

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING FEBRUARY 1, 2024**

CASE NO. 24132

*NEATO BANDITO 23/24 FED COM #511H, #513H,
#515H & #517H*

EDDY COUNTY, NEW MEXICO



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

**APPLICATION OF MEWBOURNE OIL
COMPANY FOR APPROVAL OF AN OVERLAPPING
NON-STANDARD 1,280-ACRE HORIZONTAL
WELL SPACING UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 24132

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Received by OCB: 1/29/2024 4:38:51 PM
COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24132	APPLICANT'S RESPONSE
Date	February 1, 2024
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company (OGRID No. 14744)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MEWBOURNE OIL COMPANY FOR APPROVAL OF A NON-STANDARD, OVERLAPPING 1,280-ACRE HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	N/A
Well Family	Neato Bandito
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:	Tamano Bone Spring [58040]
Well Location Setback Rules:	Statewide rules
Spacing Unit	
Type (Horizontal/Vertical)	Horiztonal
Size (Acres)	1,280
Building Blocks:	40 acres
Orientation:	West to East
Description: TRS/County	Sections 23 and 24, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	<p>No. Due to the nature and configuration of the federal leases in the subject area, the Bureau of Land Management ("BLM") will not approve the commingling of production at central facilities if the subject area is developed using standard horizontal well spacing units. See, e.g., 43 CFR 3173.14 (addressing authorized commingling). However, if the proposed overlapping non-standard spacing unit is approved by the Division, the BLM has stated it will issue a corresponding Communitization Agreement for the federal leases within the subject area to allow commingling and the corresponding reduction of the necessary surface facilities.</p>
<p>BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Mewbourne Oil Company Hearing Date: February 1, 2024 Case No. 24132</p>	
Other Situations	
Depth Severance: Y/N. If yes, description	No

Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit C-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	<u>Neato Bandito 23/24 Fed Com 511H well</u> SHL: 1,080' FNL, 205' FWL (Unit D) of Section 23 BHL: 350' FNL, 100' FEL (Unit A) of Section 24 Target: Bone Spring Orientation: West-East Completion: Standard
Well #2	<u>Neato Bandito 23/24 Fed Com 513H well</u> SHL: 1,100' FNL, 205' FWL (Unit D) of Section 23 BHL: 1,750' FNL, 100' FEL (Unit H) of Section 24 Target: Bone Spring Orientation: West-East Completion: Standard
Well #3	<u>Neato Bandito 23/24 Fed Com 515H well</u> SHL: 1,420' FSL, 205' FWL (Unit L) of Section 23 BHL: 2,050' FSL, 100' FEL (Unit I) of Section 24 Target: Bone Spring Orientation: West-East Completion: Standard
Well #4	<u>Neato Bandito 23/24 Fed Com 517H well</u> SHL: 1,400' FSL, 205' FWL (Unit L) of Section 23 BHL: 750' FSL, 100' FEL (Unit P) of Section 24 Target: Bone Spring Orientation: West-East Completion: Standard
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibit C-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9,000
Production Supervision/Month \$	\$900
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3

<i>Received by OCD: 1/29/2024 4:38:11 PM</i> Tract List (including lease numbers and owners)	Exhibit C-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	Exhibit C-6 & Exhibit E
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D, D-3
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-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):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	1/30/2024

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

**APPLICATION OF MEWBOURNE OIL
COMPANY FOR APPROVAL OF AN OVERLAPPING
NON-STANDARD 1,280-ACRE HORIZONTAL
WELL SPACING UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 24132

APPLICATION

Mewbourne Oil Company (“Mewbourne” or “Applicant”) (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division for an order (a) approving an overlapping 1,280-acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation underlying the Sections 23 and 24, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico and (b) pooling all uncommitted interests in this acreage. In support of its application, Mewbourne states:

1. Applicant is a working interest owner in the proposed overlapping horizontal spacing unit and has the right to drill thereon.
2. Due to the nature and configuration of the federal leases in the subject area, the Bureau of Land Management (“BLM”) will not approve the commingling of production at central facilities if the subject area is developed using standard horizontal well spacing units. *See, e.g.*, 43 CFR 3173.14 (addressing authorized commingling). However, if the proposed overlapping non-standard spacing unit is approved by the Division, the BLM has stated it will issue a corresponding Communitization Agreement for the federal leases within the subject area to allow commingling and the corresponding reduction of the necessary surface facilities.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Mewbourne Oil Company
Hearing Date: February 1, 2024
Case No. 24132**

3. Mewbourne seeks to minimize cost and surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed overlapping non-standard spacing unit. To allow the proposed wells to be dedicated to a federal Communitization Agreement, Mewbourne requires approval of a corresponding overlapping non-standard horizontal well spacing unit in the Bone Spring formation.

4. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Neato Bandito 23/24 Fed Com 511H**, to be drilled horizontally from a surface location and first take point in the NW/4 NW/4 (Unit D) of Section 23 and a last take point in the NE/4 NE/4 (Unit A) of Section 24; **Neato Bandito 23/24 Fed Com 513H**, to be drilled horizontally from a surface location and first take point in the NW/4 NW/4 (Unit D) of Section 23 and a last take point in the SE/4 NE/4 (Unit H) of Section 24; **Neato Bandito 23/24 Fed Com 515H**, to be drilled horizontally from a surface location and first take point in the NW/4 SW/4 (Unit L) of Section 23 and a last take point in the NE/4 SE/4 (Unit I) of Section 24; and **Neato Bandito 23/24 Fed Com 517H**, to be drilled horizontally from a surface location and first take point in the NW/4 SW/4 (Unit L) of Section 23 and a last take point in the SE/4 SE/4 (Unit P) of Section 24.

5. The proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- 40-acre vertical well spacing unit comprised of the SE/4 SW/4 of Section 23 dedicated to Mewbourne's Geronimo 23 Federal Com #002 (API: 30-015-35163);
- 40-acre vertical well spacing unit comprised of the NW/4 SE/4 of Section 23 dedicated to RAYBAW Operating, LLC's Shugart 23 Federal Com #001 (API: 30-015-30448);
- 40-acre vertical well spacing unit comprised of the SW/4 SW/4 of Section 24 dedicated to Mewbourne's Geronimo 24 Federal Com #002 (API: 30-015-35016); and

- 40-acre vertical well spacing unit comprised of the NW/4 NW/4 of Section 24 dedicated to Penroc Oil Corp's Gandhi Federal #001 (API: 30-015-26243).

6. 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.

7. Approval of the overlapping non-standard unit will allow Mewbourne to efficiently locate surface facilities for the recovery of oil and gas underlying the subject lands, reduce surface disturbance, and lower operating costs.

8. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing before an Examiner of the Oil Conservation Division on February 1, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed overlapping non-standard spacing unit;
- B. Pooling all uncommitted interests in the overlapping horizontal spacing unit and approving the initial wells thereon;
- C. Designating Applicant as operator of the overlapping horizontal spacing unit and the horizontal wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- E. 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

- F. 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: 

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ATTORNEYS FOR MEWBOURNE OIL COMPANY

CASE: _____

Application of Mewbourne Oil Company for Approval of an Overlapping 1,260-acre Non-Standard Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving an overlapping 1,280-acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation underlying the Section 23 and 24, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico and (b) pooling all uncommitted interests in this acreage. This spacing unit will be initially dedicated to the proposed **Neato Bandito 23/24 Fed Com 511H**, to be drilled horizontally from a surface location and first take point in the NW/4 NW/4 (Unit D) of Section 23 and a last take point in the NE/4 NE/4 (Unit A) of Section 24; **Neato Bandito 23/24 Fed Com 513H**, to be drilled horizontally from a surface location and first take point in the NW/4 NW/4 (Unit D) of Section 23 and a last take point in the SE/4 NE/4 (Unit H) of Section 24; **Neato Bandito 23/24 Fed Com 515H**, to be drilled horizontally from a surface location and first take point in the NW/4 SW/4 (Unit L) of Section 23 and a last take point in the NE/4 SE/4 (Unit I) of Section 24; and **Neato Bandito 23/24 Fed Com 517H**, to be drilled horizontally from a surface location and first take point in the NW/4 SW/4 (Unit L) of Section 23 and a last take point in the SE/4 SE/4 (Unit P) of Section 24. The proposed horizontal well spacing unit will overlap the following existing Bone Spring vertical spacing units:

- 40-acre vertical well spacing unit comprised of the SE/4 SW/4 of Section 23 dedicated to Mewbourne's Geronimo 23 Federal Com #002 (API: 30-015-35163);
- 40-acre vertical well spacing unit comprised of the NW/4 SE/4 of Section 23 dedicated to RAYBAW Operating, LLC's Shugart 23 Federal Com #001 (API: 30-015-30448);
- 40-acre vertical well spacing unit comprised of the SW/4 SW/4 of Section 24 dedicated to Mewbourne's Geronimo 24 Federal Com #002 (API: 30-015-35016); and
- 40-acre vertical well spacing unit comprised of the NW/4 NW/4 of Section 24 dedicated to Penroc Oil Corp's Gandhi Federal #001 (API: 30-015-26243).

Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs 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 10 miles southwest of Maljamar, New Mexico.

**STATE OF NEW MEXICO
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CASE NO. 24132

SELF-AFFIRMED STATEMENT OF ARIANA RODRIGUES

1. My name is Ariana Rodrigues. I work for Mewbourne Oil Company (“Mewbourne”) as a Landman.

2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. My credentials as a landman have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by Mewbourne in this case, and I am familiar with the status of the lands in the subject area.

4. None of the uncommitted parties in this case have indicated opposition to proceeding by self-affirmed statement and, therefore, I do not expect any opposition at the hearing.

5. Under **Case No. 24132**, Mewbourne seeks an order (a) approving an overlapping 1,280-acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation underlying Sections 23 and 24, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico and (b) pooling all uncommitted interests in this acreage.

6. Due to the nature and configuration of the federal leases in the subject area, the Bureau of Land Management (“BLM”) will not approve the commingling of production at central facilities if the subject area is developed using standard horizontal well spacing units. *See, e.g.*, 43

CFR 3173.14 (addressing authorized commingling). However, if the proposed overlapping non-standard spacing unit is approved by the Division, the BLM has stated it will issue a corresponding Communitization Agreement for the federal leases within the subject area to allow commingling and the corresponding reduction of the necessary surface facilities.

