

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JANUARY 4, 2024**

CASE No. 24071

MAD DOG 318H, 408H, 528H & 588H WELLS

LEA COUNTY, NEW MEXICO



**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. 24071

**HEARING PACKAGE
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 - MEWBOURNE Exhibit A-3: Sample Well Proposal Letters & AFEs
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- **MEWBOURNE Exhibit B:** Self-affirmed Statement of Jordan Carrell, Geologist
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 - MEWBOURNE Exhibit B-2: Subsea Structure Map
 - MEWBOURNE Exhibit B-3: Stratigraphic Cross-Section Map
- **MEWBOURNE Exhibit C:** Notice Affidavit

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24071	APPLICANT'S RESPONSE
Date: January 4, 2024	
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company [OGRID 14744]
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	
Well Family	Mad Dog 26/35
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Antelope Ridge;Bone Spring (2200)
Well Location Setback Rules:	Standard
Spacing Unit Size:	320-acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	Standup
Description: TRS/County	E2E2 of Sections 26 & 35, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	<p>Mad Dog 26/35 State Com 318H , API No. pending SHL: 205' FNL & 1460 FEL (Unit B) of Sec. 26, T23S, R34E BHL: 100' FSL & 330' FEL (Unit P) of Sec. 35, T23S, R34E</p> <p>Completion Target: Bone Spring formation Well Orientation: North to South Completion Location expected to be: Standard</p>

Well #2	Mad Dog 26/35 State Com 408H , API No. pending SHL: 205' FNL & 1500' FEL (Unit B) of Sec. 26, T23S, R34E BHL: 100' FSL & 450' FEL (Unit P) of Sec. 35, T23S, R34E Completion Target: Bone Spring formation Well Orientation: North to South Completion Location expected to be: Standard
Well #3	Mad Dog 26/35 State Com 528H , API No. pending SHL: 205' FNL & 1520' FEL (Unit B) of Sec. 26, T23S, R34E BHL: 100' FSL & 650' FEL (Unit P) of Sec. 35, T23S, R34E Completion Target: Bone Spring formation Well Orientation: North to South Completion Location expected to be: Standard
Well #4	Mad Dog 26/35 State Com 588H , API No. pending SHL: 205' FNL & 1480' FEL (Unit B) of Sec. 26, T23S, R34E BHL: 100' FSL & 330' FEL (Unit P) of Sec. 35, T23S, R34E Completion Target: Bone Spring formation Well Orientation: North to South Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	N/A
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
Geology	
Released to (Integrating Special Committee)	Exhibit B

Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
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-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits A-1, B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
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):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	2-Jan-24

**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. 24071

APPLICATION

Mewbourne Oil Company (“Mewbourne” or “Applicant”) (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E2E2 of Sections 26 & 35, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. In support of its application, Mewbourne states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Mad Dog 26/35 State Com 318H, Mad Dog 26/35 State Com 408H, Mad Dog 26/35 State Com 528H, and Mad Dog 26/35 State Com 588H** wells to be horizontally drilled from a surface location in the NW4NE4 (Unit B) of Section 26 to bottom hole locations in the SE4SE4 (Unit P) of Section 35.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the working interest owners in the subject spacing unit.
4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

5. To allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 4, 2024, and after notice and hearing as required by law, the Division enter an order:

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

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert

Adam G. Rankin

Paula M. Vance

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

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**ATTORNEYS FOR MEWBOURNE OIL
COMPANY**

Case No. _____ : **Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the E2E2 of Sections 26 & 35, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit is to be initially dedicated to the proposed **Mad Dog 26/35 State Com 318H, Mad Dog 26/35 State Com 408H, Mad Dog 26/35 State Com 528H, and Mad Dog 26/35 State Com 588H** wells to be horizontally drilled from a surface location in the NW4NE4 (Unit B) of Section 26 to bottom hole locations in the SE4SE4 (Unit P) of Section 35. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, the operating costs and charges for supervision, the designation of applicant as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 12 miles southwest of Eunice, New Mexico.

**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 NOS. 24071

SELF AFFIRMED STATEMENT OF ADRIANA JIMENEZ-SALGADO, LANDMAN

1. My name is Adriana Jimenez-Salgado and I am employed by Mewbourne Oil Company (“Mewbourne”) as a Landman. My responsibilities include the Permian Basin of New Mexico. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.

2. I am familiar with the application filed by Mewbourne in this matter and the status of the lands in the subject area. The mineral owners to be pooled have not expressed any opposition to this proceeding.

3. Mewbourne seeks an order pooling the uncommitted owners in a standard horizontal well spacing unit in the Bone Spring formation [Antelope Ridge; Bone Spring Pool (2200)] underlying the E2E2 of Sections 26 and 35, Township 23 South, Range 41 East, NMPM, Lea County, New Mexico. This spacing unit will be initially dedicated to the proposed **Mad Dog 26/35 State Com 318H, Mad Dog 26/35 State Com 408H, Mad Dog 26/35 State Com 528H,** and **Mad Dog 26/35 State Com 588H** wells to be horizontally drilled from a surface location in the NW4NE4 (Unit B) of Section 26 to bottom hole locations in the SE4SE4 (Unit P) of Section 35.

4. There are no ownership depth severances within the Bone Spring formation underlying the subject acreage.

5. **Exhibit A-1** contains drafts of the Form C-102s for the proposed initial wells.

6. **Exhibit A-2** identifies the tracts of land comprising the proposed spacing unit and the working interest owners in each tract. Mewbourne has identified the “uncommitted” working interest owners that remain to be pooled in red. The acreage is comprised of state lands.

7. **Exhibit A-3** contains a sample of the well proposal letter sent to the working interest owners Mewbourne has been able to locate. The costs reflected in the AFEs provided with this letter are consistent with what Mewbourne and other operators have incurred for drilling similar horizontal wells in the area in this formation.

8. Mewbourne requests overhead and administrative rates of \$8,000 per month for drilling and \$800 per month for a producing well. These rates are consistent with the rates charged by Mewbourne and other operators for similar wells in this area.

9. **Exhibit A-4** contains a chronology of the contacts with the uncommitted working interest owners. Mewbourne has made a good faith effort to obtain voluntary joinder of these owners in the proposed spacing unit and initial wells.

10. I have provided the law firm of Holland & Hart, LLP, with the names and addresses of the mineral owners that remain to be pooled and instructed that they be notified of this hearing.

11. In compiling the addresses of the parties to be pooled, Mewbourne has conducted a diligent search of all public records in the county where the proposed unit is located, reviewed telephone directories, and conducted computer searches. To my knowledge, there are no unlocatable affected parties.

