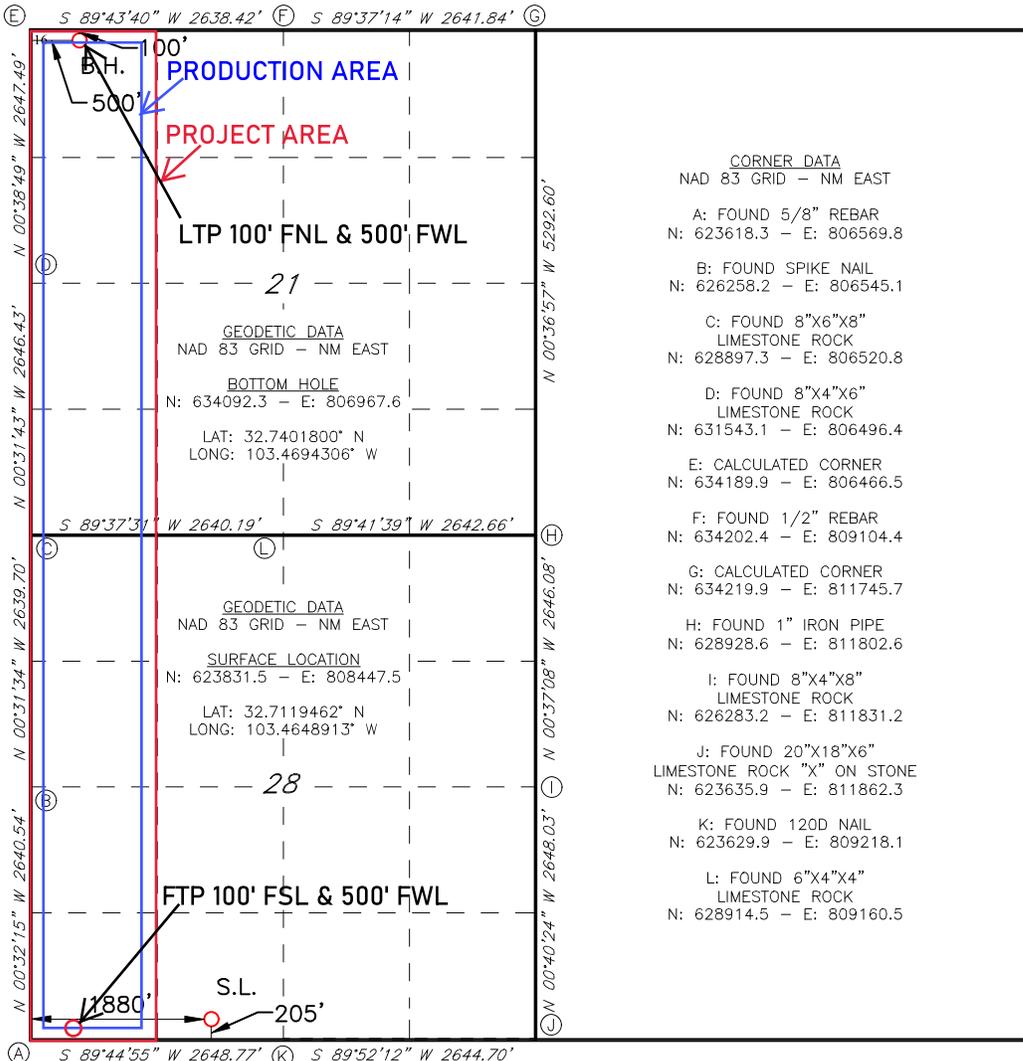
| | | | | | |
|-------------------------------------|--|--|--|---|------------------------------|
| 1 API Number 30-025-51337 | | 2 Pool Code 55610 960 | | 3 Pool Name SCHARS; BONE SPRING SPRING | |
| 4 Property Code 333923 | | 5 Property Name BELGIAN BLUE 28/21 STATE COM | | | 6 Well Number 501H |
| 7 OGRID NO. 14744 | | 8 Operator Name MEWBOURNE OIL COMPANY | | | 9 Elevation 3911' |

| 10 Surface Location | | | | | | | | | |
|---------------------|-----------|------------|------------|---------|---------------|------------------|---------------|----------------|------------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet From the | East/West line | County |
| N | 28 | 18S | 35E | | 205 | SOUTH | 1880 | WEST | LEA |

| 11 Bottom Hole Location If Different From Surface | | | | | | | | | |
|---|-----------|------------|------------|---------|---------------|------------------|---------------|----------------|------------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| D | 21 | 18S | 35E | | 100 | NORTH | 500 | WEST | LEA |

| | | | |
|----------------------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres 320 | 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.



17 OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Gage Owen 04/05/2023
 Signature Date
 Gage Owen
 Printed Name
 gowen@mewbourne.com
 E-mail Address

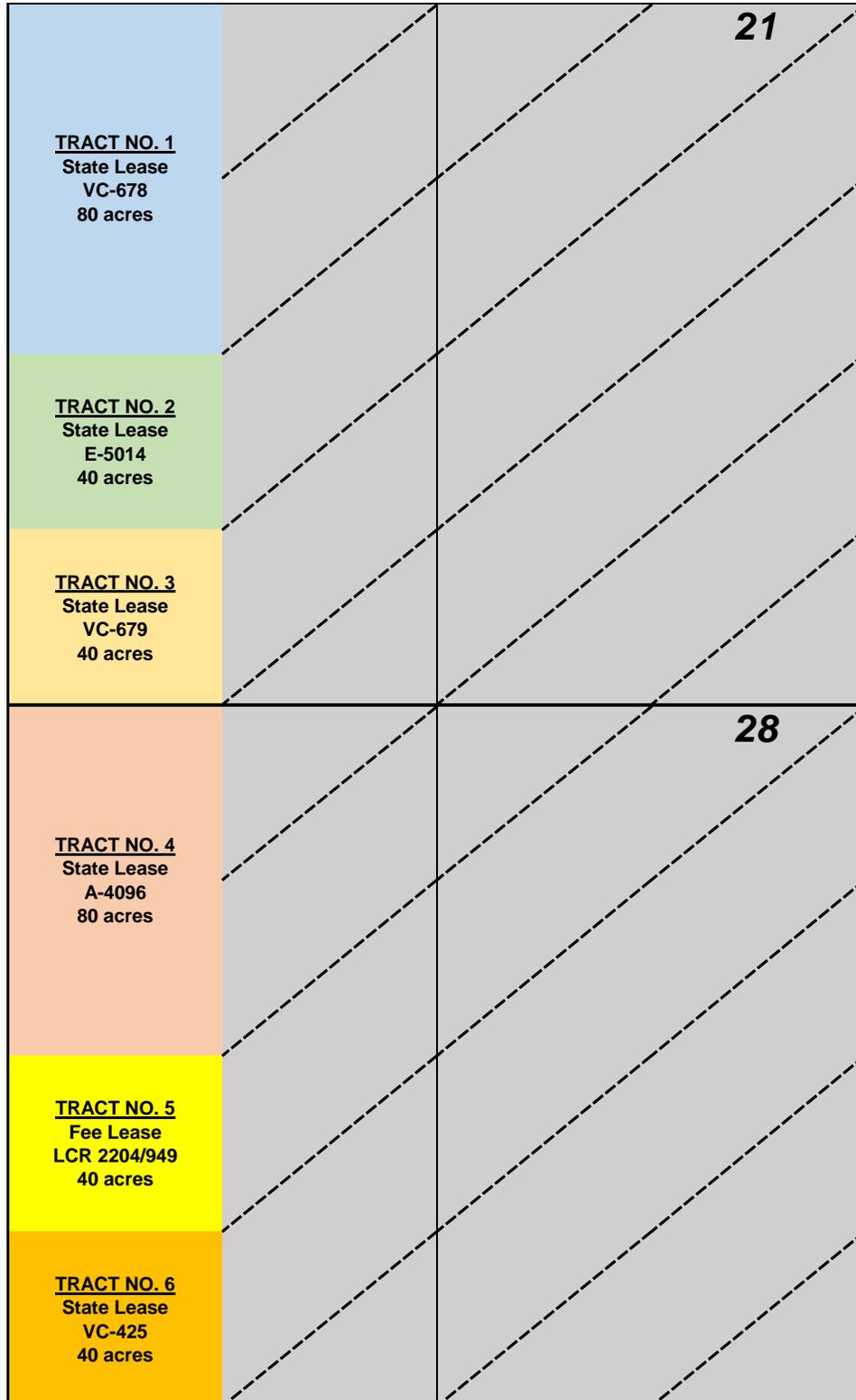
18 SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