7. Mewbourne seeks to minimize cost and surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed overlapping non-standard spacing unit. To allow the proposed wells to be dedicated to a federal Communitization Agreement, Mewbourne requires approval of a corresponding overlapping non-standard horizontal well spacing unit in the Bone Spring formation.

8. I have met with Mewbourne's facility engineers. If the acreage is developed using standard spacing units, additional tank batteries will be required at a cost of approximately \$3MM and require an additional surface disturbance of 1.84 acres. If the proposed non-standard spacing unit is approved, the additional cost and surface disturbance required for additional tanks can be avoided.

9. Eliminating the need for additional tank batteries will also lower the operating costs for this acreage thereby making this project more competitive with drilling projects in other states and extending the productive life of the acreage.

10. Mewbourne seeks to initially dedicate the above-referenced spacing unit to the proposed **Neato Bandito 23/24 Fed Com 511H**, to be drilled horizontally from a surface location in the NW/4 NW/4 (Unit D) of Section 23, a first take point in the same, and a last take point in the NE/4 NE/4 (Unit A) of Section 24; **Neato Bandito 23/24 Fed Com 513H**, to be drilled horizontally from a surface location in the NW/4 NW/4 (Unit D) of Section 23, a first take point in the SW/4 NW/4 (Unit E) of Section 23, and a last take point in the SE/4 NE/4 (Unit H) of

Section 24; **Neato Bandito 23/24 Fed Com 515H**, to be drilled horizontally from a surface location in the NW/4 SW/4 (Unit L) of Section 23, a first take point in the same, and a last take point in the NE/4 SE/4 (Unit I) of Section 24; and **Neato Bandito 23/24 Fed Com 517H**, to be drilled horizontally from a surface location in the NW/4 SW/4 (Unit L) of Section 23, a first take point in the SW/4 SW/4 (Unit M) of Section 23, and a last take point in the SE/4 SE/4 (Unit P) of Section 24. The proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- 40-acre vertical well spacing unit comprised of the SE/4 SW/4 of Section 23 dedicated to Mewbourne's Geronimo 23 Federal Com #002 (API: 30-015-35163);
- 40-acre vertical well spacing unit comprised of the NW/4 SE/4 of Section 23 dedicated to RAYBAW Operating, LLC's Shugart 23 Federal Com #001 (API: 30-015-30448);
- 40-acre vertical well spacing unit comprised of the SW/4 SW/4 of Section 24 dedicated to Mewbourne's Geronimo 24 Federal Com #002 (API: 30-015-35016); and
- 40-acre vertical well spacing unit comprised of the NW/4 NW/4 of Section 24 dedicated to Penroc Oil Corp's Gandhi Federal #001 (API: 30-015-26243).

11. **Mewbourne Exhibit C-1** is a diagram depicting the newly proposed spacing unit in relation to the existing spacing units. Mewbourne provided notice to the operators of the Shugart 23 Federal Com #001 and Gandhi Federal #001, the other working interest owners for the spacing unit in which Mewbourne is the designated operator, and the Bureau of Land Management since federal lands are involved. A sample copy of the notice, and mailing report, is included in Exhibit E.

12. **Mewbourne Exhibit C-2** contains a draft Form C-102 for the wells. The exhibit shows that the wells will be assigned to the Tamano Bone Spring Pool [58040].

13. **Mewbourne Exhibit C-3** identifies the tracts of land comprising the horizontal spacing unit, the ownership interests in each tract, and ownership interests on a spacing unit basis. The subject acreage is comprised of federal lands. The parties Mewbourne seeks to pool are in red.

14. **Mewbourne Exhibit C-4** contains a sample of the well proposal letter and AFEs sent to owners with a working interest. The costs reflected in the AFEs are consistent with what Mewbourne and other operators have incurred for drilling similar horizontal wells in the area in this formation.

15. Mewbourne requests that the overhead and administrative costs for drilling and producing the proposed well be set at \$9,000 per month while drilling and \$900 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

16. **Mewbourne Exhibit C-5** contains a general summary of the contacts with the uncommitted interest owners. As indicated in the exhibit, Mewbourne has made a good faith effort to locate and has had communications with all of the parties that it seeks to pool in this case in an effort to reach voluntary joinder. In my opinion, Mewbourne has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

17. Mewbourne has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that Mewbourne seeks to pool and instructed that they be notified of this hearing. Mewbourne has conducted a diligent search of all public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

18. **Mewbourne Exhibit C-6** is a plat identifying the tracts that adjoin the proposed non-standard spacing unit and a list of the affected parties in these tracts. I instructed the law firm

of Holland & Hart, LLP to provide notice of this hearing to these additional affected parties. A sample copy of the notice, and mailing report, is included in Exhibit E.

19. **Mewbourne Exhibits C-1 through C-6** were either prepared by me or compiled under my direction and supervision.

20. 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.



Ariana Rodrigues



Date

Plat of Overlapping Spacing Units Neato Bandito 23/24

T18S, R31E, Eddy County, New Mexico



Neato Bandito Proration Unit

Gandi Fed #1

Shugart 23 Fed Com #1

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

¹ API Number		² Pool Code 58040		³ Pool Name TAMANO BONE SPRING					
⁴ Property Code		⁵ Property Name NEATO BANDITO 23/24 FED COM						⁶ Well Number 511H	
⁷ OGRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY						⁹ Elevation 3675'	
¹⁰ Surface Location									
UL or lot no. D	Section 23	Township 18S	Range 31E	Lot Idn	Feet from the 1080	North/South line NORTH	Feet From the 205	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. A	Section 24	Township 18S	Range 31E	Lot Idn	Feet from the 350	North/South line NORTH	Feet from the 100	East/West line EAST	County EDDY
¹² Dedicated Acres 1280.00	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.

¹⁶

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1916" N: 628104.7 - E: 690363.7	H: FOUND BRASS CAP "1913" N: 630825.1 - E: 700910.4
B: FOUND BRASS CAP "1916" N: 630742.9 - E: 690348.5	I: FOUND BRASS CAP "1913" N: 628185.3 - E: 700925.9
C: FOUND BRASS CAP "1916" N: 633384.7 - E: 690332.8	J: FOUND BRASS CAP "1916" N: 628164.3 - E: 698284.7
D: FOUND BRASS CAP "1916" N: 633403.5 - E: 692971.9	K: FOUND BRASS CAP "1916" N: 628146.0 - E: 695610.0
E: FOUND BRASS CAP "1916" N: 633426.6 - E: 695601.0	L: FOUND BRASS CAP "1916" N: 628123.9 - E: 693004.2
F: FOUND 1" PIPE N: 633444.8 - E: 698257.1	M: FOUND BRASS CAP "1916" N: 630786.3 - E: 695603.7
G: FOUND BRASS CAP "1913" N: 633456.2 - E: 700893.3	

GEODETIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION (SL)
N: 632306.4 - E: 690544.2

LAT: 32.7373091° N
LONG: 103.8480822° W

BOTTOM HOLE (BH)
N: 633105.9 - E: 700795.6

LAT: 32.7393731° N
LONG: 103.8147309° W

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.

05/09/2023
Date of Survey

Signature and Seal of Professional Surveyor _____

19680
Certificate Number

Job No: LS23040402

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

¹ API Number		² Pool Code 58040		³ Pool Name TAMANO BONE SPRING					
⁴ Property Code		⁵ Property Name NEATO BANDITO 23/24 FED COM				⁶ Well Number 513H			
⁷ OGRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY				⁹ Elevation 3675'			
¹⁰ Surface Location									
UL or lot no. D	Section 23	Township 18S	Range 31E	Lot Idn	Feet from the 1100	North/South line NORTH	Feet From the 205	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. H	Section 24	Township 18S	Range 31E	Lot Idn	Feet from the 1750	North/South line NORTH	Feet from the 100	East/West line EAST	County EDDY
¹² Dedicated Acres 1280.00	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.

¹⁶

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1916" N: 628104.7 - E: 690363.7	H: FOUND BRASS CAP "1913" N: 630825.1 - E: 700910.4
B: FOUND BRASS CAP "1916" N: 630742.9 - E: 690348.5	I: FOUND BRASS CAP "1913" N: 628185.3 - E: 700925.9
C: FOUND BRASS CAP "1916" N: 633384.7 - E: 690332.8	J: FOUND BRASS CAP "1916" N: 628164.3 - E: 698284.7
D: FOUND BRASS CAP "1916" N: 633403.5 - E: 692971.9	K: FOUND BRASS CAP "1916" N: 628146.0 - E: 695610.0
E: FOUND BRASS CAP "1916" N: 633426.6 - E: 695601.0	L: FOUND BRASS CAP "1916" N: 628123.9 - E: 693004.2
F: FOUND 1" PIPE N: 633444.8 - E: 698257.1	M: FOUND BRASS CAP "1916" N: 630786.3 - E: 695603.7
G: FOUND BRASS CAP "1913" N: 633456.2 - E: 700893.3	

GEODETIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION (SL)
N: 632286.4 - E: 690544.3

LAT: 32.7372542° N
LONG: 103.8480821° W

BOTTOM HOLE (BH)
N: 631706.3 - E: 700804.7

LAT: 32.7355260° N
LONG: 103.8147236° W

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.

05/09/2023

Date of Survey

Signature and Seal of Professional Surveyor



19680

Certificate Number

Job No: LS23040403

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

¹ API Number		² Pool Code 58040		³ Pool Name TAMANO BONE SPRING					
⁴ Property Code		⁵ Property Name NEATO BANDITO 23/24 FED COM						⁶ Well Number 515H	
⁷ GRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY						⁹ Elevation 3662'	
¹⁰ Surface Location									
UL or lot no. L	Section 23	Township 18S	Range 31E	Lot Idn	Feet from the 1420	North/South line SOUTH	Feet From the 205	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. I	Section 24	Township 18S	Range 31E	Lot Idn	Feet from the 2050	North/South line SOUTH	Feet from the 100	East/West line EAST	County EDDY
¹² Dedicated Acres 1280.00	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.