12. Exhibits A-1 through A-4 were either prepared by me or compiled under my direction from company business records.

13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

ASalgado
Adriana Jimenez-Salgado

12/20/23
Date

31103485_v1

EXHIBIT A-1

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

Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

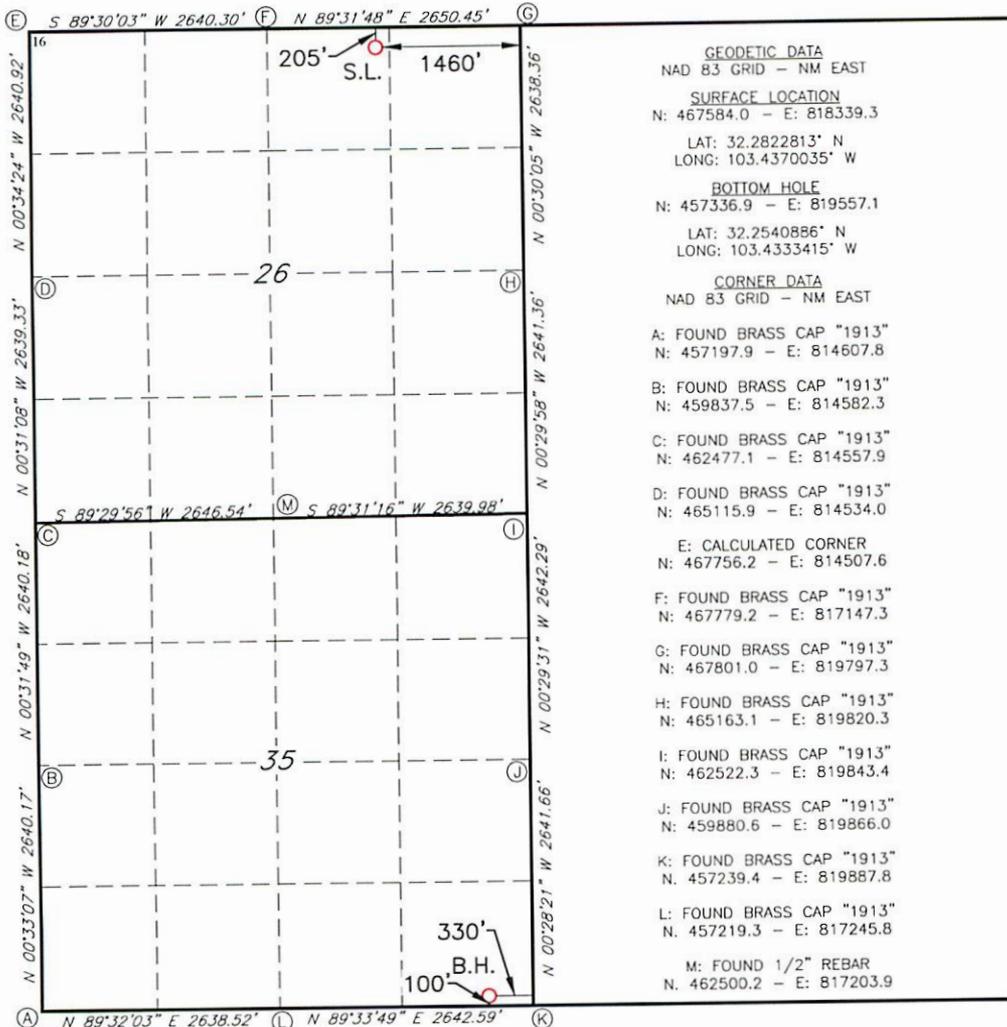
Table with 3 columns: 1 API Number, 2 Pool Code, 3 Pool Name. Includes fields for Property Code, Property Name, Well Number, OGRID NO., Operator Name, and Elevation.

Table for 10 Surface Location with columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet From the, East/West line, County.

Table for 11 Bottom Hole Location If Different From Surface with columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County.

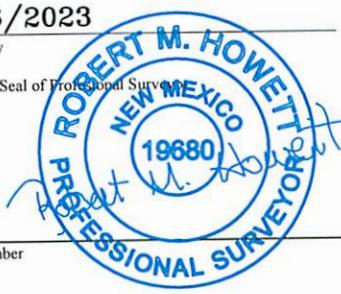
Table for 12 Dedicated Acres, 13 Joint or Infill, 14 Consolidation Code, 15 Order No.

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



17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief...

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...



09/06/2023
Date of Survey
Signature and Seal of Professional Surveyor
19680
Certificate Number

Job No: LS23090770

EXHIBIT A-1

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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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

¹ API Number		² Pool Code 2200		³ Pool Name Antelope Ridge; Bone Spring	
⁴ Property Code		⁵ Property Name MAD DOG 26/35 STATE COM			⁶ Well Number 408H
⁷ GRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY			⁹ Elevation 3385'

¹⁰ Surface Location

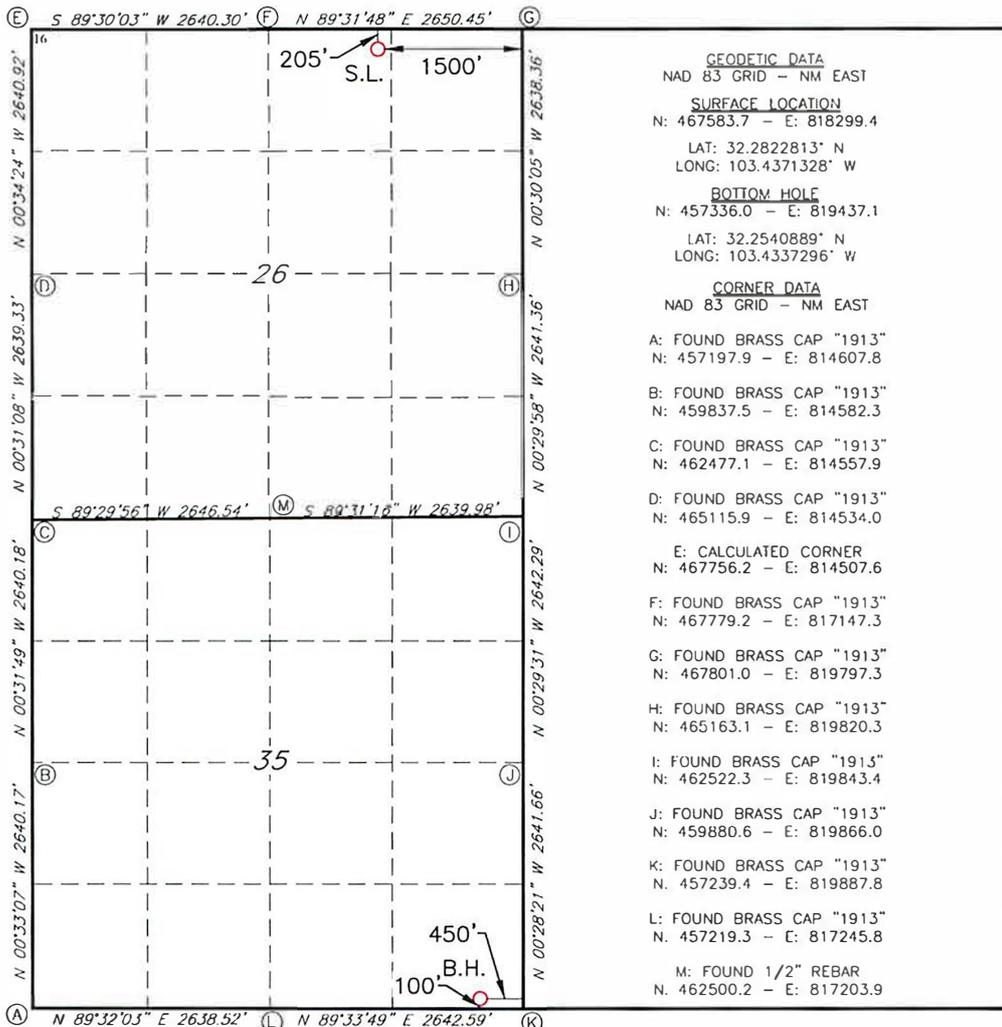
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
B	26	23S	34E		205	NORTH	1500	EAST	LEA

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
P	35	23S	34E		100	SOUTH	450	EAST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



GEODETIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION
N: 467583.7 - E: 818299.4
LAT: 32.2822813° N
LONG: 103.4371328° W

BOTTOM HOLE
N: 457336.0 - E: 819437.1
LAT: 32.2540889° N
LONG: 103.4337296° W

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1913"
N: 457197.9 - E: 814607.8

B: FOUND BRASS CAP "1913"
N: 459837.5 - E: 814582.3

C: FOUND BRASS CAP "1913"
N: 462477.1 - E: 814557.9

D: FOUND BRASS CAP "1913"
N: 465115.9 - E: 814534.0

E: CALCULATED CORNER
N: 467756.2 - E: 814507.6

F: FOUND BRASS CAP "1913"
N: 467779.2 - E: 817147.3

G: FOUND BRASS CAP "1913"
N: 467801.0 - E: 819797.3

H: FOUND BRASS CAP "1913"
N: 465163.1 - E: 819820.3

I: FOUND BRASS CAP "1913"
N: 462522.3 - E: 819843.4

J: FOUND BRASS CAP "1913"
N: 459880.6 - E: 819866.0

K: FOUND BRASS CAP "1913"
N: 457239.4 - E: 819887.8

L: FOUND BRASS CAP "1913"
N: 457219.3 - E: 817245.8

M: FOUND 1/2" REBAR
N: 462500.2 - E: 817203.9

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.

Signature _____ Date _____
Printed Name _____
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.