03/22/2023
 Date of Survey

Signature and Seal of Professional Surveyor

19680
 Certificate Number

Section Plat
BELGIAN BLUE 28/21 STATE COM #501H (B2MD)
SECTIONS 21 (W/2W/2) & 28 (W/2W/2), T18S, R35E
LEA COUNTY, NEW MEXICO



Mewbourne Oil Company
Case No. 23585
Exhibit A-3

Tract No. 1: W2NW4 Sec. 21— STATE LEASE VC-678

Mewbourne Oil Company, et al

Tract No. 2: NW4SW4 Sec. 21— STATE LEASE E-5014

Marathon Oil Permian LLC

Tract No. 3: SW4SW4 Sec. 21— STATE LEASE VC-679

Mewbourne Oil Company, et al

T.H. McElvain Oil & Gas LLLP

Tract No. 4: W2NW4 Sec. 28— STATE LEASE A-4096

Marathon Oil Permian LLC

Tract No. 5: NW4SW4 Sec. 28— FEE LEASE recorded in LCR 2204/959

Mewbourne Oil Company, et al

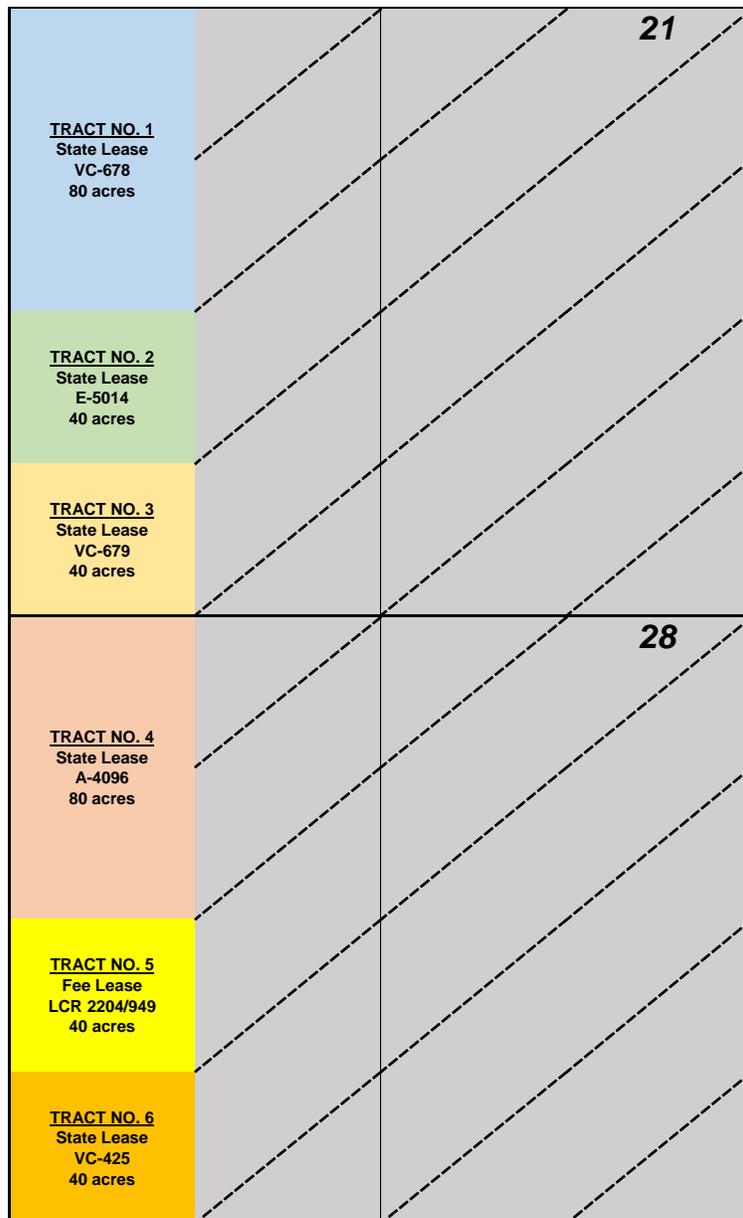
Tract No. 6: SW4SW4 Sec. 28— STATE LEASE VC-679

Mewbourne Oil Company, et al

T.H. McElvain Oil & Gas LLLP

RECAPITULATION
BELGIAN BLUE 28/21 STATE COM #501H (B2MD)
SECTIONS 21 (W/2W/2) & 28 (W/2W/2), T18S, R35E
LEA COUNTY, NEW MEXICO

| Tract Number | Number of Acres Committed | Percentage of Interest In Communitized Area |
|---------------------|----------------------------------|--|
| 1 | 80.00 | 25.000000% |
| 2 | 40.00 | 12.500000% |
| 3 | 40.00 | 12.500000% |
| 4 | 80.00 | 25.000000% |
| 5 | 40.00 | 12.500000% |
| 6 | 40.00 | 12.500000% |
| TOTAL | 320.00 | 100.000000% |



TRACT OWNERSHIP
BELGIAN BLUE 28/21 STATE COM #501H (B2MD)
Sections 21 (W/2W/2) & 28 (W/2W/2), T18S, R35E
Lea County, New Mexico