¹⁶

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1916" N: 628104.7 - E: 690363.7	H: FOUND BRASS CAP "1913" N: 630825.1 - E: 700910.4
B: FOUND BRASS CAP "1916" N: 630742.9 - E: 690348.5	I: FOUND BRASS CAP "1913" N: 628185.3 - E: 700925.9
C: FOUND BRASS CAP "1916" N: 633384.7 - E: 690332.8	J: FOUND BRASS CAP "1916" N: 628164.3 - E: 698284.7
D: FOUND BRASS CAP "1916" N: 633403.5 - E: 692971.9	K: FOUND BRASS CAP "1916" N: 628146.0 - E: 695610.0
E: FOUND BRASS CAP "1916" N: 633426.6 - E: 695601.0	L: FOUND BRASS CAP "1916" N: 628123.9 - E: 693004.2
F: FOUND 1" PIPE N: 633444.8 - E: 698257.1	M: FOUND BRASS CAP "1916" N: 630786.3 - E: 695603.7
G: FOUND BRASS CAP "1913" N: 633456.2 - E: 700893.3	

GEODETIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION (SL)
N: 629525.8 - E: 690560.4

LAT: 32.7296662° N
LONG: 103.8480706° W

BOTTOM HOLE (BH)
N: 630234.0 - E: 700813.9

LAT: 32.7314792° N
LONG: 103.8147171° W

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.

05/09/2023
Date of Survey

Signature and Seal of Professional Surveyor: 

19680
Certificate Number

Job No: LS23040404

District I
1625 N French Dr., Hobbs, NM 88240
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State of New Mexico
Energy, Minerals & Natural Resources Department
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1220 South St. Francis Dr.
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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 58040		³ Pool Name TAMANO BONE SPRING					
⁴ Property Code		⁵ Property Name NEATO BANDITO 23/24 FED COM						⁶ Well Number 517H	
⁷ GRID NO. 14744		⁸ Operator Name MEWBOURNE OIL COMPANY						⁹ Elevation 3662'	
¹⁰ Surface Location									
UL or lot no. L	Section 23	Township 18S	Range 31E	Lot Idn	Feet from the 1400	North/South line SOUTH	Feet From the 205	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. P	Section 24	Township 18S	Range 31E	Lot Idn	Feet from the 750	North/South line SOUTH	Feet from the 100	East/West line EAST	County EDDY
¹² Dedicated Acres 1280.00	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.

¹⁶

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1916" N: 628104.7 - E: 690363.7	H: FOUND BRASS CAP "1913" N: 630825.1 - E: 700910.4
B: FOUND BRASS CAP "1916" N: 630742.9 - E: 690348.5	I: FOUND BRASS CAP "1913" N: 628185.3 - E: 700925.9
C: FOUND BRASS CAP "1916" N: 633384.7 - E: 690332.8	J: FOUND BRASS CAP "1916" N: 628164.3 - E: 698284.7
D: FOUND BRASS CAP "1916" N: 633403.5 - E: 692971.9	K: FOUND BRASS CAP "1916" N: 628146.0 - E: 695610.0
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F: FOUND 1" PIPE N: 633444.8 - E: 698257.1	M: FOUND BRASS CAP "1916" N: 630786.3 - E: 695603.7
G: FOUND BRASS CAP "1913" N: 633456.2 - E: 700893.3	

GEODETIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION (S.L.)
LAT: 32.7296112° N
LONG: 103.8480705° W

BOTTOM HOLE (B.H.)
LAT: 32.7279068° N
LONG: 103.8147128° W

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.

05/09/2023
Date of Survey

Signature and Seal of Professional Surveyor _____

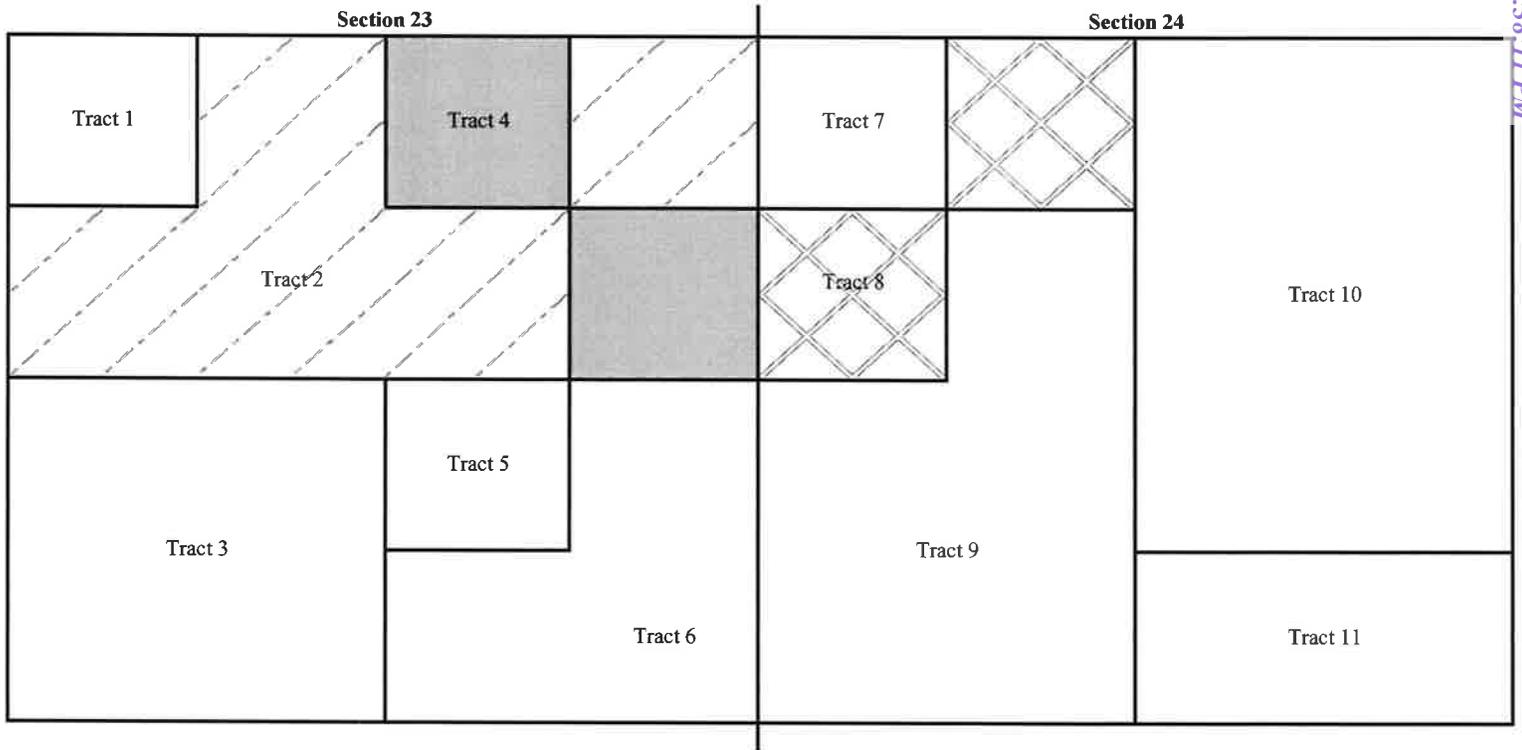
19680
Certificate Number

Job No: LS23040405

Section Plat
 Neato Bandito 23/24 Fed Com #511H
 Neato Bandito 23/24 Fed Com #513H
 Neato Bandito 23/24 Fed Com #515H
 Neato Bandito 23/24 Fed Com #517H
 All of Section 23 & All of Section 24

T18S, R31E, Eddy County, New Mexico

T18S, R31E, Eddy County, New Mexico



RECAPITULATION

Tract Number	Number of Acres Committeed	Percentage of Interest in Communitized Area
1	40.00	3.125000%
2	200.00	15.625000%
3	160.00	12.500000%
4	80.00	6.250000%
5	40.00	3.125000%
6	120.00	9.375000%
7	40.00	3.125000%
8	80.00	6.250000%
9	200.00	15.625000%
10	240.00	18.750000%
11	80.00	6.250000%
TOTAL	1280.00	100.000000%

TRACT OWNERSHIP
 Neato Bandito 23/24 Fed Com #511H
 Neato Bandito 23/24 Fed Com #513H
 Neato Bandito 23/24 Fed Com #515H
 Neato Bandito 23/24 Fed Com #517H
 All of Section 23 & All of Section 24
 T18S, R31E, Eddy County, New Mexico

Ownership by Tract

Tract 1: NWNW of Section 23 - Federal Lease NMNM 002938

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company et. al.	75.000000%	40.00	30.000000000
OXY USA WTP Limited Partnership	25.000000%	40.00	10.000000000
Total	100.00000000%		40.000000000

Tract 2: S2NE, NENW, SWNE & NENE of Section 23 - Federal Lease NMNM 002938

Entity/Individual	Interest	Gross Acres	Net Acres
ZPZ Delaware I LLC	100.000000%	200.00	200.000000000
Total	100.00000000%		200.000000000

Tract 3: SW of Section 23 - Federal Lease NMLC 0065680

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company et. al.	87.500000%	160.00	140.000000000
OXY USA WTP Limited Partnership	12.500000%	160.00	20.000000000
Total	100.00000000%		160.000000000

Tract 4: NWNE & SENE of Section 23 - Federal Lease NMNM 091367

Entity/Individual	Interest	Gross Acres	Net Acres
Chevron USA Inc.	100.000000%	80.00	80.000000000
Total	100.00000000%		80.000000000

Tract 5: NWSE of Section 23 - Federal Lease NMNM 0065680

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company et. al.	75.000000%	40.00	30.000000000
Devon Production Company LP	25.000000%	40.00	10.000000000
Total	100.00000000%		40.000000000

Tract 6: S2SE & NESE of Section 23 - Federal Lease NMNM 0065680

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company et. al.	75.000000%	120.00	90.000000000
Occidental Permian Limited Partnership	25.000000%	120.00	30.000000000
Total	100.00000000%		120.000000000

Tract 7: NWNW of Section 24 - Federal Lease NMNM 091366

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company et. al.	41.666667%	40.00	16.666666800
Occidental Permian Limited Partnership	33.333333%	40.00	13.333333200
Chevron USA Inc.	25.000000%	40.00	10.000000000
Total	100.00000000%		40.000000000

Tract 8: SWNW & NENW of Section 24 - Federal Lease NMNM 091367

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company et. al.	41.666667%	80.00	33.333333600
Occidental Permian Limited Partnership	33.333333%	80.00	26.666666400
Chevron USA Inc.	25.000000%	80.00	20.000000000
Total	100.00000000%		80.000000000

Tract 9: SW4 & SENW of Section 24 - Federal Lease NMNM 0065680

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company et. al.	41.666667%	200.00	83.333334000
Occidental Permian Limited Partnership	33.333333%	200.00	66.666666000
Chevron USA Inc.	25.000000%	200.00	50.000000000
Total	100.00000000%		200.000000000