07/31/2023

Date of Survey _____
Signature and Seal of Professional Surveyor _____



19680
Certificate Number

Job No: LS23070639

EXHIBIT A-1

District I
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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

¹ API Number	² Pool Code 2200	³ Pool Name Antelope Ridge; Bone Spring
⁴ Property Code	⁵ Property Name MAD DOG 26/35 STATE COM	⁶ Well Number 528H
⁷ OGRID NO. 14744	⁸ Operator Name MEWBOURNE OIL COMPANY	⁹ Elevation 3385'

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
B	26	23S	34E		205	NORTH	1520	EAST	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
P	35	23S	34E		100	SOUTH	650	EAST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

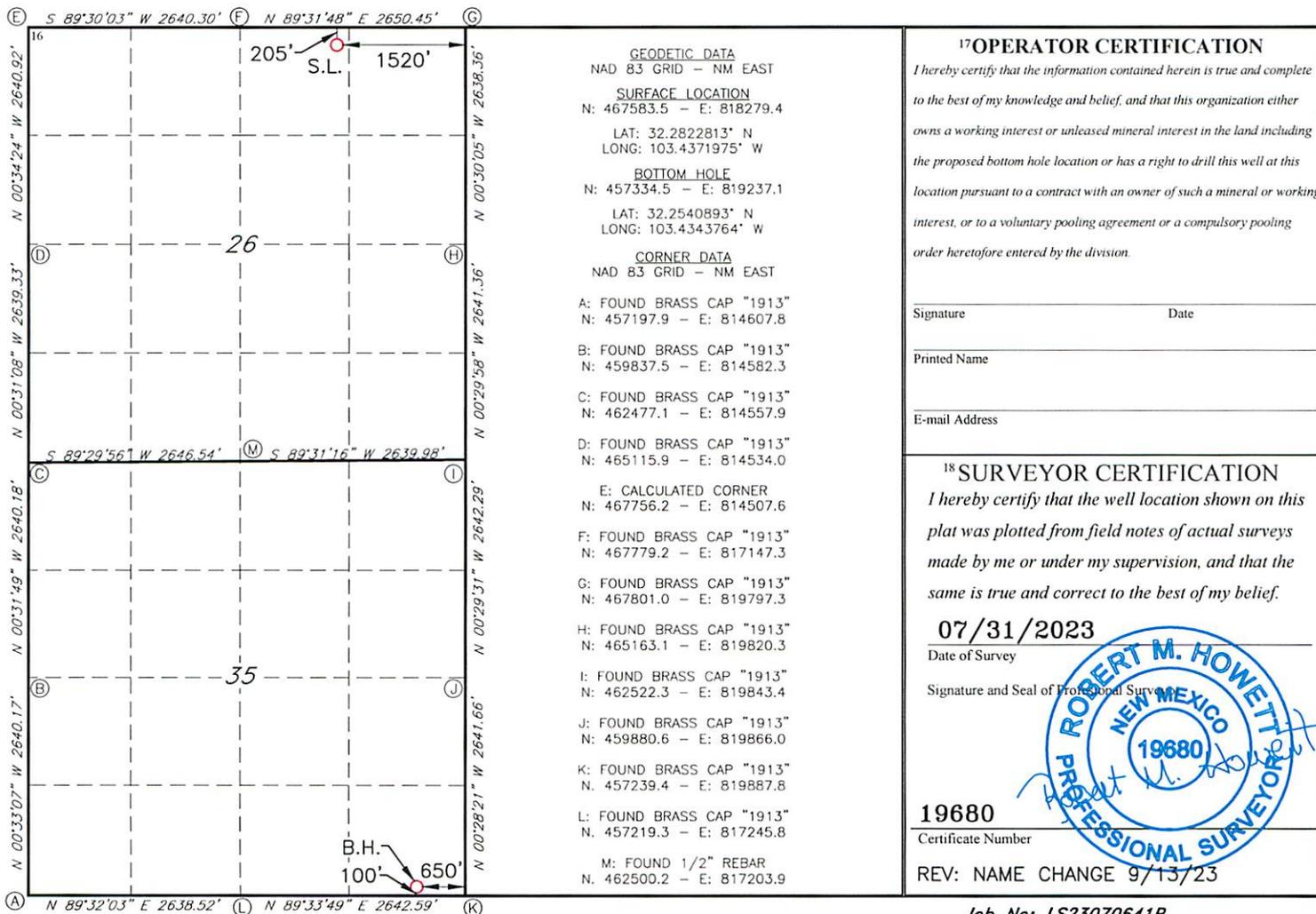


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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 2200	³ Pool Name Antelope Ridge; Bone Spring
⁴ Property Code	⁵ Property Name MAD DOG 26/35 STATE COM	⁶ Well Number 588H
⁷ GRID NO. 14744	⁸ Operator Name MEWBOURNE OIL COMPANY	⁹ Elevation 3384'

¹⁰ Surface Location

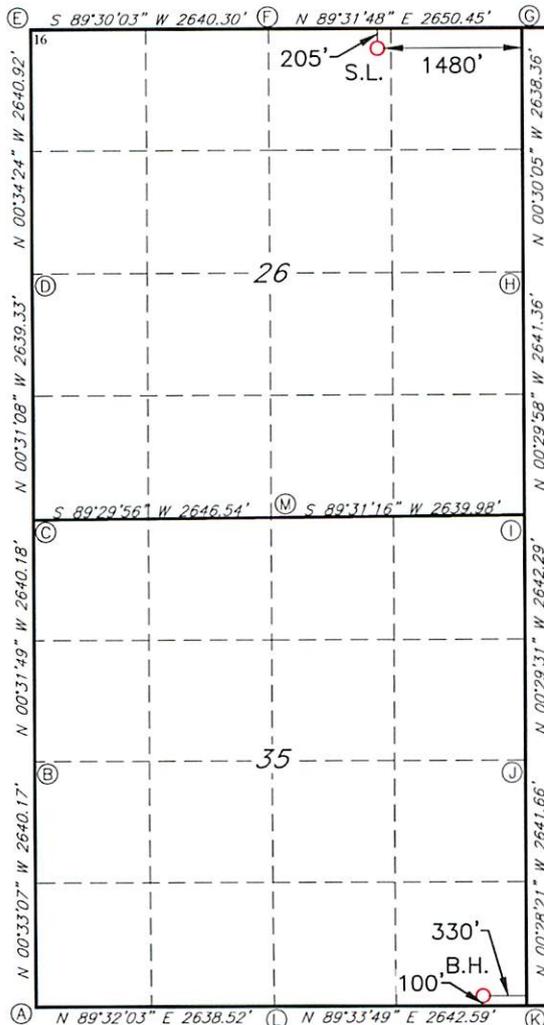
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
B	26	23S	34E		205	NORTH	1480	EAST	LEA

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
P	35	23S	34E		100	SOUTH	330	EAST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



GEODETIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION
N: 467583.8 - E: 818319.4
LAT: 32.2822813° N
LONG: 103.4370681° W

BOTTOM HOLE
N: 457336.9 - E: 819557.1
LAT: 32.2540886° N
LONG: 103.4333415° W

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1913"
N: 457197.9 - E: 814607.8

B: FOUND BRASS CAP "1913"
N: 459837.5 - E: 814582.3

C: FOUND BRASS CAP "1913"
N: 462477.1 - E: 814557.9

D: FOUND BRASS CAP "1913"
N: 465115.9 - E: 814534.0

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N: 467756.2 - E: 814507.6

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N: 457219.3 - E: 817245.8

M: FOUND 1/2" REBAR
N: 462500.2 - E: 817203.9

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.

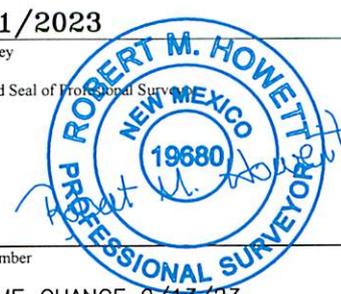
Signature _____ Date _____
Printed Name _____
E-mail Address _____

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.