Sections 21 (W/2W/2) & 28 (W/2W/2)

Wolfcamp formation:

| | <u>% Leasehold Interest</u> |
|--------------------------------|-----------------------------|
| Mewbourne Oil Company, et al | 68.750000% |
| * Marathon Oil Permian LLC | 25.000000% |
| * T.H. McElvain Oil & Gas LLLP | 6.250000% |
| | <hr/> |
| | 100.000000% |

*** Total interest being pooled: 31.250000%**

OWNERSHIP BY TRACT

W/2NW/4 Section 21 (80 Acres):

| | <u>% Leasehold Interest</u> |
|------------------------------|-----------------------------|
| Mewbourne Oil Company, et al | 100.000000% |
| | <hr/> |
| | 100.000000% |

NW/4SW/4 Section 21 (40 Acres):

| | <u>% Leasehold Interest</u> |
|---------------------------|-----------------------------|
| *Marathon Oil Permian LLC | 100.000000% |
| | <hr/> |
| | 100.000000% |

SW/4SW/4 Section 21 (40 Acres):

| | <u>% Leasehold Interest</u> |
|--------------------------------|-----------------------------|
| Mewbourne Oil Company, et al | 75.000000% |
| * T.H. McElvain Oil & Gas LLLP | 25.000000% |
| | <hr/> |
| | 100.000000% |

W/2NW/4 Section 28 (80 Acres):

| | <u>% Leasehold Interest</u> |
|---------------------------|-----------------------------|
| *Marathon Oil Permian LLC | 100.000000% |
| | <hr/> |
| | 100.000000% |

NW/4SW/4 Section 28 (40 Acres):

Mewbourne Oil Company, et al

% Leasehold Interest

100.000000%

100.000000%

SW/4SW/4 Section 28 (40 Acres):

Mewbourne Oil Company, et al

% Leasehold Interest

75.000000%

* T.H. McElvain Oil & Gas LLLP

25.000000%

100.000000%

***Parties to be pooled are highlighted in yellow.**

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715

April 14, 2023

Via Overnight Mail

Marathon Oil Permian LLC
990 Town and Country Blvd.
Houston, TX 77024
Attn: Chase Rice

Re:

1. BELGIAN BLUE 28/21 STATE COM #523H AFE
2. BELGIAN BLUE 28/21 STATE COM #501H AFE
3. Belgian Blue 28/21 Joint Operating Agreement dated April 15, 2023
All of Sections 28 & 21, T18S, R35E
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company (“Mewbourne”) as Operator hereby proposes to form a 1280.00 acre Working Interest Unit (“WIU”) covering all of the above captioned Sections 21 and 28 for oil and gas production. The targeted interval for the proposed unit is the Bone Spring formation. Mewbourne as Operator hereby proposes to drill the following horizontal Bone Spring wells:

1. BELGIAN BLUE 28/21 STATE COM #523H will have a surface location 205’ FSL & 1900’ FWL of the above captioned Section 28 and a bottom hole location approximately 100’ FNL & 1900’ FWL of the above captioned Section 21. We anticipate drilling to an approximate total vertical depth of 9,789’ and an approximate total measured depth of 20,200’. The E2W2 of Section 21 and the E2W2 of Section 28 will be dedicated to the well as the proration unit.
2. BELGIAN BLUE 28/21 STATE COM #501H will have a surface location 205’ FSL & 1880’ FWL of the above captioned Section 28 and a bottom hole location approximately 100’ FNL & 500’ FWL of the above captioned Section 21. We anticipate drilling to an approximate total vertical depth of 9,639’ and an approximate total measured depth of 20,200’. The W2W2 of Section 21 and the W2W2 of Section 28 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling are our AFEs dated April 3, 2023, for the captioned proposed wells. In the event your firm elects to participate in the proposed wells, please execute the enclosed AFEs and return them to me within thirty (30) days.

Mewbourne Oil Company
Case No. 23585
Exhibit A-4

Our proposed Operating Agreement will have COPAS rates of \$10,000/month while drilling, \$1000/month for a producing well and a non-consent penalty of 100%/300%. Should you wish to participate, please email me at bdunn@mewbourne.com and I will promptly email you a copy of the Belgian Blue 28/21 Operating Agreement dated April 15, 2023, for your review.

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

Sincerely,

MEWBOURNE OIL COMPANY

A handwritten signature in blue ink, appearing to read "Brad Dunn".

Brad Dunn
Petroleum Landman

MEWBOURNE OIL COMPANY AUTHORIZATION FOR EXPENDITURE

| | | | |
|------------|--|-----------|--|
| Well Name: | BELGIAN BLUE 28/21 STATE COM #501H (B2MD) | Prospect: | SANTA VACA 19/18 |
| Location: | SL: 205 FSL & 1880 FWL (28); BHL: 100 FNL & 500 FWL (21) | County: | Lea ST: NM |
| Sec. 28 | Blk: | Survey: | TWP: 18S RNG: 35E Prop. TVD: 9639 TMD: 20200 |

| INTANGIBLE COSTS 0180 | CODE | TCP | CODE | CC |
|---|-----------|--------------------|-----------|--------------------|
| Regulatory Permits & Surveys | 0180-0100 | \$20,000 | 0180-0200 | |
| Location / Road / Site / Preparation | 0180-0105 | \$85,000 | 0180-0205 | \$35,000 |
| Location / Restoration | 0180-0106 | \$200,000 | 0180-0206 | \$65,000 |
| Daywork / Turnkey / Footage Drilling 26 days drlg / 3 days comp @ \$30000/d | 0180-0110 | \$833,000 | 0180-0210 | \$96,100 |
| Fuel 1700 gal/day @ \$3.9/gal | 0180-0114 | \$184,100 | 0180-0214 | \$319,000 |
| Alternate Fuels | 0180-0115 | | 0180-0215 | \$97,000 |
| Mud, Chemical & Additives | 0180-0120 | \$40,000 | 0180-0220 | |
| Mud - Specialized | 0180-0121 | \$225,000 | 0180-0221 | |
| Horizontal Drillout Services | | | 0180-0222 | \$200,000 |
| Stimulation Toe Preparation | | | 0180-0223 | \$40,000 |
| Cementing | 0180-0125 | \$120,000 | 0180-0225 | \$55,000 |
| Logging & Wireline Services | 0180-0130 | \$34,000 | 0180-0230 | \$377,000 |
| Casing / Tubing / Snubbing Services | 0180-0134 | \$30,000 | 0180-0234 | \$15,000 |
| Mud Logging | 0180-0137 | \$15,000 | | |
| Stimulation 51 Stg 20.2 MM gal / 25.3 MM lb | | | 0180-0241 | \$3,050,000 |
| Stimulation Rentals & Other | | | 0180-0242 | \$278,000 |
| Water & Other 100% FW @ \$1.00/bbl | 0180-0145 | \$35,000 | 0180-0245 | \$511,000 |
| Bits | 0180-0148 | \$105,700 | 0180-0248 | |
| Inspection & Repair Services | 0180-0150 | \$50,000 | 0180-0250 | \$5,000 |
| Misc. Air & Pumping Services | 0180-0154 | | 0180-0254 | \$10,000 |
| Testing & Flowback Services | 0180-0158 | \$12,000 | 0180-0258 | \$24,000 |
| Completion / Workover Rig | | | 0180-0260 | \$10,500 |
| Rig Mobilization | 0180-0164 | \$150,000 | | |
| Transportation | 0180-0165 | \$30,000 | 0180-0265 | \$50,000 |
| Welding, Construction & Maint. Services | 0180-0168 | \$4,000 | 0180-0268 | \$16,500 |
| Contract Services & Supervision | 0180-0170 | \$182,700 | 0180-0270 | \$73,500 |
| Directional Services Includes Vertical Control | 0180-0175 | \$391,000 | | |
| Equipment Rental | 0180-0180 | \$179,400 | 0180-0280 | \$25,000 |
| Well / Lease Legal | 0180-0184 | \$5,000 | 0180-0284 | |
| Well / Lease Insurance | 0180-0185 | \$5,200 | 0180-0285 | |
| Intangible Supplies | 0180-0188 | \$7,000 | 0180-0288 | \$1,000 |
| Damages | 0180-0190 | \$50,000 | 0180-0290 | \$10,000 |
| Pipeline Interconnect, ROW Easements | 0180-0192 | | 0180-0292 | \$5,000 |
| Company Supervision | 0180-0195 | \$104,400 | 0180-0295 | \$36,000 |
| Overhead Fixed Rate | 0180-0196 | \$10,000 | 0180-0296 | \$20,000 |
| Contingencies 5% (TCP) 5% (CC) | 0180-0199 | \$155,400 | 0180-0299 | \$271,200 |
| TOTAL | | \$3,262,900 | | \$5,695,800 |