Tract 10: NWNW of Section 24 - Federal Lease NMNM 106714

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company et. al.	100.000000%	240.00	240.000000000
Total	100.00000000%		240.000000000

Tract 11: NWNW of Section 24 - Federal Lease NMNM 0025777

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company et. al.	100.000000%	80.00	80.000000000
Total	100.00000000%		80.000000000

Spacing Unit Ownership

Owners	Percentage	
Mewbourne Oil Company, et al.	58.072917%	743.333334
OXY USA WTP Limited Partnership	2.343750%	30.000000
ZPZ Delaware I LLC	15.625000%	200.000000
Chevron USA Inc.	12.500000%	160.000000
Occidental Permian Limited Partnership	10.677083%	136.666666
Devon Production Company LP	0.781250%	10.000000
Total	100.000000%	1280.00000000

*Parties highlighted in red are being pooled

Total Interest Being Pooled:

41.927083%

MEWBOURNE OIL COMPANY

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

June 2, 2023

Certified Mail

«Owners»
«Attn»
«Address_Line_1»
«Address_Line_2»
«City», «State» «Zip_Code»

Re: Neato Bandito Working Interest Unit and Well Proposals
All of Section 23 and 24, T18S, R31E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company (“MOC”), as Operator, hereby proposes creating a working interest unit comprising of All of Section 23 and Section 24, T18S, R31E, Eddy County, New Mexico. As part of the initial development of this unit, MOC hereby proposes the following wells targeting the 2nd Bone Spring Sand interval within the Bone Spring formation:

- 1) NEATO BANDITO 23/24 FED COM #511H – API # - pending
Surface Location: 1080 FNL & 205 FWL, Section 23, T18S, R31E
Bottom Hole Location: 350 FNL & 100 FEL, Section 24, T18S, R31E
Proposed Total Vertical Depth: 8736’
Proposed Total Measured Depth: 18743’
Spacing Unit: N2N2 of Sections 23 & 24
- 2) NEATO BANDITO 23/24 FED COM #513H – API # - pending
Surface Location: 1100 FNL & 205 FWL, Section 23, T18S, R31E
Bottom Hole Location: 1750 FNL & 100 FEL, Section 24, T18S, R31E
Proposed Total Vertical Depth: 8773’
Proposed Total Measured Depth: 18778’
Spacing Unit: S2N2 of Sections 23 & 24
- 3) NEATO BANDITO 23/24 FED COM #515H – API # - pending
Surface Location: 1420 FSL & 205 FWL, Section 23, T18S, R31E
Bottom Hole Location: 2050 FSL & 100 FEL, Section 24, T18S, R31E
Proposed Total Vertical Depth: 8768’
Proposed Total Measured Depth: 18805’
Spacing Unit: N2S2 of Sections 23 & 24
- 4) NEATO BANDITO 23/24 FED COM #517H – API # - pending
Surface Location: 1400 FSL & 205 FWL, Section 23, T18S, R31E
Bottom Hole Location: 750 FSL & 100 FEL, Section 24, T18S, R31E
Proposed Total Vertical Depth: 8760’
Proposed Total Measured Depth: 18800’
Spacing Unit: S2S2 of Sections 23 & 24

Regarding the above, enclosed for your further handling our AFEs dated April 19, 2023 for the captioned proposed wells. Please sign and return said AFEs at your earliest convenience if you elect to participate in the captioned wells and WIU and return to me within thirty (30) days.

Should you elect to participate, I will send a copy of our Joint Operating Agreement (“JOA”) under a separate cover letter. Our proposed Operating Agreement will have COPAS rates of \$10,000/month while drilling, \$1000/month for a producing well.

Please contact me at (432) 682-3715 or arodrigues@mewbourne.com if you have any questions or need additional information.

Very truly yours,

MEWBOURNE OIL COMPANY

Ariana Rodrigues
Landman

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name:	NEATO BANDITO 23/24 FED COM #511H	Prospect:	2BSS (2.0 Mile Lateral)
Location:	SL: 1080 FNL & 205 FWL (23); BHL: 350 FNL & 100 FEL (24)	County:	Eddy
ST:	NM		
Sec. 23/24	Blk:	Survey:	TWP: 18S
			RNG: 31E
			Prop. TVD: 8736
			TMD: 18743

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$70,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$200,000	0180-0206	\$50,000
Daywork / Turnkey / Footage Drilling	0180-0110	\$1,025,300	0180-0210	\$96,100
Fuel	0180-0114	\$226,600	0180-0214	\$318,200
Alternate Fuels	0180-0115		0180-0215	\$96,300
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	\$45,000
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 gallons/25.3 MM lb		0180-0241	\$3,049,600
Stimulation Rentals & Other			0180-0242	\$278,000
Water & Other	0180-0145	\$40,000	0180-0245	\$434,500
Bits	0180-0148	\$117,500	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	\$60,000
Welding, Construction & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision	0180-0170	\$220,500	0180-0270	\$71,000
Directional Services	Includes Vertical Control	0180-0175	\$493,000	
Equipment Rental	0180-0180	\$213,100	0180-0280	\$37,500
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	\$10,000
Pipeline Interconnect, ROW Easements	0180-0192		0180-0292	\$5,000
Company Supervision	0180-0195	\$126,000	0180-0295	\$36,000
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$174,950	0180-0299 \$267,060
TOTAL		\$3,673,950		\$5,608,260

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
Casing (19.1" - 30")	0181-0793			
Casing (10.1" - 19.0")	0181-0794	\$61,100		
Casing (8.1" - 10.0")	0181-0795	\$117,500		
Casing (6.1" - 8.0")	0181-0796	\$536,700		
Casing (4.1" - 6.0")			0181-0797	\$411,100
Tubing			0181-0798	\$148,900
Drilling Head	0181-0860	\$35,000		
Tubing Head & Upper Section			0181-0870	\$30,000
Horizontal Completion Tools	Completion Liner Hanger		0181-0871	\$75,000
Subsurface Equip. & Artificial Lift	ESP		0181-0880	\$25,000
Pumping Unit Systems			0181-0885	
Service Pumps	(1/4) TP/CP/Circ pump		0181-0886	\$15,000
Storage Tanks	(1/4) 6 OT/5 WT/GB		0181-0890	\$125,000
Emissions Control Equipment	(1/4) VRT's/VRU/Flare/KO's		0181-0892	\$65,000
Separation / Treating Equipment	(1/4) H sep/V sep/HT		0181-0895	\$75,000
Automation Metering Equipment			0181-0898	\$60,000
Line Pipe & Valves - Gathering	(1/4) Facility work		0181-0900	\$82,500
Fittings / Valves & Accessories			0181-0906	\$150,000
Wellhead Flowlines - Construction			0181-0908	\$62,000
Cathodic Protection			0181-0908	
Electrical Installation			0181-0909	\$120,500
Equipment Installation			0181-0910	\$100,000
Oil/Gas Pipeline - Construction	(1/4) Gas Line		0181-0920	\$17,500
Water Pipeline - Construction	(1/4) SWDL		0181-0921	\$7,500
TOTAL		\$750,300		\$1,570,000
SUBTOTAL		\$4,424,250		\$7,178,260
TOTAL WELL COST				\$11,602,510

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.

Prepared by: G. Edington Date: 4/19/2023

Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name:	NEATO BANDITO 23/24 FED COM #513H	Prospect:	2BSS (2.0 Mile Lateral)
Location:	SL: 1100 FNL & 205 FWL (23); BHL: 1750 FNL & 100 FEL (24)	County:	Eddy ST: NM
Sec. 23/24	Blk:	Survey:	TWP: 18S RNG: 31E Prop. TVD: 8773 TMD: 18778

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$70,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$200,000	0180-0206	\$50,000
Daywork / Turnkey / Footage Drilling	0180-0110	\$1,025,300	0180-0210	\$96,100
Fuel	0180-0114	\$226,600	0180-0214	\$318,200
Alternate Fuels	0180-0115		0180-0215	\$96,300
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	\$45,000
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 gallons/25.3 MM lb		0180-0241	\$3,049,600
Stimulation Rentals & Other			0180-0242	\$278,000
Water & Other	0180-0145	\$40,000	0180-0245	\$434,500
Bits	0180-0148	\$117,500	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	\$60,000
Welding, Construction & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision	0180-0170	\$220,500	0180-0270	\$71,000
Directional Services	Includes Vertical Control	0180-0175	\$493,000	
Equipment Rental		0180-0180	\$213,100	0180-0280 \$37,500
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 \$10,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292 \$5,000
Company Supervision		0180-0195	\$126,000	0180-0295 \$36,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296 \$20,000
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$174,950	0180-0299 \$267,060
TOTAL		\$3,673,950		\$5,608,260

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
Casing (19.1" - 30")	0181-0793			
Casing (10.1" - 19.0")	750' - 13 3/8" 54.5# J-55 ST&C @ \$76.3/ft	0181-0794	\$61,100	
Casing (8.1" - 10.0")	2150' - 9 5/8" 40# HCL80 LT&C @ \$55.54/ft	0181-0795	\$117,500	
Casing (6.1" - 8.0")	8450' - 7" 29# HPP110 BT&C @ \$59.83/ft	0181-0796	\$539,900	
Casing (4.1" - 6.0")	11500' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33.47/ft			0181-0797 \$411,100
Tubing	8250' - 2 7/8" 6.5# L-80 IPC Tbg @ \$19.89/ft			0181-0798 \$149,800
Drilling Head	0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870 \$30,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871 \$75,000
Subsurface Equip. & Artificial Lift	ESP			0181-0880 \$25,000
Pumping Unit Systems				0181-0885
Service Pumps	(1/4) TP/CP/Circ pump			0181-0886 \$15,000
Storage Tanks	(1/4) 6 OT/5 WT/GB			0181-0890 \$125,000
Emissions Control Equipment	(1/4) VRT's/VRU/Flare/KO's			0181-0892 \$65,000
Separation / Treating Equipment	(1/4) H sep/V sep/HT			0181-0895 \$75,000
Automation Metering Equipment				0181-0898 \$60,000
Line Pipe & Valves - Gathering	(1/4) Facility work			0181-0900 \$82,500
Fittings / Valves & Accessories				0181-0906 \$150,000
Wellhead Flowlines - Construction				0181-0908 \$62,000
Cathodic Protection				0181-0908
Electrical Installation				0181-0909 \$120,500
Equipment Installation				0181-0910 \$100,000
Oil/Gas Pipeline - Construction	(1/4) Gas Line			0181-0920 \$17,500
Water Pipeline - Construction	(1/4) SWDL			0181-0921 \$7,500
TOTAL		\$753,500		\$1,570,900
SUBTOTAL		\$4,427,450		\$7,179,160
TOTAL WELL COST		\$11,606,610		

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.