07/31/2023

Date of Survey _____
Signature and Seal of Professional Surveyor _____



19680

Certificate Number

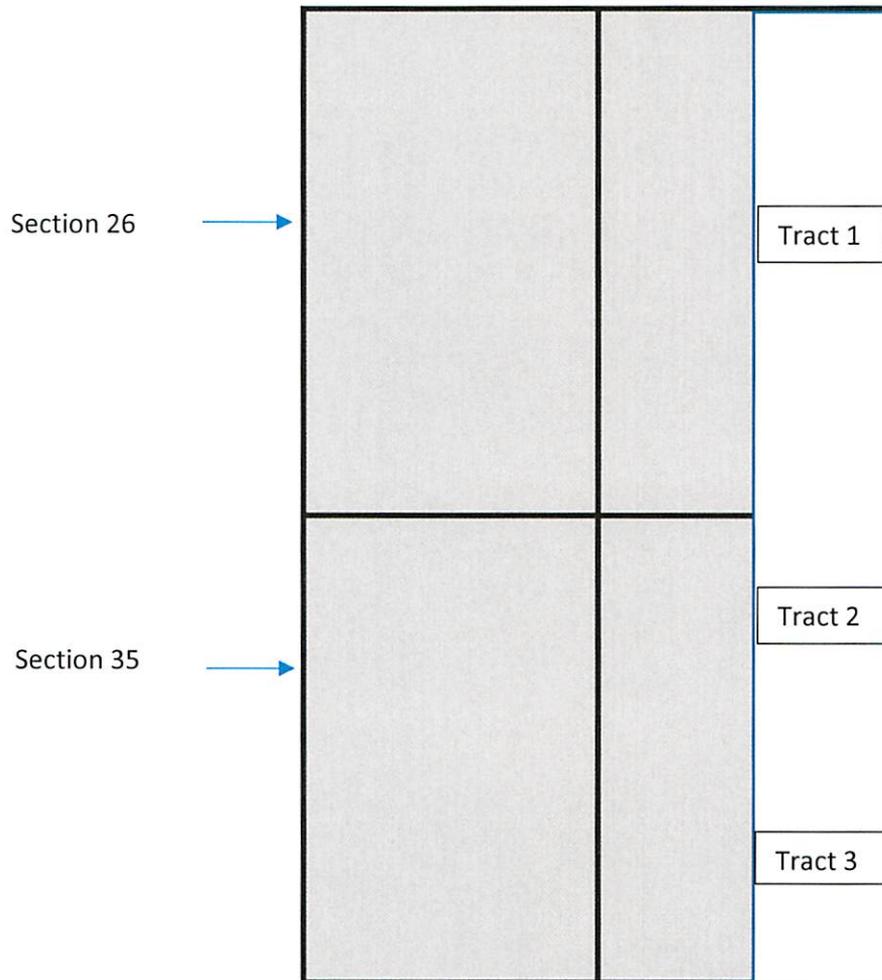
REV: NAME CHANGE 9/13/23

Job No: LS23070643R

EXHIBIT A-2

Section Plat

Mad Dog 26/35 State Com #318H (A2AP)
Mad Dog 26/35 State Com #408H (B1AP)
Mad Dog 26/35 State Com #528H (B2AP)
Mad Dog 26/35 State Com #588H (H3AP)
E/2E/2 of Section 26 & E/2E/2 of Section 35
T23S-R34E, Lea County, NM



Tract 1: E2E2 of Section 26 – State Lse. K-5283(E2E2) – Contractual Rights OA dtd 3/10/13 & 8/25/13

Mewbourne Oil Company
Chevron U.S.A. Inc.
Nortex Corporation

Tract 2: E2NE of Section 35 – State Lse. V-8253 (E2NE)

Mewbourne Oil Company
Chevron U.S.A. Inc.
***Marathon Oil Permian LLC**
Hanley Petroleum LLC
Mavros Oil Company, LLC
LHAH Properties LLC
H6 Holdings LLC
TBO Cattle Company, LLC

Tract 3: E2SE of Section 35 – State Lse. V-8275 (E2SE)

Mewbourne Oil Company
Chevron U.S.A. Inc.
Prospector, LLC
Northern Oil and Gas, Inc.
Parrot Head Properties, LLC
Big Three Energy Group, LLC

***Indicates parties being pooled.**

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-2
Submitted by: Mewbourne Oil Company
Hearing Date: January 4, 2024
Case No. 24071

EXHIBIT A-3

MEWBOURNE OIL COMPANY

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

TELEPHONE (432) 682-3715
FACSIMILE (432) 685-4170

November 8, 2023

Via Certified Mail

Marathon Oil Permian LLC
990 Town & Country Blvd.
Houston, Texas 77024
Attn: Mr. Chase Rice

Re: Mad Dog 26/35 State Com Wells
Sections 26 & 35, T23S, R34E
Lea County, New Mexico

Dear Sir or Madam:

Mewbourne hereby proposes to drill and operate the below referenced wells. The estimated costs for these wells are as follows:

Well Name	Est Cost to Casing Point	Est Cost of Producing Well
Mad Dog 26/35 State Com #318H (A2AP)	\$3,729,300	\$10,132,300
Mad Dog 26/35 State Com #405H (B1BO)	\$3,880,800	\$9,391,700
Mad Dog 26/35 State Com #408H (B1AP)	\$3,888,100	\$9,401,600
Mad Dog 26/35 State Com #526H (B2BO)	\$3,973,200	\$9,494,800
Mad Dog 26/35 State Com #528H (B2AP)	\$3,978,200	\$9,500,600
Mad Dog 26/35 State Com #585H (H3BO)	\$4,035,700	\$10,202,700
Mad Dog 26/35 State Com #588H (H3AP)	\$4,040,700	\$10,208,500

Enclosed are Mewbourne’s AFEs for the wells, more fully detailing drilling costs. To make your election to participate in the proposed wells, properly execute and return the AFEs to my attention within 30 days of receipt of same. You will also need to provide your “Well Information” requirements. As a reminder, Mewbourne’s AFEs provide all participants the opportunity to opt out of the “Extra Expense Well Control Insurance” that Mewbourne purchases for each well it drills. If you do opt out, you must provide evidence that you have adequate “Well Control Insurance”. If you do not want to participate in these wells, or if you’d like to divest your interest in this area, Mewbourne Oil Company is willing to discuss other options for your interest.

Feel free to contact me if you have any questions. I can be reached by phone at (432) 682-3715 or via email at asalgado@mewbourne.com.

Sincerely,
MEWBOURNE OIL COMPANY



Adriana Jimenez-Salgado
Landman

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-3
Submitted by: Mewbourne Oil Company
Hearing Date: January 4, 2024
Case No. 24071

EXHIBIT A-3

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: MAD DOG 26/35 STATE COM #318H (A2AP) Prospect: MAD DOG 26
 Location: SL: 205 FNL & 1460 FEL (26); BHL: 100 FSL & 330 FEL (35) County: Lea ST: NM
 Sec. 26 Blk: Survey: TWP: 23S RNG: 34E Prop. TVD: 8867 TMD: 19170

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$12,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$25,000	0180-0205	\$40,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$65,000
Daywork / Turnkey / Footage Drilling	25 days drlg / 3 days comp @ \$28000/d	0180-0110	\$747,600	0180-0210	\$89,700
Fuel	1700 gal/day @ \$3.9/gal	0180-0114	\$177,000	0180-0214	\$211,000
Alternate Fuels		0180-0115		0180-0215	\$112,000
Mud, Chemical & Additives		0180-0120	\$40,000	0180-0220	
Mud - Specialized		0180-0121	\$200,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$25,000
Cementing		0180-0125	\$160,000	0180-0225	\$55,000
Logging & Wireline Services		0180-0130	\$40,000	0180-0230	\$362,000
Casing / Tubing / Snubbing Services		0180-0134	\$40,000	0180-0234	\$86,000
Mud Logging		0180-0137	\$15,000		
Stimulation	61 Stg 25.3 MM gal / 25.3 MM lb			0180-0241	\$2,799,000
Stimulation Rentals & Other				0180-0242	\$257,000
Water & Other	40% PW @ \$.40/bbl f/ NGL, 60% FW @ \$.40/b	0180-0145	\$35,000	0180-0245	\$257,000
Bits		0180-0148	\$74,800	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	\$15,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$9,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision		0180-0170	\$159,600	0180-0270	\$70,000
Directional Services		0180-0175	\$418,000		
Equipment Rental		0180-0180	\$168,900	0180-0280	\$24,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,000	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$1,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$10,000
Company Supervision		0180-0195	\$100,800	0180-0295	\$39,600
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$144,800	0180-0299	\$239,500
TOTAL			\$3,041,500		\$5,029,800