| TANGIBLE COSTS 0181 | CODE | TCP | CODE | CC |
|---|-----------|--------------------|-----------|--------------------|
| Casing (19.1" - 30") | 0181-0793 | | | |
| Casing (10.1" - 19.0") 1825' - 13 3/8" 54.5# J-55 ST&C @ \$76.3/ft | 0181-0794 | \$148,700 | | |
| Casing (8.1" - 10.0") 3550' - 9 5/8" 40# HCL80 LT&C @ \$60.83/ft | 0181-0795 | \$230,600 | | |
| Casing (6.1" - 8.0") 9400' - 7" 29# HPP110 BT&C @ \$59.83/ft | 0181-0796 | \$600,600 | | |
| Casing (4.1" - 6.0") 10950' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33.47/ft | | | 0181-0797 | \$391,400 |
| Tubing 9200' - 2 7/8" 6.5# L-80 IPC Tbg @ \$17/ft | | | 0181-0798 | \$167,000 |
| Drilling Head | 0181-0860 | \$50,000 | | |
| Tubing Head & Upper Section | | | 0181-0870 | \$30,000 |
| Horizontal Completion Tools Completion Liner Hanger | | | 0181-0871 | \$75,000 |
| Subsurface Equip. & Artificial Lift | | | 0181-0880 | \$25,000 |
| Service Pumps (1/2) TP/CP/Circ pump | | | 0181-0886 | \$16,000 |
| Storage Tanks (1/2) 4 OT/3 WT/GB | | | 0181-0890 | \$142,000 |
| Emissions Control Equipment (1/2) 2 VRT/1 VRU/1 Flare/3 KO/1 AIR | | | 0181-0892 | \$138,000 |
| Separation / Treating Equipment (1/2) 2 H Sep/1 V Sep/2 VHT | | | 0181-0895 | \$86,000 |
| Automation Metering Equipment | | | 0181-0898 | \$88,000 |
| Oil/Gas Pipeline-Pipe/Valves&Misc (1/2) Gas Line & GL Injection | | | 0181-0900 | \$21,000 |
| Water Pipeline-Pipe/Valves & Misc | | | 0181-0901 | \$27,000 |
| On-site Valves/Fittings/Lines&Misc | | | 0181-0906 | \$200,000 |
| Wellhead Flowlines - Construction | | | 0181-0907 | \$36,000 |
| Cathodic Protection | | | 0181-0908 | |
| Electrical Installation | | | 0181-0909 | \$212,000 |
| Equipment Installation | | | 0181-0910 | \$150,000 |
| Oil/Gas Pipeline - Construction | | | 0181-0920 | \$15,000 |
| Water Pipeline - Construction | | | 0181-0921 | \$22,000 |
| TOTAL | | \$1,029,900 | | \$1,841,400 |
| SUBTOTAL | | \$4,292,800 | | \$7,537,200 |

TOTAL WELL COST \$11,830,000

Extra Expense Insurance

I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

I elect to purchase my own well control insurance policy.
If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Joint owner agrees that item 0180-0245 will be provided by operator, if available, at the specified rate. Operator reserves the right to adjust the rate due to a change in market conditions.

Prepared by: Andy Taylor Date: 3/31/2023

Company Approval:  Date: 4/3/2023

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

Summary of Communications
BELGIAN BLUE 28/21 STATE COM #501H (B2MD)

Marathon Oil Permian LLC

- 1) 5/30/2023: Well proposal letter with AFEs are sent overnight via FedEx.
- 2) 5/31/2023: Well proposal letter with AFEs delivered to owner.
- 3) 6/1/2023: Email correspondence with owner regarding their interest.
- 4) 6/5/2023: Email correspondence with owner regarding their interest.
- 5) 6/22/2023: Email correspondence with owner regarding their interest. Answered their questions and provided a copy of the Joint Operating Agreement.
- 6) 6/28/2023: Email and phone call with owner regarding their interest. Owner indicated they most likely will just participate under the pooling order.
- 7) 7/13/2023: Owner still has not signed the AFEs or JOA and is still evaluating all options.

T.H. McElvain Oil & Gas LLLP

- 1) 4/14/2023: Well proposal letter with AFEs are sent via certified mail.
- 2) 5/9/2023: Certified mail returned due to unlocatable/undeliverable address.
- 3) 5/16/2023: Detailed search on the internet for a new address of this owner/current contact information. No good information found.
- 4) 7/13/2023: Detailed search on the internet for a new address of this owner/current contact information. Got a hold of owner. Emailed well proposals, AFEs, & JOA. Owner indicates a desire to participate and intends to do so.

Mewbourne Oil Company
Case No. 23585
Exhibit A-5

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

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23585

**SELF-AFFIRMED STATEMENT
OF JORDAN CARRELL**

1. I am a geologist at Mewbourne Oil Company (“Mewbourne”) and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”), and my credentials as an expert in petroleum geology matters were accepted and made a matter of record.