Prepared by: G. Edington Date: 4/19/2023

Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: NEATO BANDITO 23/24 FED COM #515H		Prospect: 2BSS (2.0 Mile Lateral)	
Location: SL: 1420 FSL & 205 FWL (23); BHL: 2050 FSL & 100 FEL (24)		County: Eddy	ST: NM
Sec. 23/24	Blk:	Survey:	TWP: 18S RNG: 31E Prop. TVD: 8768 TMD: 18805

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$70,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$200,000	0180-0206	\$50,000
Daywork / Turnkey / Footage Drilling	0180-0110	\$1,025,300	0180-0210	\$96,100
Fuel	0180-0114	\$226,600	0180-0214	\$318,200
Alternate Fuels	0180-0115		0180-0215	\$96,300
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	\$45,000
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 gallons/25.3 MM lb		0180-0241	\$3,049,600
Stimulation Rentals & Other			0180-0242	\$278,000
Water & Other	0180-0145	\$40,000	0180-0245	\$434,500
Bits	0180-0148	\$117,500	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	\$60,000
Welding, Construction & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision	0180-0170	\$220,500	0180-0270	\$71,000
Directional Services	Includes Vertical Control	0180-0175	\$493,000	
Equipment Rental	0180-0180	\$213,100	0180-0280	\$37,500
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Well / Lease Insurance	0180-0185	\$5,000	0180-0285	
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Damages	0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements	0180-0192		0180-0292	\$5,000
Company Supervision	0180-0195	\$126,000	0180-0295	\$36,000
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$174,950	0180-0299 \$267,060
TOTAL		\$3,673,950		\$5,608,260

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
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Casing (8.1" - 10.0")	0181-0795	\$117,500		
Casing (6.1" - 8.0")	0181-0796	\$539,900		
Casing (4.1" - 6.0")			0181-0797	\$411,100
Tubing			0181-0798	\$149,800
Drilling Head	0181-0860	\$35,000		
Tubing Head & Upper Section			0181-0870	\$30,000
Horizontal Completion Tools	Completion Liner Hanger		0181-0871	\$75,000
Subsurface Equip. & Artificial Lift	ESP		0181-0880	\$25,000
Pumping Unit Systems			0181-0885	
Service Pumps	(1/4) TP/CP/Circ pump		0181-0886	\$15,000
Storage Tanks	(1/4) 6 OT/5 WT/GB		0181-0890	\$125,000
Emissions Control Equipment	(1/4) VRT's/VRU/Flare/KO's		0181-0892	\$65,000
Separation / Treating Equipment	(1/4) H sep/V sep/HT		0181-0895	\$75,000
Automation Metering Equipment			0181-0898	\$60,000
Line Pipe & Valves - Gathering	(1/4) Facility work		0181-0900	\$82,500
Fittings / Valves & Accessories			0181-0906	\$150,000
Wellhead Flowlines - Construction			0181-0908	\$62,000
Cathodic Protection			0181-0908	
Electrical Installation			0181-0909	\$120,500
Equipment Installation			0181-0910	\$100,000
Oil/Gas Pipeline - Construction	(1/4) Gas Line		0181-0920	\$17,500
Water Pipeline - Construction	(1/4) SWDL		0181-0921	\$7,500
TOTAL		\$753,500		\$1,570,900
SUBTOTAL		\$4,427,450		\$7,179,160
TOTAL WELL COST				\$11,606,610

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.

Prepared by: G. Edington Date: 4/19/2023

Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: NEATO BANDITO 23/24 FED COM #517H		Prospect: 2BSS (2.0 Mile Lateral)	
Location: SL: 1400 FSL & 205 FWL (23); BHL: 750 FSL & 100 FEL (24)		County: Eddy	ST: NM
Sec. 23/24	Blk: <input type="checkbox"/>	Survey: <input type="checkbox"/>	TWP: 18S RNG: 31E Prop. TVD: 8760 TMD: 18800

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$70,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$200,000	0180-0206	\$50,000
Daywork / Turnkey / Footage Drilling	0180-0110	\$1,025,300	0180-0210	\$96,100
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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
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Mud Logging	0180-0137	\$15,000		
Stimulation	51 Stg 20.2 MM gallons/25.3 MM lb		0180-0241	\$3,049,600
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Transportation	0180-0165	\$30,000	0180-0265	\$60,000
Welding, Construction & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision	0180-0170	\$220,500	0180-0270	\$71,000
Directional Services	Includes Vertical Control	0180-0175	\$493,000	
Equipment Rental		0180-0180	\$213,100	\$37,500
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Overhead Fixed Rate		0180-0196	\$10,000	\$20,000
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TOTAL		\$3,673,950		\$5,608,260

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Pumping Unit Systems			0181-0885	
Service Pumps	(1/4) TP/CP/Circ pump		0181-0886	\$15,000
Storage Tanks	(1/4) 6 OT/5 WT/GB		0181-0890	\$125,000
Emissions Control Equipment	(1/4) VRT's/VRU/Flare/KO's		0181-0892	\$65,000
Separation / Treating Equipment	(1/4) H sep/V sep/HT		0181-0895	\$75,000
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Water Pipeline - Construction	(1/4) SWDL		0181-0921	\$7,500
TOTAL		\$752,900		\$1,570,900
SUBTOTAL		\$4,426,850		\$7,179,160
TOTAL WELL COST		\$11,606,010		

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.

Prepared by: G. Edington Date: 4/19/2023

Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

Summary of Communications

Neato Bandito 23/24 Fed Com #511H
Neato Bandito 23/24 Fed Com #513H
Neato Bandito 23/24 Fed Com #515H
Neato Bandito 23/24 Fed Com #517H

All of Section 23 & All of Section 24
T18S, R31E, Eddy County, New Mexico

ZPZ Delaware I LLC:

6/5/2023: Mailed Working Interest Unit and Well Proposal to the above listed party.
6/14/2023: Emailed Working Interest Unit and Well Proposal to the above listed party.
11/17/2023: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.
11/22/2023: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.
1/9/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.
1/17/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

Occidental Permian Limited Partnership & OXY USA WTP Limited Partnership:

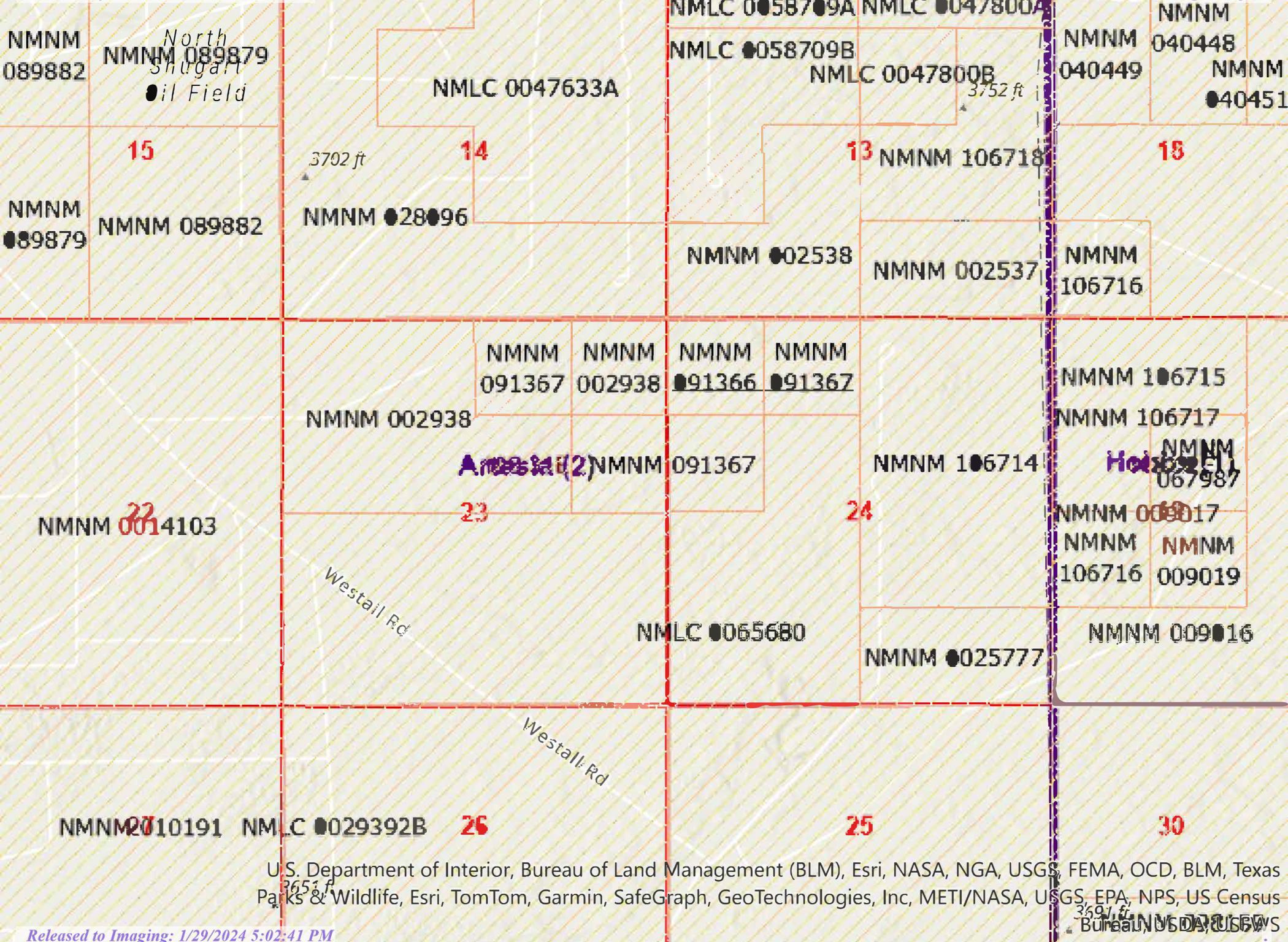
6/5/2023: Mailed Working Interest Unit and Well Proposal to the above listed party.
6/15/2023: Emailed Working Interest Unit and Well Proposal to the above listed party.
6/19/2023: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.
6/20/2023: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

Chevron USA, Inc.:

6/5/2023: Mailed Working Interest Unit and Well Proposal to the above listed party.
6/15/2023: Emailed Working Interest Unit and Well Proposal to the above listed party.
6/20/2023: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.
11/29/2023: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

Devon Production Company LP:

6/5/2023: Mailed Working Interest Unit and Well Proposal to the above listed party.
1/25/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.