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	850' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft	0181-0794	\$43,500		
Casing (8.1" - 10.0")	5050' - 9 5/8" 40# HCL80 LT&C @ \$40.67/ft	0181-0795	\$219,300		
Casing (6.1" - 8.0")	8400' - 7 5/8" 29.7# HCL80 Wedge 441 @ \$41.8/ft	0181-0796	\$375,000		
Casing (4.1" - 6.0")	10970' - 4 1/2" 13.5# RYS-110 CDC @ \$24.94/ft & 5 1/2" Tie			0181-0797	\$592,200
Tubing	8200' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.36/ft			0181-0798	\$117,000
Drilling Head		0181-0860	\$50,000		
Tubing Head & Upper Section				0181-0870	\$25,000
Horizontal Completion Tools				0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$40,000
Service Pumps	(1/12) TP/CP/Circ Pump			0181-0886	\$4,000
Storage Tanks	(1/12) (8)OT/(6)WT/(2)GB			0181-0890	\$46,000
Emissions Control Equipment	(1/12) (5)VRT/(2)VRU/(1)FLARE/(3)KO/(1)AIR			0181-0892	\$37,000
Separation / Treating Equipment	(1/12) (2) BLK H SEP/(4)H SEP/(1)V SEP/(4)VHT/(1)HHT			0181-0895	\$49,000
Automation Metering Equipment				0181-0898	\$39,000
Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0900	\$17,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	
On-site Valves/Fittings/Lines&Misc				0181-0906	\$90,000
Wellhead Flowlines - Construction				0181-0907	\$112,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$58,000
Equipment Installation				0181-0910	\$45,000
Oil/Gas Pipeline - Construction				0181-0920	\$27,000
Water Pipeline - Construction				0181-0921	
TOTAL			\$687,800		\$1,373,200
SUBTOTAL			\$3,729,300		\$6,403,000

TOTAL WELL COST \$10,132,300

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: Ryan McDaniel Date: 11/6/2023
 Company Approval: *M. Whittier* Date: 11/7/2023

Joint Owner Interest: 6.25000000% Amount: \$633,268.75
 Joint Owner Name: Marathon Oil Permian LLC Signature: _____

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

EXHIBIT A-3

Well Name: **MAD DOG 26/35 STATE COM #408H (B1AP)** Prospect: **MAD DOG 26**
 Location: **SL: 205 FNL & 1500 FEL (26); BHL: 100 FSL & 450 FEL (35)** County: **Lea** ST: **NM**
 Sec. **26** Blk: Survey: TWP: **23S** RNG: **34E** Prop. TVD: **9783** TMD: **20150**

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$12,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$25,000	0180-0205	\$40,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$65,000
Daywork / Turnkey / Footage Drilling	26 days drlg / 3 days comp @ \$28000/d	0180-0110	\$777,500	0180-0210	\$89,700
Fuel	1700 gal/day @ \$3.9/gal	0180-0114	\$184,100	0180-0214	\$169,000
Alternate Fuels		0180-0115		0180-0215	\$89,000
Mud, Chemical & Additives		0180-0120	\$40,000	0180-0220	
Mud - Specialized		0180-0121	\$210,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$25,000
Cementing		0180-0125	\$170,000	0180-0225	\$55,000
Logging & Wireline Services		0180-0130	\$40,000	0180-0230	\$302,000
Casing / Tubing / Snubbing Services		0180-0134	\$40,000	0180-0234	\$16,000
Mud Logging		0180-0137	\$15,000		
Stimulation	51 Stg 20.2 MM gal / 20.2 MM lb			0180-0241	\$2,395,000
Stimulation Rentals & Other				0180-0242	\$242,000
Water & Other	40% PW @ \$.40/bbl f/ NGL, 60% FW @ \$.40/b	0180-0145	\$35,000	0180-0245	\$206,000
Bits		0180-0148	\$85,400	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	\$15,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$9,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision		0180-0170	\$165,300	0180-0270	\$65,000
Directional Services		0180-0175	\$437,000		
Equipment Rental	ESP	0180-0180	\$174,300	0180-0280	\$125,000
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	\$10,000	0180-0290	\$1,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$10,000
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	\$149,900	0180-0299	\$210,900
TOTAL			\$3,148,100		\$4,428,600

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	850' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft	0181-0794	\$43,500		
Casing (8.1" - 10.0")	5050' - 9 5/8" 40# HCL80 LT&C @ \$40.67/ft	0181-0795	\$219,300		
Casing (6.1" - 8.0")	10275' - 7" 29# HPP110 BT&C @ \$38.93/ft	0181-0796	\$427,200		
Casing (4.1" - 6.0")	10780' - 4 1/2" 13.5# RYS-110 CDC @ \$24.94/ft			0181-0797	\$287,100
Tubing	9380' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.36/ft			0181-0798	\$133,800
Drilling Head		0181-0860	\$50,000		
Tubing Head & Upper Section				0181-0870	\$25,000
Horizontal Completion Tools				0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$40,000
Service Pumps	(1/12) TP/CP/Circ Pump			0181-0886	\$4,000
Storage Tanks	(1/12) (8)OT/(6)WT/(2)GB			0181-0890	\$46,000
Emissions Control Equipment	(1/12) (5)VRT/(2)VRU/(1)FLARE/(3)KO/(1)AIR			0181-0892	\$37,000
Separation / Treating Equipment	(1/12) (2) BLK H SEP/(4)H SEP/(1)V SEP/(4)VHT/(1)HHT			0181-0895	\$49,000
Automation Metering Equipment				0181-0898	\$39,000
Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0900	\$17,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	
On-site Valves/Fittings/Lines&Misc				0181-0906	\$90,000
Wellhead Flowlines - Construction				0181-0907	\$112,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$58,000
Equipment Installation				0181-0910	\$45,000
Oil/Gas Pipeline - Construction				0181-0920	\$27,000
Water Pipeline - Construction				0181-0921	
TOTAL			\$740,000		\$1,084,900
SUBTOTAL			\$3,888,100		\$5,513,500
TOTAL WELL COST			\$9,401,600		

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: Ryan McDaniel Date: 11/3/2023
 Company Approval: *M. Whittier* Date: 11/6/2023

Joint Owner Interest: 6.25000000% Amount: \$587,600.00
 Joint Owner Name: Marathon Oil Permian LLC Signature: _____

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

EXHIBIT A-3

Well Name: MAD DOG 26/35 STATE COM #528H (B2AP) Prospect: MAD DOG 26
 Location: SL: 205 FNL & 1520 FEL (26); BHL: 100 FSL & 650 FEL (35) County: Lea ST: NM
 Sec. 26 Blk: Survey: TWP: 23S RNG: 34E Prop. TVD: 10503 TMD: 20800

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$12,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$25,000	0180-0205	\$40,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$65,000
Daywork / Turnkey / Footage Drilling	27 days drlg / 3 days comp @ \$28000/d	0180-0110	\$807,400	0180-0210	\$89,700
Fuel	1700 gal/day @ \$3.9/gal	0180-0114	\$191,200	0180-0214	\$169,000
Alternate Fuels		0180-0115		0180-0215	\$89,000
Mud, Chemical & Additives		0180-0120	\$40,000	0180-0220	
Mud - Specialized		0180-0121	\$210,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$25,000
Cementing		0180-0125	\$170,000	0180-0225	\$55,000
Logging & Wireline Services		0180-0130	\$40,000	0180-0230	\$302,000
Casing / Tubing / Snubbing Services		0180-0134	\$40,000	0180-0234	\$16,000
Mud Logging		0180-0137	\$15,000		
Stimulation	51 Stg 20.2 MM gal / 20.2 MM lb			0180-0241	\$2,395,000
Stimulation Rentals & Other				0180-0242	\$242,000
Water & Other	40% PW @ \$.40/bbl f/ NGL, 60% FW @ \$.40/b	0180-0145	\$35,000	0180-0245	\$206,000
Bits		0180-0148	\$74,800	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	\$15,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$9,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision		0180-0170	\$171,000	0180-0270	\$65,000
Directional Services		0180-0175	\$456,000		
Equipment Rental	ESP	0180-0180	\$179,700	0180-0280	\$125,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,400	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$1,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$10,000
Company Supervision		0180-0195	\$108,000	0180-0295	\$36,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$152,900	0180-0299	\$210,900
TOTAL			\$3,211,400		\$4,428,600