2. I am familiar with the geological matters that pertain to the above-referenced case.

3. **Exhibit B-1** is a location map of the proposed horizontal spacing unit (“Unit”). The approximate wellbore path for the proposed Belgian Blue 28/21 State Com #501H (B2MD) (“Well”) is represented by dashed lines.

4. **Exhibit B-2** is a subsea structure map for the Bone Spring formation that is representative of the targeted interval. The approximate wellbore path for the Well is depicted by a green dashed line. Existing producing wells in the targeted interval are represented by solid green lines. The map demonstrates the formation is dipping to the south by southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted interval with horizontal wells.

5. Exhibit B-2 also identifies three wells penetrating the targeted intervals used to construct a stratigraphic cross-section from A to A’. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.

6. **Exhibit B-3** is a stratigraphic cross-section using the representative wells identified on Exhibit B-2. It contains gamma ray, resistivity and porosity logs. The proposed landing zone is labeled on the exhibit. This cross-section demonstrates the target interval is continuous across the Unit.

7. In my opinion, a stand-up orientation for the proposed well is appropriate to properly develop the subject acreage because of an established directional pattern and the known fracture orientation in this portion of the trend. Stand-up orientation is also supported by a study of the production of stand-up versus laydown orientation in the area, with stand-up well results being significantly better.

8. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Well.

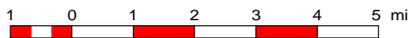
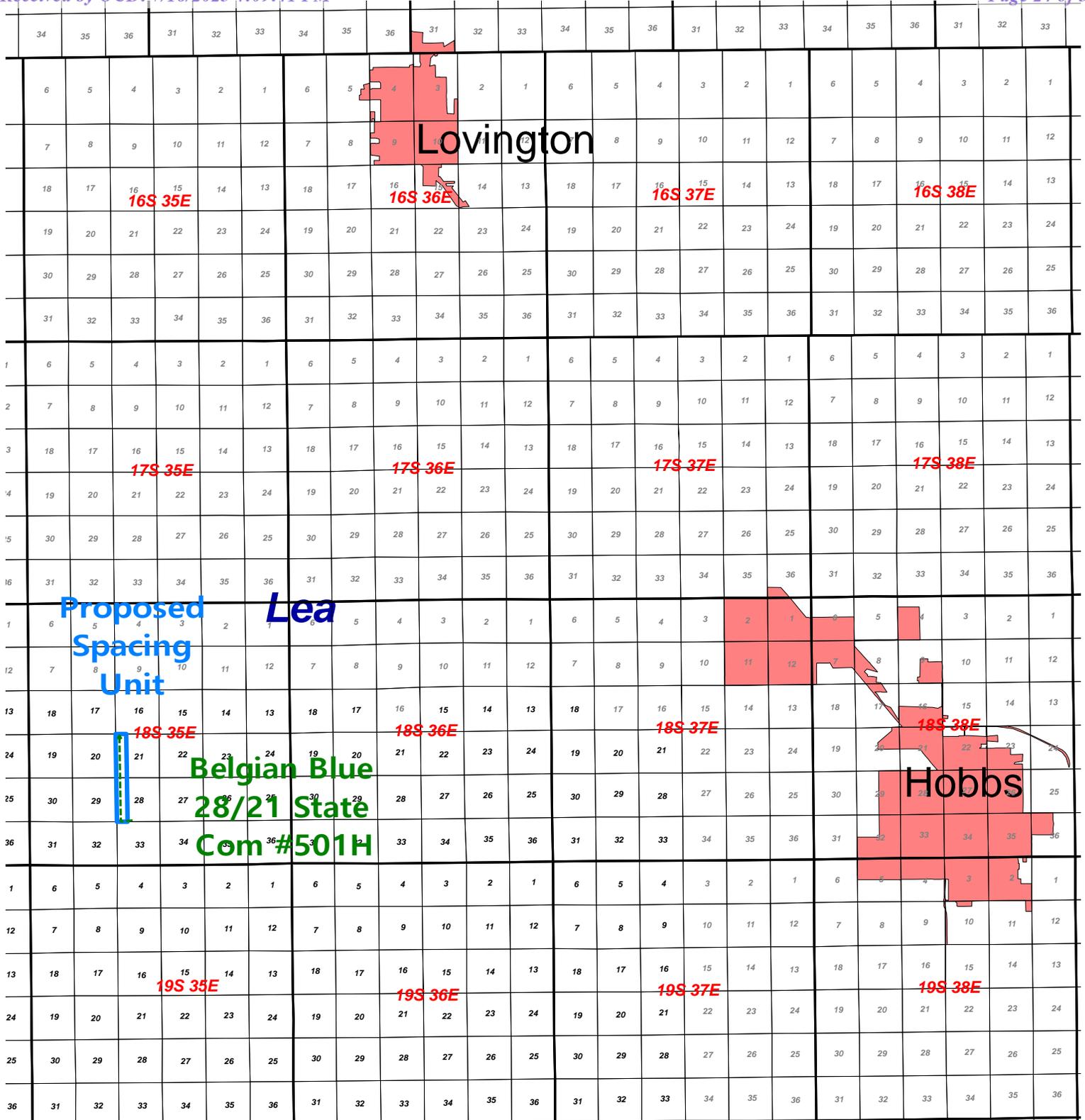
9. In my opinion, the granting of Mewbourne's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

10. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

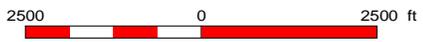
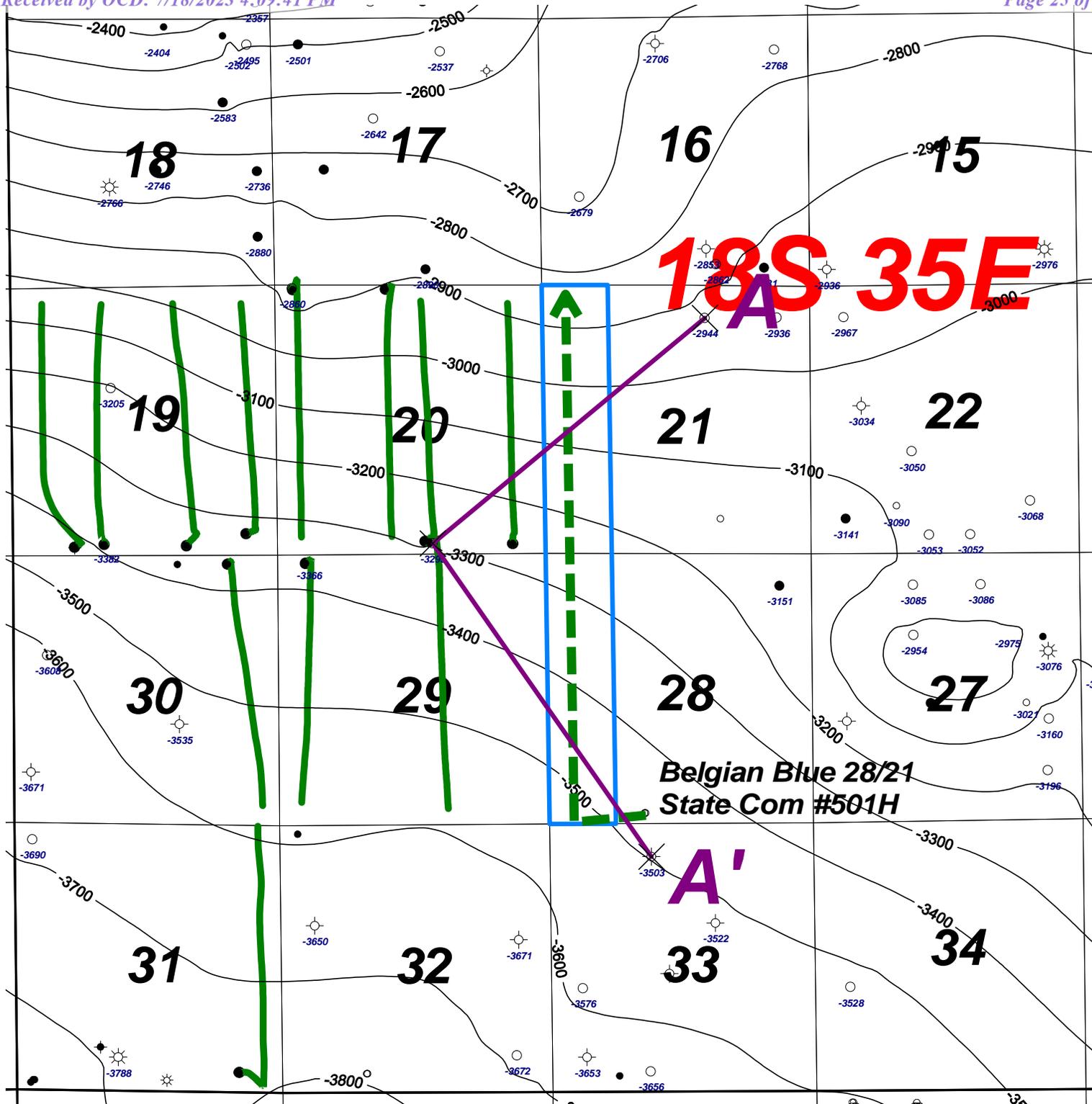
11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.


Jordan Carrell

6-28-2023
Date



| | | |
|--|------------|---------|
|  Mewbourne Oil Company | | |
| Belgian Blue 28/21 State Com #501H Regional Locator Map | | |
| 18S/35E | Lea Co, NM | 6/27/23 |



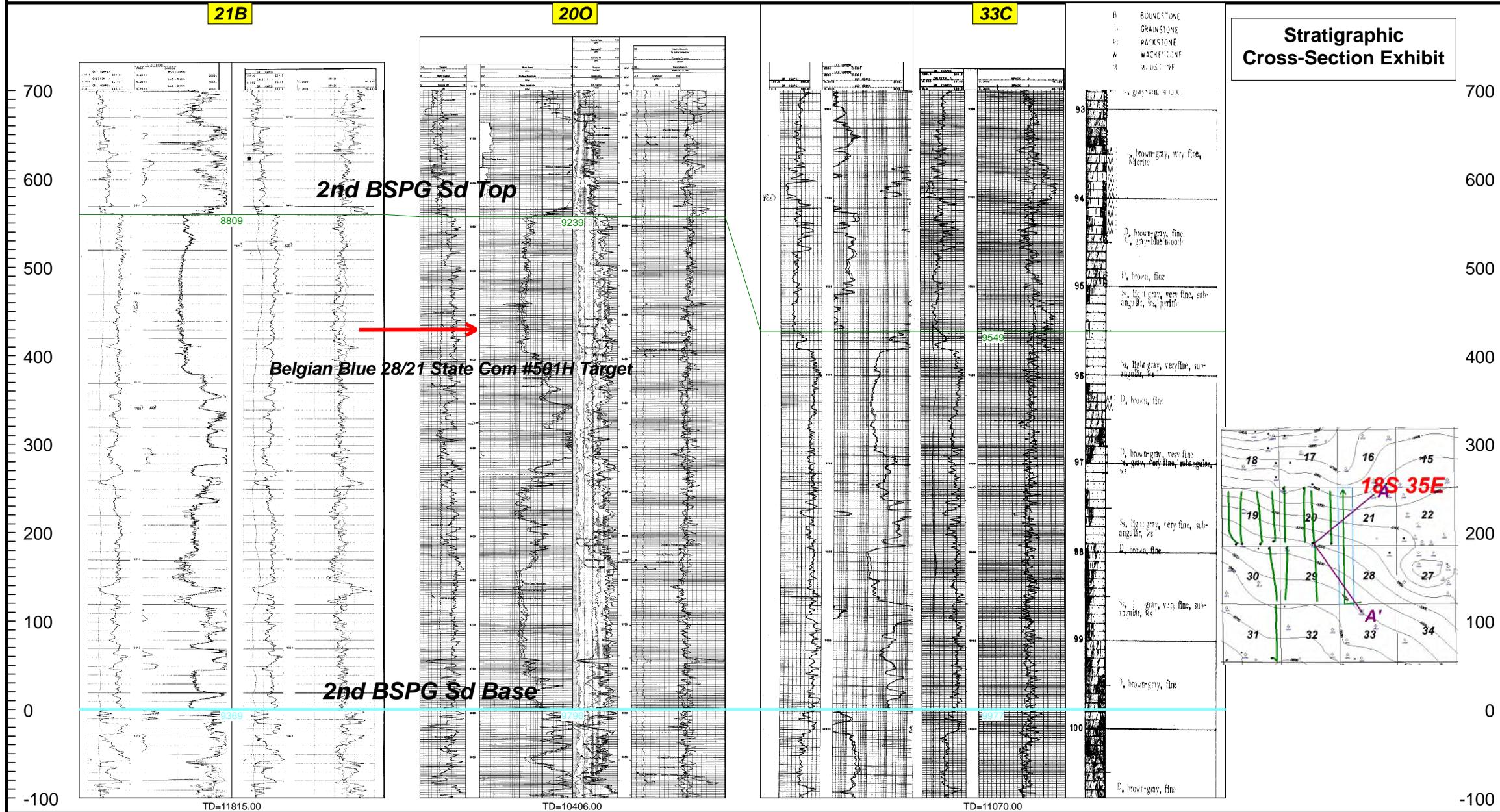
Wells deeper than 7000'

BSPG Top (subsea)

**2nd BSPG Sd
Horizontal Wells**



| | | |
|--|------------|-------------|
|  Mewbourne Oil Company | | |
| Bone Spring Top Structure Map Belgian Blue 28/21 State Com #501H | | |
| 18S/35E | Lea County | New Mexico |
| 6/27/23 | | C.I. = 100' |



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

**APPLICATION OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23585

**SELF-AFFIRMED STATEMENT
OF DANA S. HARDY**

1. I am attorney in fact and authorized representative of Mewbourne Oil Company, the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

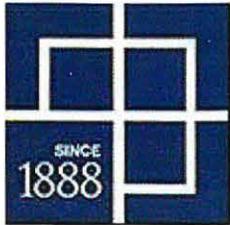
5. On June 11, 2023, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as **Exhibit C-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it 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.