NSP List of Affected Parties By Tract
Neato Bandito 23/24
T18S, R31E, Eddy County, New Mexico

Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508

S2S2 Section 13, T18S, R31E, Eddy County, New Mexico

Extex Operating Company
5065 Westheimer Rd # 625
Houston, TX 77056

Matador Production Company
Attn: NM Permian Land Manager
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

S2S2 Section 14, T18S, R31E, Eddy County, New Mexico

Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508

SE4SE4 Section 15, T18S, R31E, Eddy County, New Mexico

Extex Operating Company
5065 Westheimer Rd # 625
Houston, TX 77056

E2E2 Section 22, T18S, R31E, Eddy County, New Mexico

Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

Colgate Operating, LLC
300 N Marienfeld St., Suite 1000
Midland, TX 79701

NE4NE4 Section 27, T18S, R31E, Eddy County, New Mexico

Judah Oil LLC
P O Box 568
Artesia, NM 88211

N2N2 of Section 26, T18S, R31E, Eddy County, New Mexico

G & C Operating, LLC
P.O. Box 1618
Artesia, NM 88211

Chevron USA Inc.
Attn: Scott Sabrsula
1400 Smith Street
Houston, TX 77002

Pride Energy Company
Attn: Matthew Pride
P.O. Box 701950
Tulsa, OK 74170-1950

N2N2 of Section 25, T18S, R31E, Eddy County, New Mexico

Raybaw Operating, LLC
Attn: NM Permian Land Manager
2626 Cole Ave Suite 300
Dallas, TX 75204

G & C Operating, LLC
P.O. Box 1618
Artesia, NM 88211

NWNW (Lot 1) of Section 30, T18S, R32E, Eddy County, New Mexico

Raybaw Operating, LLC
Attn: NM Permian Land Manager
2626 Cole Ave Suite 300
Dallas, TX 75204

W2W2 (Lots 1-4) of Section 19, T18S, R32E, Eddy County, New Mexico

BXP Operating, LLC
11757 Katy Freeway
Suite 475
Houston, Texas 77079

Extex Operating Company
5065 Westheimer Rd # 625
Houston, TX 77056

SW4SW4 (Lot 4) Section 18, T18S, R32E, Eddy County, New Mexico

BXP Operating, LLC
11757 Katy Freeway
Suite 475
Houston, Texas 77079

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

**APPLICATION OF MEWBOURNE OIL
COMPANY FOR APPROVAL OF AN OVERLAPPING
NON-STANDARD 1,280-ACRE HORIZONTAL
WELL SPACING UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 24132

SELF-AFFIRMED STATEMENT OF Charles Crosby

1. My name is Charles Crosby. I work for Mewbourne Oil Company (“Mewbourne”) as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Mewbourne in this case, and I have conducted a geologic study of the lands in the subject area.
4. Mewbourne is targeting the 2nd Bone Spring Sand interval of the Bone Spring formation in this case.
5. **Mewbourne Exhibit D-1** is a general locator map.
6. **Mewbourne Exhibit D-2** is a subsea structure map that I prepared for the base of the 2nd Bone Spring Sand. The contour intervals are 100 feet. The area comprising the proposed spacing unit is outlined in dashed black lines with the approximate location and orientation of the initial wells noted with a green arrow. The structure map shows the targeted formation gently dipping to the east-southeast. The structure appears consistent across the proposed spacing unit,

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Mewbourne Oil Company
Hearing Date: February 1, 2024
Case No. 24132**

and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.

7. Mewbourne Exhibit D-2 also shows a line of cross-section through the proposed horizontal spacing unit from A to A'. I chose the logs from these wells to create the cross section because they penetrate the targeted interval, are of good quality and have been subjected to petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.

8. **Mewbourne Exhibit D-3** is a stratigraphic cross-section that I prepared using the logs from the representative wells shown in Exhibit D-2. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells is marked on the cross section with a green arrow. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

9. In my opinion, laydown orientation of the proposed wells is the appropriate orientation for horizontal well development in this area because it is more near perpendicular to the maximum horizontal stress of the area.

10. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will contribute more-or-less equally to the production from the wellbore. I have not identified any geologic impediments to drilling horizontal wells in the area of the spacing unit proposed.

11. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery, and that approving Mewbourne's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

12. **Mewbourne Exhibits D-1 through D-3** were either prepared by me or compiled under my direction and supervision.

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.