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	850' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft	0181-0794	\$43,500		
Casing (8.1" - 10.0")	5050' - 9 5/8" 40# HCL80 LT&C @ \$40.67/ft	0181-0795	\$219,300		
Casing (6.1" - 8.0")	10920' - 7" 29# HPP110 BT&C @ \$38.93/ft	0181-0796	\$454,000		
Casing (4.1" - 6.0")	10780' - 4 1/2" 13.5# RYS-110 CDC @ \$24.94/ft			0181-0797	\$287,100
Tubing	10000' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.36/ft			0181-0798	\$142,700
Drilling Head		0181-0860	\$50,000		
Tubing Head & Upper Section				0181-0870	\$25,000
Horizontal Completion Tools				0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$40,000
Service Pumps	(1/12) TP/CP/Circ Pump			0181-0886	\$4,000
Storage Tanks	(1/12) (8)OT/(6)WT/(2)GB			0181-0890	\$46,000
Emissions Control Equipment	(1/12) (5)VRT/(2)VRU/(1)FLARE/(3)KO/(1)AIR			0181-0892	\$37,000
Separation / Treating Equipment	(1/12) (2) BLK H SEP/(4)H SEP/(1)V SEP/(4)VHT/(1)HHT			0181-0895	\$49,000
Automation Metering Equipment				0181-0898	\$39,000
Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0900	\$17,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	
On-site Valves/Fittings/Lines&Misc				0181-0906	\$90,000
Wellhead Flowlines - Construction				0181-0907	\$112,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$58,000
Equipment Installation				0181-0910	\$45,000
Oil/Gas Pipeline - Construction				0181-0920	\$27,000
Water Pipeline - Construction				0181-0921	
TOTAL			\$766,800		\$1,093,800
SUBTOTAL			\$3,978,200		\$5,522,400

TOTAL WELL COST \$9,500,600

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: Ryan McDaniel Date: 11/3/2023
 Company Approval: *M. Whittier* Date: 11/6/2023

Joint Owner Interest: 6.25000000% Amount: \$593,787.50
 Joint Owner Name: Marathon Oil Permian LLC Signature: _____

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

EXHIBIT A-3

Well Name: MAD DOG 26/35 STATE COM #588H (H3AP) Prospect: MAD DOG 26
 Location: SL: 205 FNL & 1480 FEL (26); BHL: 100 FSL & 330 FEL (35) County: Lea ST: NM
 Sec. 26 Blk: Survey: TWP: 23S RNG: 34E Prop. TVD: 11052 TMD: 21400

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$12,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$25,000	0180-0205	\$40,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$65,000
Daywork / Turnkey / Footage Drilling	27 days drlg / 3 days comp @ \$28000/d	0180-0110	\$807,400	0180-0210	\$89,700
Fuel	1700 gal/day @ \$3.9/gal	0180-0114	\$191,200	0180-0214	\$211,000
Alternate Fuels		0180-0115		0180-0215	\$112,000
Mud, Chemical & Additives		0180-0120	\$40,000	0180-0220	
Mud - Specialized		0180-0121	\$230,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$25,000
Cementing		0180-0125	\$175,000	0180-0225	\$55,000
Logging & Wireline Services		0180-0130	\$40,000	0180-0230	\$362,000
Casing / Tubing / Snubbing Services		0180-0134	\$40,000	0180-0234	\$16,000
Mud Logging		0180-0137	\$15,000		
Stimulation	61 Stg 25.3 MM gal / 25.3 MM lb			0180-0241	\$2,799,000
Stimulation Rentals & Other				0180-0242	\$257,000
Water & Other	40% PW @ \$.40/bbl f/ NGL, 60% FW @ \$.40/b	0180-0145	\$35,000	0180-0245	\$260,000
Bits		0180-0148	\$85,400	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	\$15,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$150,000		
Transportation		0180-0165	\$30,000	0180-0265	\$9,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision		0180-0170	\$171,000	0180-0270	\$70,000
Directional Services		0180-0175	\$456,000		
Equipment Rental	ESP	0180-0180	\$179,700	0180-0280	\$125,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,500	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$1,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$10,000
Company Supervision		0180-0195	\$108,000	0180-0295	\$39,600
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$154,700	0180-0299	\$241,200
TOTAL			\$3,248,900		\$5,065,500

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	850' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft	0181-0794	\$43,500		
Casing (8.1" - 10.0")	5050' - 9 5/8" 40# HCL80 LT&C @ \$40.67/ft	0181-0795	\$219,300		
Casing (6.1" - 8.0")	11520' - 7" 29# HPP110 BT&C @ \$38.93/ft	0181-0796	\$479,000		
Casing (4.1" - 6.0")	10780' - 4 1/2" 13.5# RYS-110 CDC @ \$24.94/ft			0181-0797	\$287,100
Tubing	10600' - 2 7/8" 6.5# L-80 IPC Tbg @ \$13.36/ft			0181-0798	\$151,200
Drilling Head		0181-0860	\$50,000		
Tubing Head & Upper Section				0181-0870	\$25,000
Horizontal Completion Tools				0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$40,000
Service Pumps	(1/12) TP/CP/Circ Pump			0181-0886	\$4,000
Storage Tanks	(1/12) (8)OT/(6)WT/(2)GB			0181-0890	\$46,000
Emissions Control Equipment	(1/12) (5)VRT/(2)VRU/(1)FLARE/(3)KO/(1)AIR			0181-0892	\$37,000
Separation / Treating Equipment	(1/12) (2) BLK H SEP/(4)H SEP/(1)V SEP/(4)VHT/(1)HHT			0181-0895	\$49,000
Automation Metering Equipment				0181-0898	\$39,000
Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0900	\$17,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	
On-site Valves/Fittings/Lines&Misc				0181-0906	\$90,000
Wellhead Flowlines - Construction				0181-0907	\$112,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$58,000
Equipment Installation				0181-0910	\$45,000
Oil/Gas Pipeline - Construction				0181-0920	\$27,000
Water Pipeline - Construction				0181-0921	
TOTAL			\$791,800		\$1,102,300
SUBTOTAL			\$4,040,700		\$6,167,800
TOTAL WELL COST					\$10,208,500

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: Ryan McDaniel Date: 11/3/2023
 Company Approval: *M. Whittier* Date: 11/6/2023

Joint Owner Interest: 6.25000000% Amount: \$638,031.25
 Joint Owner Name: Marathon Oil Permian LLC Signature: _____

EXHIBIT A-4

Summary of Communications

Mad Dog 26/35 State Com #318H (A2AP)
 Mad Dog 26/35 State Com #408H (B1AP)
 Mad Dog 26/35 State Com #528H (B2AP)
 Mad Dog 26/35 State Com #588H (H3AP)
 Mad Dog 26/35 State Com #405H (B1BO)
 Mad Dog 26/35 State Com #526H (B2BO)
 Mad Dog 26/35 State Com #585H (H3BO)

Company Name: Marathon Oil Permian LLC		
Date:	Communicated with:	Comments/Actions:
11/6/23	Chase Rice	Mailed & emailed well proposals via certified mail.
11/14/23		Received notice from Certified Mail that the packet was received
11/16/23	Shawn Willis	Shawn emailed me stating they received proposals and asked for technical information and pooling information.
11/17/23	Shawn Willis	Emailed Shawn with answers to his questions.
11/29/23	Shawn Willis	Shawn sent me executed copies of the AFEs we proposed.
11/30/23	Shawn Willis	Emailed Shawn asking if they wanted to review the JOA and participate via the JOA instead of being pooled.
11/30/23	Shawn Willis	Shawn asked if I would send him the JOA for review.
11/30/23	Shawn Willis	I sent Shawn the JOA for review.
12/11/23	Shawn Willis	Emailed Shawn for an update on their JOA review.
12/13/23	Shawn Willis	Shawn responded that they were seriously considering our JOA and asked for a Ratification for their review and execution.
12/19/23	Shawn Willis	Sent Shawn the Ratification and Joinder and updated Exhibit A for their review and execution.