/s/ Dana S. Hardy
Dana S. Hardy

July 18, 2023
Date

**Mewbourne Oil Company
Case No. 23585
Exhibit C**



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:
Dana S. Hardy, Partner
dhardy@hinklelawfirm.com

June 8, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 23585 & 23586 – Applications of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **July 6, 2023** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/oed/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.nm.gov/OCD/OCDPermitting>) or via e-mail to ocd.hearings@emnrd.nm.gov and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses 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 are to be resolved prior to the hearing.

Please contact Brad Dunn, Landman for Mewbourne Oil Company, by phone at (432) 682-3715 if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

Mewbourne Oil Company
Case No. 23585
Exhibit C-1

PO BOX 10
ROSWELL, NEW MEXICO 88202
(575) 622-6510
FAX (575) 623-9332

7601 JEFFERSON ST NE · SUITE 180
ALBUQUERQUE, NEW MEXICO 87109
505-858-8320
(FAX) 505-858-8321

PO BOX 2068
SANTA FE, NEW MEXICO 87504
(505) 982-4554
FAX (505) 982-8623

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

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NO. 23585 & 23586

NOTICE LETTER CHART

| PARTY | NOTICE LETTER SENT | RETURN RECEIVED |
|--|---------------------------|------------------------|
| Black Mountain Operating, LLC 425 Houston Street, STE 400 Fort Worth, TX 76102 | 06/08/23 | 06/16/23 |
| J.T. Jackson and Associates Attn: J. T. Jackson 2302 Sierra Vista Drive Artesia, New Mexico, 88210 | 06/08/23 | 06/15/23 |
| Marathon Oil Permian LLC Attn: Chase Rice 990 Town and Country Blvd. Houston, TX 77024 | 06/08/23 | 06/20/23 |
| Patrick K. Monaghan, Trustee of the Patrick K. Monaghan Trust under Trust Agreement dated November 24, 2010 2610 W. Sunnyside Ave. Chicago, Illinois 60625 | 06/08/23 | 06/21/23 |
| Pegasus Inc. PO Box 1456 Roswell, NM 88202-1456 | 06/08/23 | 06/15/23 |
| Sundown Energy LP 16400 Dallas Parkway, STE 100 Dallas, TX 75248 | 06/08/23 | 06/15/23 |
| T.H. McElvain Oil & Gas LLLP 1819 Denver West Drive, STE 260 Lakewood, CO 80202 | 06/08/23 | 06/15/23 |

**Mewbourne Oil Company
Case No. 23585
Exhibit C-2**

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

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

OFFICIAL USE

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To

Street Black Mountain Operating, LLC
 425 Houston St., Ste. 400
 City, Fort Worth, TX 76102
 23585-86 Mewbourne-Belgian Blue

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

7020 0640 0000 0304 0305

SANTA FE, NM 87501
 JUN 08 2023
 Postmark Here

| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
|---|--|
| <ul style="list-style-type: none"> 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. | <p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>J. Halley 6/13/23</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below <input type="checkbox"/> No</p> |
| <p>1. Article Addressed to:</p> <p>Black Mountain Operating, LLC 425 Houston Street, STE 400 Fort Worth, TX 76102</p> <p>23585-86 Mewbourne - Belgian Blue</p>  <p>9590 9402 8299 3094 9837 74</p> | <p>RECEIVED JUN 16 2023</p> |
| <p>2. Article Number (Transfer from service label)</p> <p>7020 0640 0000 0304 0305</p> | <p>3. Service Type Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> |
| PS Form 3811, July 2020 PSN 7530-02-000-9053 | Domestic Return Receipt |

Mewbourne Oil Company
 Case No. 23585
 Exhibit C-3

0350 0304 0000 0490 0202

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Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To
 J.T. Jackson and Associates
 Street Attn: J.T. Jackson
 2302 Sierra Vista Drive
 City, State, ZIP+4® Artesia, NM 88210 23585-86 Mewbourne-Belgian B

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



| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY | |
|--|---|--|
| <ul style="list-style-type: none"> 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. | <p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>X <i>J. T. Jackson</i></p> | |
| <p>1. Article Addressed to:</p> <p>J.T. Jackson and Associates Attn: J. T. Jackson 2302 Sierra Vista Drive Artesia, New Mexico, 88210 <small>23585-86 Mewbourne - Belgian Blue</small></p> | <p>B. Received by (Printed Name) <i>J. T. Jackson</i></p> | <p>C. Date of Delivery <i>6-12-23</i></p> |
| | <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p> <p>RECEIVED JUN 15 2023</p> | |
| <p>2. Article Number (Transfer from service label) 7020 0640 0000 0304 0350</p> | <p>3. Service Type Hinkle Shanor LLP Priority Mail Express® Santa Fe NM 87501 Registered Mail™</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> | |
| PS Form 3811, July 2020 PSN 7530-02-000-9053 | Domestic Return Receipt | |

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Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To

Marathon Oil Permian LLC

Attn: Chase Rice

990 Town and Country Blvd.

Houston, TX 77024 23585-86 Mewbourne-BB

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

7020 0640 0000 0304 0374

SANTA FE NM 87501

Postmark Here JUN 08 2023

| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
|--|---|
| <ul style="list-style-type: none"> 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. | <p>A. Signature</p> <p>X <i>[Signature]</i> JUN 13 2023</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> |
| <p>1. Article Addressed to:</p> <p>Marathon Oil Permian LLC Attn: Chase Rice 990 Town and Country Blvd. Houston, TX 77024 23585-86 Mewbourne - Belgian Blue</p> | <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below:</p> <p>RECEIVED JUN 13 2023 JUN 20 2023</p> |
| <p>2. Article Number (Transfer from service label)</p> <p>7020 0640 0000 0304 0374</p> | <p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature Hinkle Sheron <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> |
| PS Form 3811, July 2020 PSN 7530-02-000-9053 | Domestic Return Receipt |

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7020 0640 0000 0304 0282

| | |
|--|----|
| 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 | |
| \$ | |
| Sent To | |
| Recipient: Patrick K. Monaghan, Trustee of the Patrick K. Monaghan Trust UTA dated 11/24/2010 2610 W. Sunnyside Ave. City: Chicago, IL 60625 23585-86 Mewbourne-BB | |