Charles Crosby



Date

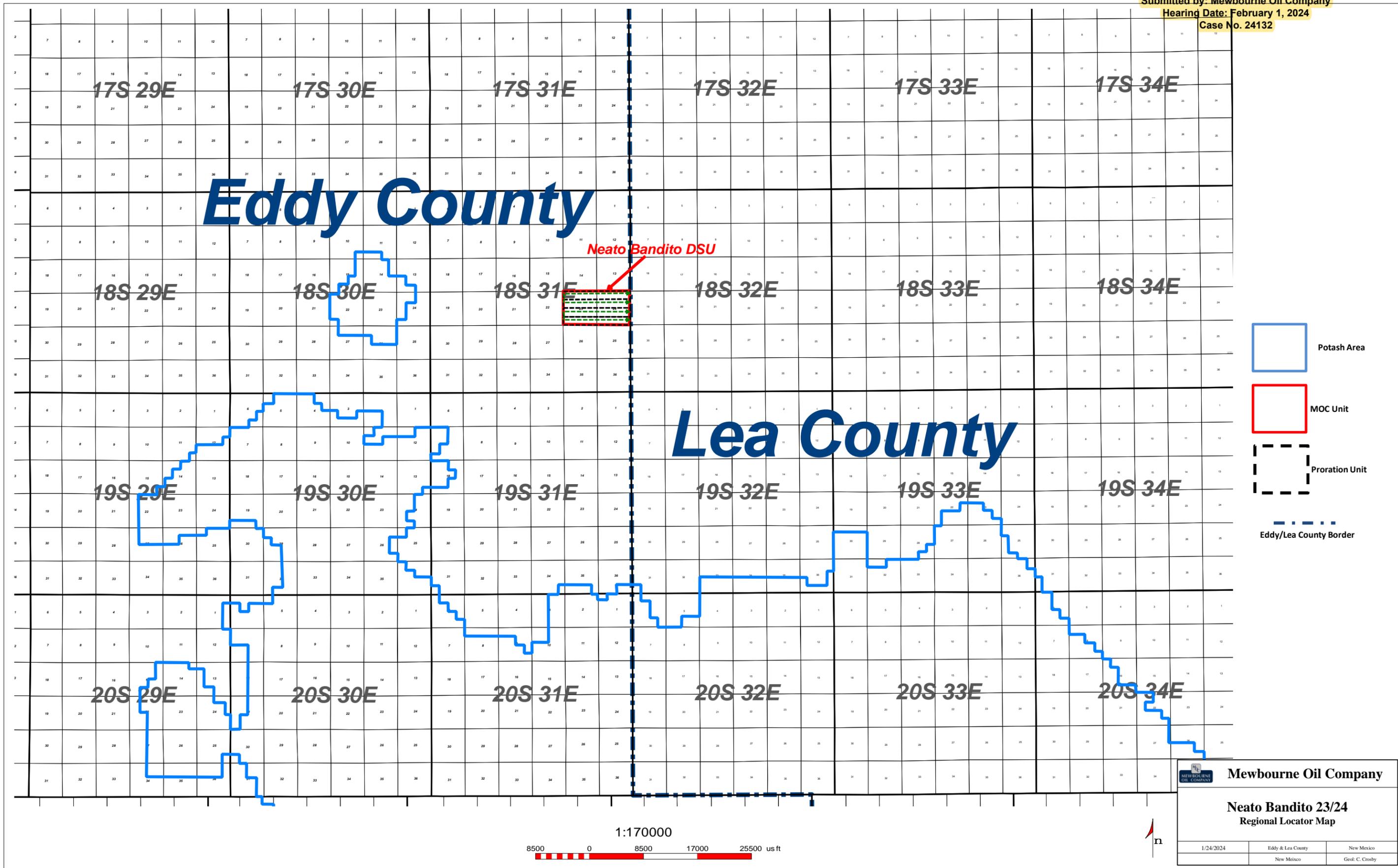
Santa Fe, New Mexico

Exhibit No. D-1

Submitted by: Mewbourne Oil Company

Hearing Date: February 1, 2024

Case No. 24132



-  Potash Area
-  MOC Unit
-  Proration Unit
-  Eddy/Lea County Border

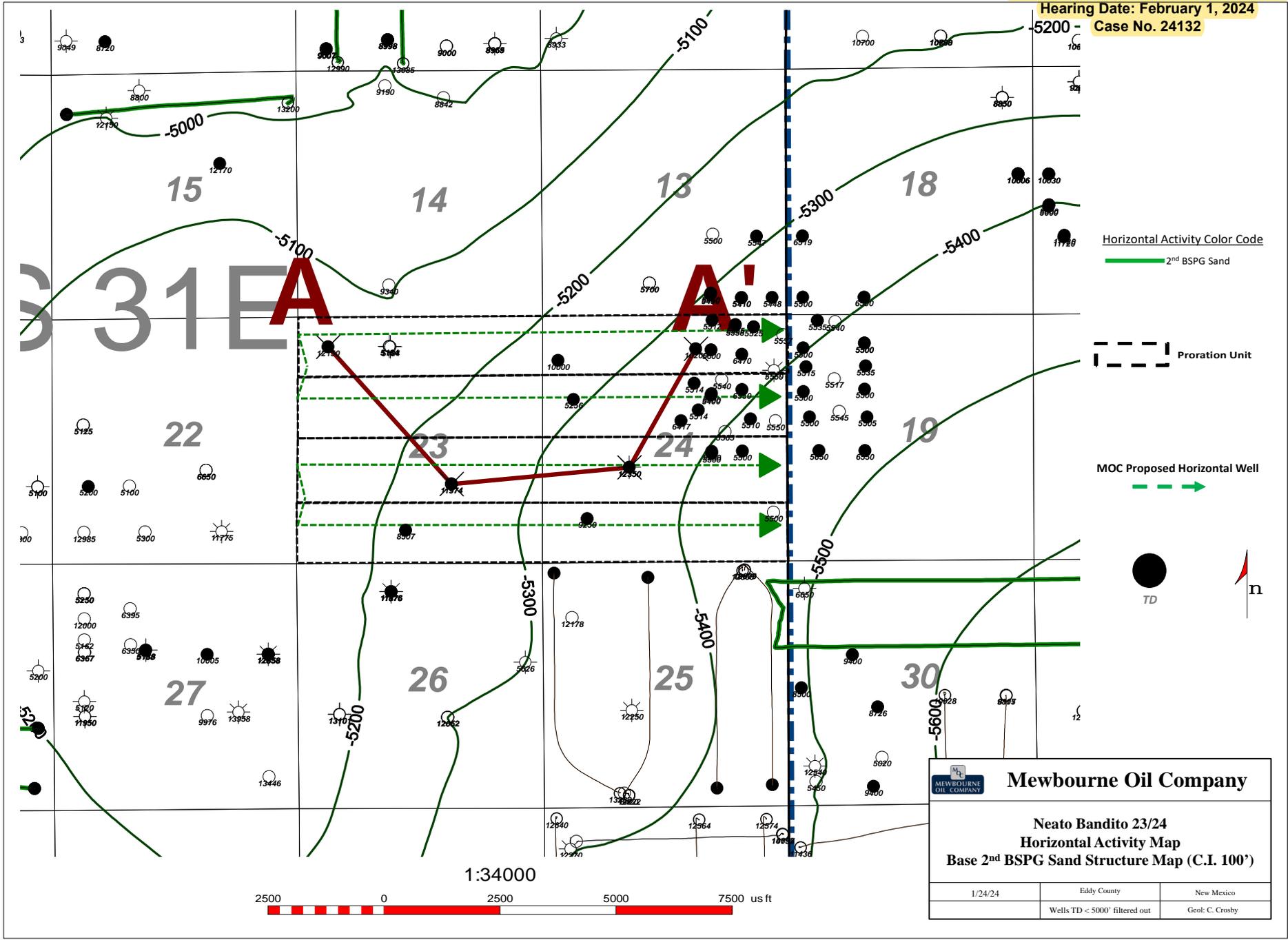
Mewbourne Oil Company

Neato Bandito 23/24
Regional Locator Map

1/24/2024	Eddy & Lea County	New Mexico
	New Mexico	Geol. C. Crosby

Exhibit No. D-2 Submitted by: Mewbourne Oil Company

Hearing Date: February 1, 2024 Case No. 24132



Mewbourne Oil Company

**Neato Bandito 23/24
Horizontal Activity Map
Base 2nd BSPG Sand Structure Map (C.I. 100')**

1/24/24	Eddy County	New Mexico
	Wells TD < 5000' filtered out	Geol. C. Crosby

A
W

A'
E

30015349250000 MEWBOURNE OIL CO GERONIMO 23 FEDERAL 1 Datum=3695.00 1650 FSL 1960 FWL TWP- 18 S - Range 31 E - Sec. 23	3973 ft	30015304480000 SANTA FE ENERGY RESERVICES SHUGART 23 FEDERAL 1 Datum=3695.00 1650 FSL 1960 FWL TWP- 18 S - Range 31 E - Sec. 23	3847 ft	30015345010000 MEWBOURNE OIL CO GERONIMO 24 FEDERAL 1 Datum=3723.00 1980 FSL 1950 FWL TWP- 18 S - Range 31 E - Sec. 24	2925 ft	30015254460000 EXP OPERATING LLC EAST SHUGART DELAWARE UNIT 4 Datum=3730.00 NW NE TWP- 18 S - Range 31 E - Sec. 24
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23D

23J

24K

24B

500

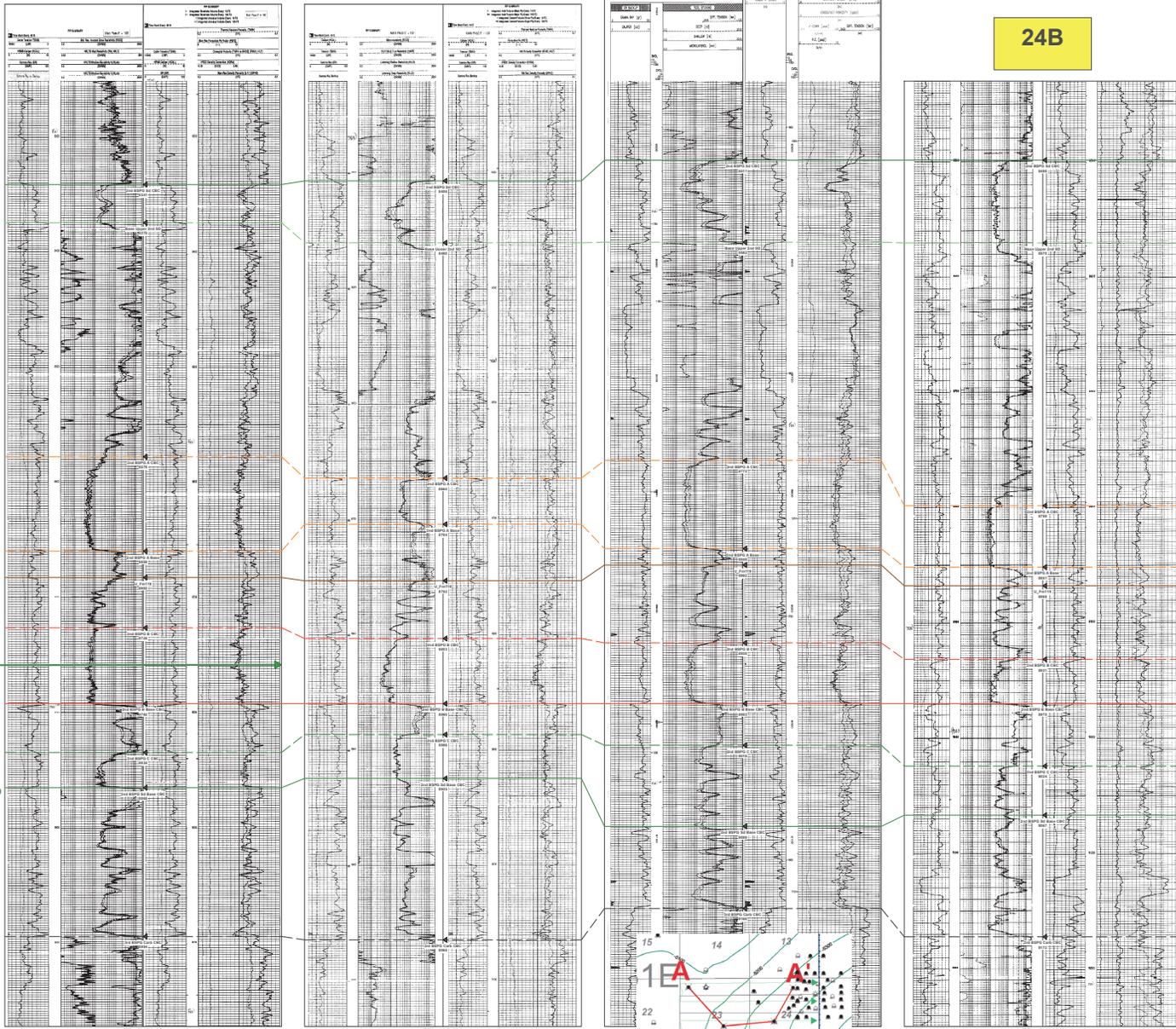
500

Top 2nd BSPG SD

Neato Bandito 2nd BSPG SD Target

Base 2nd BSPG SD

Top 3rd BSPG Carbonate



Neato Bandito 23/24 2nd BSPG SD Cross Section Exhibit (A-A')

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

APPLICATION OF MEWBOURNE OIL
COMPANY FOR APPROVAL OF AN OVERLAPPING
NON-STANDARD 1,280-ACRE HORIZONTAL
WELL SPACING UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 24132

SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE

1. I am attorney in fact and authorized representative of Mewbourne Oil Company (“Mewbourne”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto. Notice was provided for both the compulsory pooling and approval of an overlapping non-standard well spacing unit.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of January 26, 2024.

5. I caused a notice to be published to all parties subject to this compulsory pooling proceeding, and for approval of an overlapping non-standard well spacing unit. An affidavit of publication from the publication’s legal clerk with a copy of the notice publication is attached herein.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that

69: CF9`H<9`C=@7 CBG9FJ5HCB`8-J-G-CB`
GUbHJ: YZBYk `A YI Jw
91 \ Jv]hBc"9
Gi Va JHx`Vm`A Yk Vci fbY`C]`7 ca dUbm
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7 UgY`Bc" & (% &

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.



Paula M. Vance

1/29/2024

Date



Paula M. Vance
Associate
Phone (505) 988-4421
Email pmvance@hollandhart.com

January 12, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS AND APPROVAL OF THE OVERLAPPING SPACING UNIT

Re: Application of Mewbourne Oil Company for Approval of an Overlapping 1,260-acre Non-Standard Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico: Neato Bandito 23/24 Fed Com 511H, 513H, 515H, and 517H wells

Greetings:

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 February 1, 2024, and the status of the hearing can be monitored through the Division’s website at <http://www.emnrd.nm.gov/ocd/>.

The State of New Mexico Oil Conservation Division hearing will be held in a hybrid format with both in-person and virtual participation options. The hearing will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Ave., Santa Fe, New Mexico, starting at 8:15 a.m. Virtual access to the Division’s public hearing is available as follows: <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 Ariana Rodrigues at (432) 682-3715, or at arodrigues@mewbourne.com.

Sincerely,

Paula M. Vance
ATTORNEY FOR MEWBOURNE OIL COMPANY

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

MOC - Neato Bandito 511H, 513H, 515H, 517H wells - Case no. 24132 CP
 Postal Delivery Report

9414811898765493412761	Chevron USA Inc. Attn Scott Sabrsula	1400 Smith St	Houston	TX	77002-7327	Your item arrived at the HOUSTON, TX 77002 post office at 10:38 am on January 19, 2024 and is ready for pickup.
9414811898765493412723	Chevron USA Inc. Attn Land Department	6301 Deauville	Midland	TX	79706-2964	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765493412709	Zpz Delaware I LLC Attn Leslie Mullin	2000 Post Oak Blvd Ste 100	Houston	TX	77056-4497	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765493412792	Occidental Permian Limited Partnership, Oxy US Attn Jonathan Gonzales	5 Greenway Plz	Houston	TX	77046-0526	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on January 19, 2024 at 5:43 pm.
9414811898765493412730	Devon Production Company Lp Attn Permian Land Manager	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.