**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. 24071

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

Case No. 24072

SELF-AFFIRMED STATEMENT OF JORDAN CARRELL

Jordan Carrell deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in these cases. I have been qualified by the Division as an expert petroleum geologist.
3. The following geological plats are attached hereto:
 - (a) Attachment B-1 is a regional map showing the southern half of Lea County and where the Mad Dog 26/35 drilling units are located.
 - (b) Attachment B-2 is a structure map on the top of the Bone Spring Formation. It shows that structure dips to the southeast across the units. It also shows Bone Spring horizontal wells in the area and a line of cross-section.
 - (c) Attachment B-3 is a cross section of the Bone Spring Formation showing the target zones for the Mad Dog 26/35 State Com 318H, Mad Dog 26/35 State Com 405H, Mad Dog 26/35 State Com 408H, Mad Dog 26/35 State Com 526H, Mad Dog 26/35 State Com 528H, Mad Dog State Com 585H, and the Mad Dog State Com 588H. The 318H well will target the Avalon Shale in the upper Bone Spring Formation. The 405H and 408H wells will target the 1st Bone Spring Formation. The 526H and 528H wells will target the 2nd Bone Spring Formation. The 585H and 588H wells will target the Harkey Shale within the 3rd Bone Spring Formation.

The well logs on the cross-section give a representative sample of the Bone Spring Formation in this area. The target zones are continuous and uniformly thick across the well units.

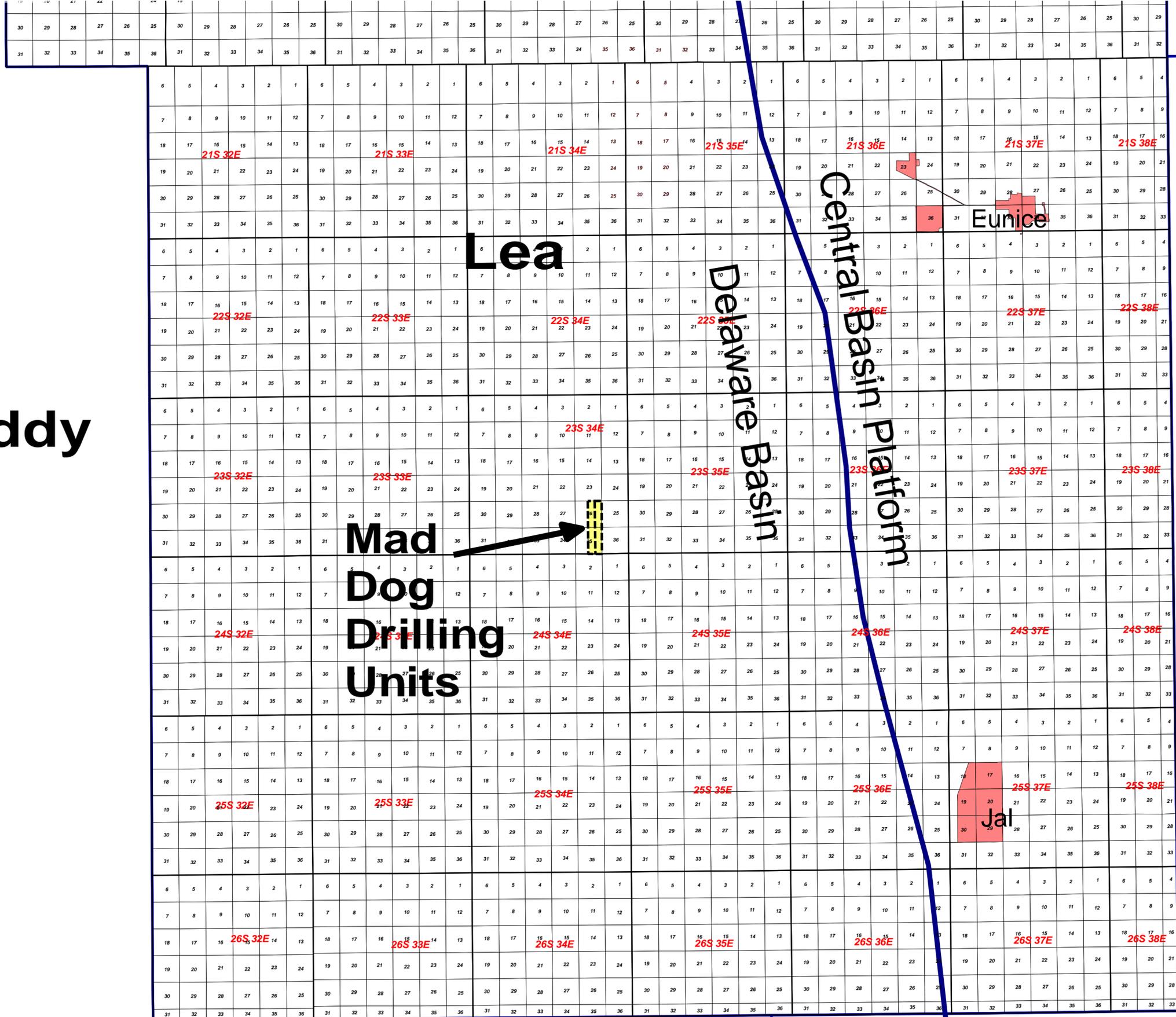
**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Mewbourne Oil Company
Hearing Date: January 4, 2024
Case No. 24071**

4. I conclude from the maps that:
- (a) The horizontal spacing units are justified from a geologic standpoint.
 - (b) The target zones are continuous and of relatively uniform thickness across the well units.
 - (c) Each quarter-quarter section in the well units will contribute more or less equally to production from the target zone.
 - (d) There is no faulting or other geologic impediment in the area which will affect drilling of the subject wells.
5. 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 4 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: 12-14-2023