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



| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY | | | | | | | | | | | | | | |
|---|--|--|---|--|---|--|--|---|--|--|---|--|---------------------------------------|---------------------------------------|--|
| <ul style="list-style-type: none"> ■ 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. <p>1. Article Addressed to:</p> <p>Patrick K. Monaghan, Trustee of the Patrick K. Monaghan Trust under Trust Agreement dated November 24, 2010 2610 W. Sunnyside Ave. Chicago, Illinois 60625</p> <p style="text-align: right; font-size: small;">23585-86 Mewbourne - Belgian Blue</p> <div style="text-align: center;"> <p>9590 9402 8299 3094 9837 98</p> </div> <p>2. Article Number (Transfer from service label)</p> <p>7020 0640 0000 0304 0282</p> | <p>A. Signature</p> <p>X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <div style="text-align: center; font-size: 2em; font-weight: bold;">RECEIVED</div> <p style="text-align: center; font-size: 1.5em;">JUN 21 2023</p> <p style="text-align: center; font-size: small;">Patrick K. Monaghan, Trustee of the Patrick K. Monaghan Trust UTA dated 11/24/2010 2610 W. Sunnyside Ave. Chicago, IL 60625 23585-86 Mewbourne-BB</p> <p>3. Service Type Santa Fe NM 87501</p> <table style="width: 100%; font-size: small;"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Insured Mail</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> </tr> </table> | <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® | <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ | <input type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery | <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Signature Confirmation™ | <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery | <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Insured Mail | <input type="checkbox"/> Insured Mail | <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) |
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® | | | | | | | | | | | | | | |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ | | | | | | | | | | | | | | |
| <input type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery | | | | | | | | | | | | | | |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Signature Confirmation™ | | | | | | | | | | | | | | |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery | | | | | | | | | | | | | | |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Insured Mail | | | | | | | | | | | | | | |
| <input type="checkbox"/> Insured Mail | <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | | | | | | | | | | | | | | |
| PS Form 3811, July 2020 PSN 7530-02-000-9053 | Domestic Return to | | | | | | | | | | | | | | |

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 0304 0343

Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To

----- Pegasus Inc. -----
 Sire P.O. Box 1456 -----
 Roswell, NM 88202-1456 -----
 City, 23585-86 Mewbourne-Belgian Blue -----

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

FE- NM 8750
 JUN 08 2023
 Postmark Here

| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
|--|--|
| <ul style="list-style-type: none"> 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. | <p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>Santana Vigil JUN 15 2023</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> |
| <p>1. Article Addressed to:</p> <p>Pegasus Inc. PO Box 1456 Roswell, NM 88202-1456 23585-86 Mewbourne - Belgian Blue</p> <p>9590 9402 8299 3094 9837 43</p> | <p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature Hinkle Shanor LLP <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Santa Fe NM 87504 <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> |
| <p>2. Article Number (Transfer from service label)</p> <p>7020 0640 0000 0304 0343</p> | |
| PS Form 3811, July 2020 PSN 7530-02-000-9053 | Domestic Return Receipt |

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OFFICIAL USE

Certified Mail Fee \$ _____

Extra Services & Fees (check box, and fees as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To
Sundown Energy LP
16400 Dallas Parkway, Ste. 100
Dallas, TX 75248
City 23585-86 Mewbourne-Belgian Blue

Postmark Here
SANTA FE, NM 87501
JUN 08 2023

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

7020 0640 0000 0304 0367

| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
|--|---|
| <ul style="list-style-type: none"> ■ 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. <p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p>Sundown Energy LP 16400 Dallas Parkway, STE 100 Dallas, TX 75248</p> <p style="text-align: right; font-size: 0.8em;">23585-86 Mewbourne - Belgian Blue</p> </div> <div style="text-align: center;">  <p>9590 9402 8299 3094 9837 29</p> </div> <p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.5em; font-weight: bold;">7020 0640 0000 0304 0367</p> | <p>A. Signature</p> <p><input checked="" type="checkbox"/> <i>Denise Kelly</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Denise Kelly</i> C. Date of Delivery <i>6/15/23</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <div style="text-align: center; font-size: 2em; font-weight: bold; margin: 10px 0;">RECEIVED</div> <p style="text-align: center; font-size: 1.2em;">JUN 15 2023</p> <p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <i>Santa Fe, NM 87504</i> <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> |
| PS Form 3811, July 2020 PSN 7530-02-000-9053 | Domestic Return Receipt |

7020 0640 0000 0304 0312

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CERTIFIED MAIL® RECEIPT
Domestic Mail Only

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

OFFICIAL USE

Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To

Street T.H. McElvain Oil & Gas LLLP
 1819 Denver West Drive, Ste. 260
 Lakewood, CO 80202

City, 23585-86 Mewbourne-Belgian Blue

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



| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
|--|--|
| <ul style="list-style-type: none"> 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. | <p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> |
| <p>1. Article Addressed to:</p> <p>T.H. McElvain Oil & Gas LLLP 1819 Denver West Drive, STE 260 Lakewood, CO 80202</p> <p>23585-86 Mewbourne - Belgian Blue</p>  <p>9590 9402 8299 3094 9837 81</p> | <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If YES, give service address here: _____</p> <p>RECEIVED JUN JUN 5 2023</p> |
| <p>2. Article Number (Transfer from service label)</p> <p>7020 0640 0000 0304 0312</p> | <p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> |
| <p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p> | <p>Domestic Return Receipt</p> |

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

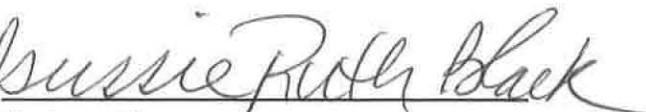
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
June 11, 2023
and ending with the issue dated
June 11, 2023.



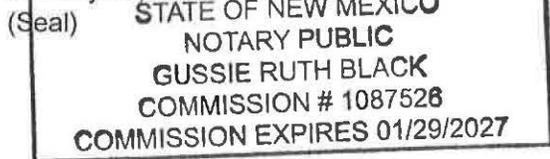
Publisher

Sworn and subscribed to before me this
11th day of June 2023.



Business Manager

My commission expires
January 29, 2027



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE June 11, 2023

This is to notify all interested parties, including Sundown Energy LP; J.T. Jackson and Associates; Pegasus Inc.; Oscura Resources, Inc.; Branex Resources, Inc.; Black Mountain Operating, LLC; T.H. McElvain Oil & Gas LLLP; Patrick K. Monaghan, Trustee of the Patrick K. Monaghan Trust under Trust Agreement dated November 24, 2010; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Mewbourne Oil Company (Case No. 23585). The hearing will be conducted remotely on July 6, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Sections 21 and 28, Township 18 South, Range 35 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Belgian Blue 28/21 State Com #501H (B2MD)** well ("Well"), to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 28 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 21. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 17 miles west of Hobbs, New Mexico.
#00279486

02107475

00279486

GILBERT
HINKLE, SHANOR LLP
PO BOX 2068
SANTA FE, NM 87504

**Mewbourne Oil Company
Case No. 23585
Exhibit C-4**