Paula M. Vance
Associate
Phone (505) 988-4421
Email pmvance@hollandhart.com

January 12, 2024

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

**TO ALL WORKING INTEREST OWNERS IN THE AGREAGE AFFECTED BY
PROPOSED OVERLAPPING SPACING UNIT**

Re: Notice of Overlapping Spacing Unit
Tamano; Bone Spring Pool [58040]
Neato Bandito wells
Sections 23 and 24, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico

To Whom It May Concern:

Mewbourne Oil Company has proposed the Neato Bandito wells for the development of the Tamano; Bone Spring Pool [58040]. This letter is to advise you that this proposed development plan will require the formation of the following 1,260-acre spacing unit:

Neato Bandito 23/24 Fed Com #511H
Sections 23 and 24, T18S-R31E, NMPM, Eddy County, New Mexico
SHL: 1,080' FNL & 205' FWL (Section 23)
BHL: 350' FNL & 100' FEL (Section 24)
TVD: Approximately 8,736'
Target Interval: Second Bone Spring

Neato Bandito 23/24 Fed Com #513H
Sections 23 and 24, T18S-R31E, NMPM, Eddy County, New Mexico
SHL: 1,100' FNL & 205' FWL (Section 23)
BHL: 1750' FNL & 100' FEL (Section 24)
TVD: Approximately 8,773'
Target Interval: Second Bone Spring

Neato Bandito 23/24 Fed Com #515H
Sections 23 and 24, T18S-R31E, NMPM, Eddy County, New Mexico
SHL: 1,420' FSL & 205' FWL (Section 23)
BHL: 2,050' FSL & 100' FEL (Section 24)
TVD: Approximately 8,768'
Target Interval: Second Bone Spring

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming



Paula M. Vance
Associate
Phone (505) 988-4421
Email pmvance@hollandhart.com

Neato Bandito 23/24 Fed Com #517H
Sections 23 and 24, T18S-R31E, NMPM, Eddy County, New Mexico
SHL: 1,400' FSL & 205' FWL (Section 23)
BHL: 750' FSL & 100' FEL (Section 24)
TVD: Approximately 8,760'
Target Interval: Second Bone Spring

The proposed 1,260-acre spacing unit will overlap the following existing spacing unit and wells:

NW/4 SE/4 of Section 23, T18S-R31E, NMPM, Eddy County, New Mexico
Shugart '23' Federal #001 (API: 30-015-3-30448)
Producing from: Bone Spring

NW/4 NW/4 of Section 24, T18S-R31E, NMPM, Eddy County, New Mexico
Gandhi Federal #001 (API: 30-015-26243)
Producing from: Bone Spring

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

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

Sincerely,

Paula M. Vance
ATTORNEY FOR MEWBOURNE OIL COMPANY

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
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Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

MOC - Neato Bandito 511H, 513H, 515H, 517H wells - Case no. 24132
Overlapping Postal Delivery Report

9214 8901 9403 8344 7912 53	PENROC OIL CORP PO BOX 2769 HOBBS NM 88241-2769	Delivered Signature Received
9214 8901 9403 8344 7912 60	RAYBAW OPERATING LLC 2626 COLE AVENUE SUITE 300 DALLAS TX 75204	Delivered Signature Received



Paula M. Vance
Associate
Phone (505) 988-4421
Email pmvance@hollandhart.com

January 12, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES TO THE GEOGRAPHIC OFFSET

Re: Application of Mewbourne Oil Company for Approval of an Overlapping 1,260-acre Non-Standard Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico: Neato Bandito 23/24 Fed Com 511H, 513H, 515H, and 517H wells

Greetings:

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 February 1, 2024, and the status of the hearing can be monitored through the Division’s website at <http://www.emnrd.nm.gov/ocd/>.

The State of New Mexico Oil Conservation Division hearing will be held in a hybrid format with both in-person and virtual participation options. The hearing will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Ave., Santa Fe, New Mexico, starting at 8:15 a.m. Virtual access to the Division’s public hearing is available as follows: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

Your interest is not being pooled by this application. 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 Ariana Rodrigues at (432) 682-3715, or at arodrigues@mewbourne.com.

Sincerely,

Paula M. Vance
ATTORNEY FOR MEWBOURNE OIL COMPANY

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110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

MOC - 511H, 513H, 515H, 517H wells - Case no. 24132 NSP
Postal Delivery Report

9414811898765493412778	Bureau Of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Your item was delivered to an individual at the address at 3:30 pm on January 17, 2024 in SANTA FE, NM 87508.
9414811898765493412686	Judah Oil LLC	PO Box 568	Artesia	NM	88211-0568	Your item was picked up at the post office at 10:27 am on January 17, 2024 in ARTESIA, NM 88210.
9414811898765493412679	G & C Operating, LLC	PO Box 1618	Artesia	NM	88211-1618	Your item was picked up at the post office at 2:35 pm on January 17, 2024 in ARTESIA, NM 88210.
9414811898765493412150	Pride Energy Company Attn Matthew Pride	PO Box 701950	Tulsa	OK	74170-1950	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765493412914	Extex Operating Company	5065 Westheimer Rd Ste 625	Houston	TX	77056-5606	Your item arrived at our NORTH HOUSTON TX DISTRIBUTION CENTER destination facility on January 25, 2024 at 8:42 am. The item is currently in transit to the destination.
9414811898765493412969	Matador Production Company Attn NM Permian Land Manager	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765493412921	Raybaw Operating, LLC Attn NM Permian Land Manager	2626 Cole Ave Ste 300	Dallas	TX	75204-1094	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765493412990	Devon Energy Production Company, L.P.	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765493412983	Chevron USA Inc. Attn Scott Sabrsula	1400 Smith St	Houston	TX	77002-7327	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.

MOC - 511H, 513H, 515H, 517H wells - Case no. 24132 NSP
 Postal Delivery Report

9414811898765493412976	Chevron USA Inc. Attn Land Department	6301 Deauville	Midland	TX	79706-2964	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765493412662	Bxp Operating, LLC	11757 Katy Fwy Ste 475	Houston	TX	77079-1761	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77079 on January 19, 2024 at 2:14 pm.
9414811898765493412600	Colgate Operating, LLC	300 N Marienfeld St Ste 1000	Midland	TX	79701-4688	Your item was delivered to an individual at the address at 1:49 pm on January 16, 2024 in MIDLAND, TX 79701.

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005874118

This is not an invoice

HOLLAND AND HART
PO BOX 2208

SANTA FE, NM 87504-2208

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

01/18/2024

Russell Jacobs
Legal Clerk

Subscribed and sworn before me this January 18,
2024:

Kathleen Allen

State of WI, County of Brown
NOTARY PUBLIC

1-2-25

My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005874118
PO #: Neato Eddy
of Affidavits 1

This is not an invoice

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: Mewbourne Oil Company
Hearing Date: February 1, 2024
Case No. 24132

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following cases. The hearings will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform (sign-in information below) on Thursday, February 1, 2024, beginning at 8:15 a.m. To participate in the hearings, see the instructions posted below. The docket may be viewed at <https://www.emnr.dnm.gov/ocd/hearing-info/> or obtained from Sheila Apodaca, at Sheila.Apodaca@emnrd.nm.gov. Documents filed in these cases may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Sheila Apodaca at Sheila.Apodaca@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than January 22, 2024.

Persons may view and participate in the hearings through the following link: <https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mebd90f968526fc5f785d1ce1df6f8879>

Webinar number: 2480 175 1754

Join by video system: Dial [24801751754](tel:24801751754)@nmemnrd.webex.com

You can also dial 173.243.2.68 and enter your webinar number.

Join by phone: 1-844-992-4726 United States Toll Free +1-408-418-9388 United States Toll

Access code: 2480 175 1754

Panelist password:
JQjGcxpM862 (57542976
from phones and video systems)

STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All affected interest owners, including: Chevron USA Inc.; ZPZ Delaware I LLC; Occidental Permian Limited Partnership, OXY USA WTP, LP; Bureau of Land Management; Extex Operating Company; Mator Production Company; Raybaw Operating, LLC; Devon Energy Production Company, L.P.; BXP Operating, LLC; Colgate Operating, LLC; Judah Oil LLC; G & C Operating, LLC, and Pride Energy Company.

Case No. 24132: Application of Mewbourne Oil Company for Approval of an Overlapping 1,260-acre Non-Standard Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving an overlapping 1,280-acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation underlying the Sections 23 and 24, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico and (b) pooling all uncommitted interests in this acreage. This spacing unit will be initially dedicated to the proposed **Neato Bandito 23/24 Fed Com 511H**, to be drilled horizontally from a surface location and first take point in the NW/4 NW/4 (Unit D) of Section 23 and a last take point in the NE/4 NE/4 (Unit A) of Section 24; **Neato Bandito 23/24 Fed Com 513H**, to be drilled horizontally from a surface location and first take point in the NW/4 NW/4 (Unit D) of Section 23 and a last take point in the SE/4 NE/4 (Unit H) of Section 24; **Neato Bandito 23/24 Fed Com 515H**, to be drilled horizontally from a surface location and first take point in

the NW/4 SW/4 (Unit L) of Section 23 and a last take point in the NE/4 SE/4 (Unit I) of Section 24; and **Neato Bandito 23/24 Fed Com 517H**, to be drilled horizontally from a surface location and first take point in the NW/4 SW/4 (Unit L) of Section 23 and a last take point in the SE/4 SE/4 (Unit P) of Section 24. The proposed horizontal well spacing unit will overlap the following existing Bone Spring vertical spacing units:

- 40-acre vertical well spacing unit comprised of the SE/4 SW/4 of Section 23 dedicated to Mewbourne's Geronimo 23 Federal Com #002 (API: 30-015-35163);
- 40-acre vertical well spacing unit comprised of the NW/4 SE/4 of Section 23 dedicated to RAYBAW Operating, LLC's Shugart 23 Federal Com #001 (API: 30-015-30448);
- 40-acre vertical well spacing unit comprised of the SW/4 SW/4 of Section 24 dedicated to Mewbourne's Geronimo 24 Federal Com #002 (API: 30-015-35016); and
- 40-acre vertical well spacing unit comprised of the NW/4 NW/4 of Section 24 dedicated to Penroc Oil Corp's Gandhi Federal #001 (API: 30-015-26243).

Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs 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 10 miles southwest of Maljamar, New Mexico. #5874118, Current Argus, 18, 2024