Jordan Carrell



Eddy

Lea

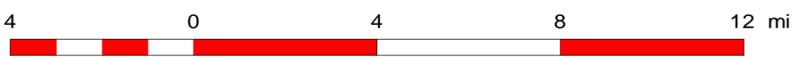
Delaware Basin

Central Basin Platform

Mad Dog Drilling Units

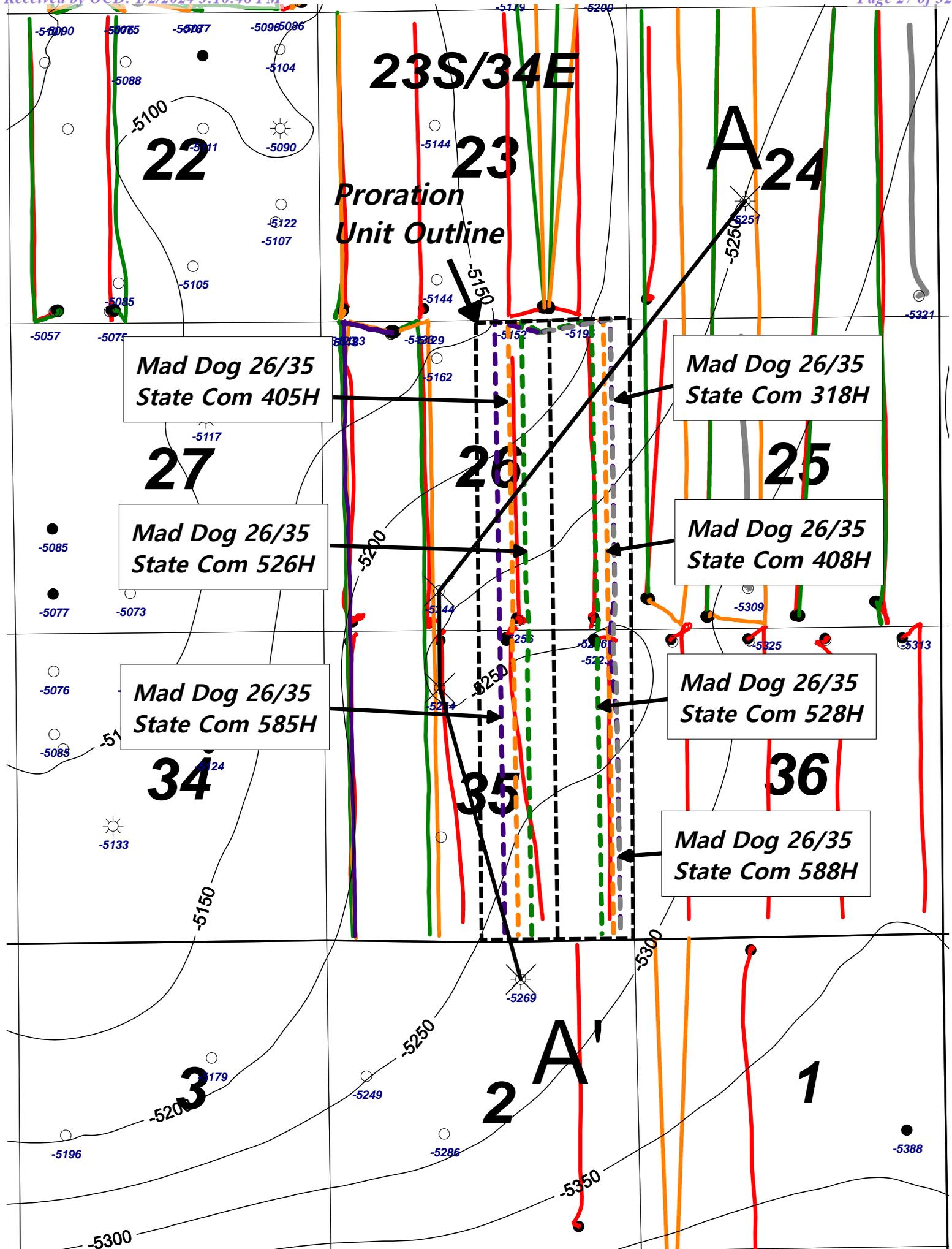
Eunice

Jal



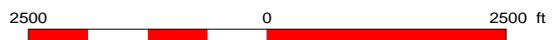
Mad Dog 26/35 Lea County Locator Map		
12/14/23	Lea County	New Mexico

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B-1
 Submitted by: Mewbourne Oil Company
 Hearing Date: January 4, 2024
 Case No. 24071



Wells deeper than 7000'

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B-2
 Submitted by: Mewbourne Oil Company
 Hearing Date: January 4, 2024
 Case No. 24071



1 inch = 2000 feet

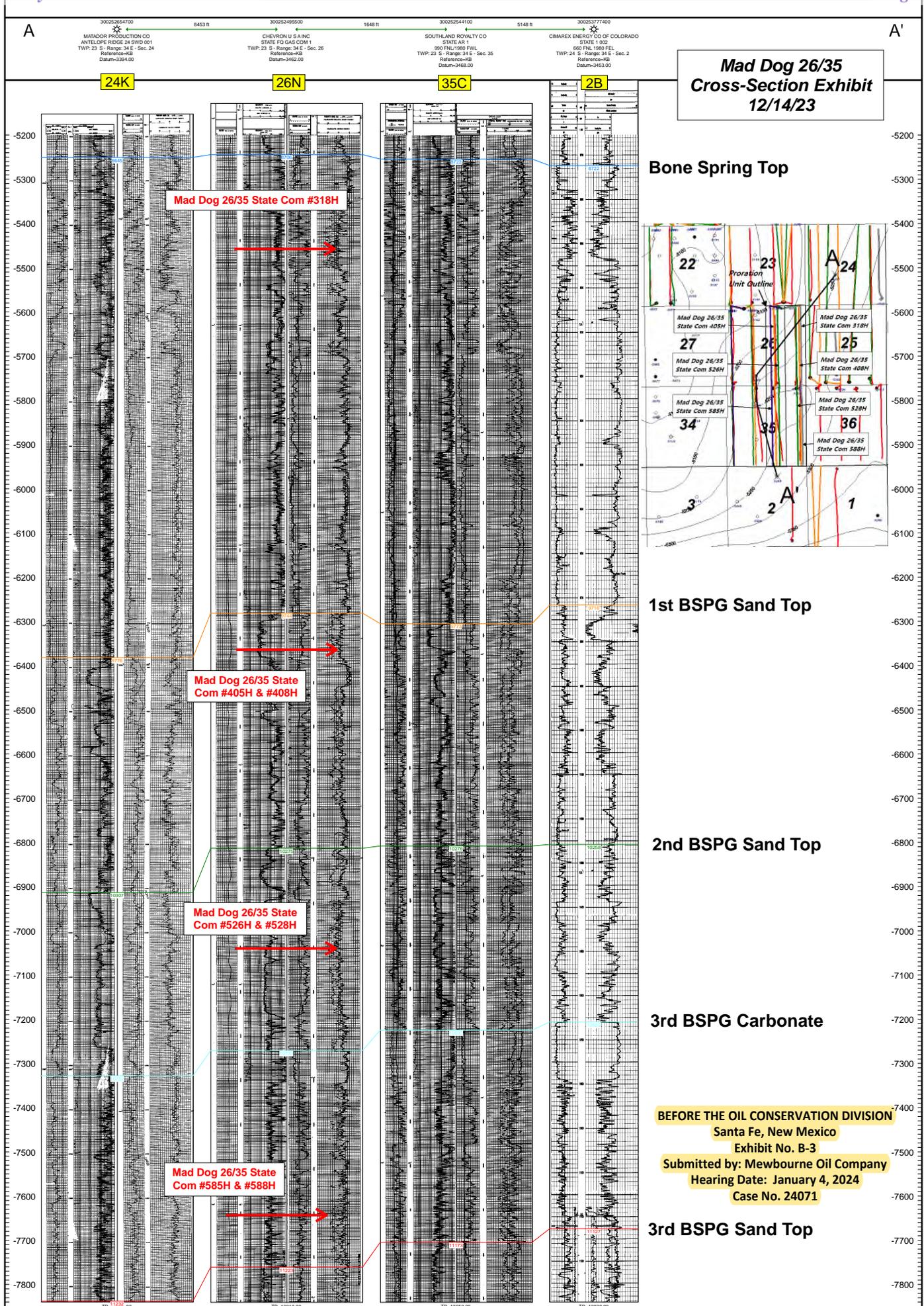
Bone Spring structural top (subsea)

BSPG Horizontal Color Code

- Avalon Shale Well
- 1st BSPG Well
- 2nd BSPG Well
- Harkey Sh Well
- 3rd BSPG Well



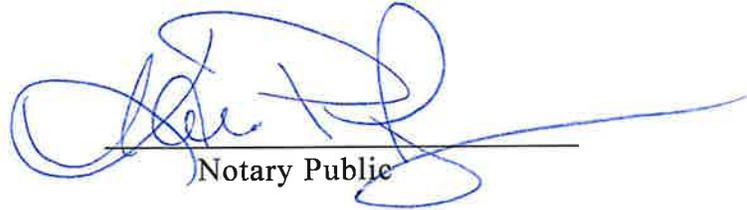
MOC Mewbourne Oil Company		
Mad Dog 26/35		
Bone Spring Top Structure Contour Map		
C.I. = 50'		
12/14/23	Lea County	New Mexico



State of New Mexico)

County of Santa Fe)

SUBSCRIBED AND SWORN to before me this 2nd day of January, 2024 by
Michael H. Feldewert.



Notary Public

My Commission Expires:

6/28/24

STATE OF NEW MEXICO
NOTARY PUBLIC
KARI D PEREZ
COMMISSION # 1138272
COMMISSION EXPIRES 06/28/2026



Michael H. Feldewert
Partner
Phone (505) 988-4421
mfeldewert@hollandhart.com

December 15, 2023

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico: Mad Dog 26/35 State Com 318H, 408H, 528H and 588H

Ladies & Gentlemen:

This letter is to advise you that Mewbourne Oil Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on January 4, 2024, and the status of the hearing can be monitored through the Division’s website at <http://www.emnrd.nm.gov/ocd/>.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/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. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

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

Sincerely,

Michael H. Feldewert
**ATTORNEY FOR MEWBOURNE OIL
COMPANY**

Location
110 North Guadalupe, Suite 1
Santa Fe, NM 87501-1849

Mailing Address
P.O. Box 2208
Santa Fe, NM 87504-2208

Contact
p: 505.988.4421 | f: 505.983.6043
www.hollandhart.com

MOC - Mad Dog 318H, 408H, 528H and 588H wells - Case no. 24071
Postal Delivery Report

9214 8901 9403 8341 7491 34	MARATHON OIL PERMIAN LLC ATTN: MR CHASE RICE 990 TOWN & COUNTRY BLVD HOUSTON TX 77024	Delivered Signature Received
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