

CASE NO. 24048

**APPLICATION OF MEWBOURNE OIL COMPANY TO AMEND ORDER NO. R-21986
FOR COMPULSORY POOLING AND APPROVING OVERLAPPING WELL UNITS,
EDDY COUNTY, NEW MEXICO**

EXHIBITS (REVISED)

1. Order No. R-21986
2. Landman's Affidavit
 - 2-A: Plat
 - 2-B: Summary of Interests and Parties Being Pooled
 - 2-C: Summary of Communications and Proposal Letter
 - 2-D: AFE
3. Affidavit of Mailing
 - 4-A: Notice Letter and Return Receipts (Working Interest)
 - 4-B: Notice Letter and Return Receipts (Overlapping Well Units)
4. Affidavit of Publication
5. Application and Proposed Notice

JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
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jamesbruc@aol.com

April 5, 2024

NOTICE OF FILING A REVISED EXHIBIT PACKAGE

Case No. 24048

This revised exhibit package is filed to include Exhibit 2-B, a Summary of Interests and Parties Being Pooled.

Due to this additional exhibit, the Summary of Communications and Proposal Letter (original Exhibit 2-B), is now marked as Exhibit 2-C, and the AFE (original Exhibit 2-C), is now marked as Exhibit 2-D.



James Bruce
Attorney for Mewbourne Oil Company

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
MEWBOURNE OIL COMPANY**

**CASE NO. 22192
ORDER NO. R-21986**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on January 6, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Mewbounre Oil Company ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

EXHIBIT

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

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ORDER NO. R-21986

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well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


ADRIENNE SANDOVAL
DIRECTOR
AES/jag

Date: 1/26/2022

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Exhibit A

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COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case:	22192
Date:	October 7, 2021
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No.14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Journey 11/12 wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Malaga; Bone Spring/Pool Code 42800
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	East-West
Description: TRS/County	S/2S/2 §11 and S/2S/2 §12-24S-28E, NMPPM, Eddy County
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	
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Journey 11/12 B1MP Fed. Com. Well No. 1H API No. 30-015-48095 SHL: 1,605' FSL & 250' FWL §11 BHL: 500' FSL & 100' FEL §12 FTP: 500' FSL & 100' FWL §11 LTP: 500' FSL & 100' FEL §12 1 st Bone Spring/TVD 7,497 feet/MD 17,513 feet

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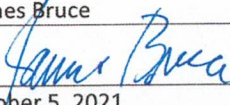
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Horizontal Well First and Last Pore Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2, page 2
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 5
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-B
Pooled Parties (including ownership type)	Exhibit 2-B
Unlocatable Parties to be Pooled	Not applicable
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2-B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D
Cost Estimate for Production Facilities	Exhibit 2-D
Geology	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 2-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-C
Well Orientation (with rationale)	Standup/Exhibit 3
Target Formation	Exhibit 3-C <i>BONE SPRING</i>
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit 2-A
Tracts	Exhibit 2-A
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B

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General Location Map (including Basin)	Exhibit 2-A	Page 30 of 30
Well Bore Location Map	Exhibit 2-A	
Structure Contour Map - Subsea Depth	Exhibit 3-A	
Cross Section Location Map (including wells)	Exhibit 3-C	
Cross Section (including Landing Zone)	Exhibit 3-C	
Additional Information		
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.		
Printed Name (Attorney or Party Representative):	James Bruce	
Signed Name (Attorney or Party Representative):		
Date:	October 5, 2021	

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF MEWBOURNE OIL COMPANY
TO AMEND ORDER NO. R-21986 FOR COMPULSORY
POOLING AND APPROVING OVERLAPPING WELL
UNITS, EDDY COUNTY, NEW MEXICO.**

Case No. 24048

VERIFIED STATEMENT OF CARSON CULLEN

Carson Cullen deposes and states:

1. I am a landman for Mewbourne Oil Company ("Mewbourne"), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.
2. The purpose of this application is to force pool additional working interest and mineral owners into the Bone Spring horizontal spacing unit described below.
3. The interest owners being pooled have been contacted regarding the proposed wells but have simply refused to voluntarily commit their interests to the wells. Some interest owners are or may be unlocatable.
4. In this case Mewbourne Oil Company seeks an order amending Order No. R-21986 to pool all uncommitted mineral interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the S/2S/2 of Section 11 and the S/2S/2 of Section 12, Township 24 South, Range 28 East, NMPM. The unit is dedicated to the Journey 11/12 B1MP Fee Well No. 1H, with a first take point in the SW/4SW/4 of Section 11 and a last take point in the SE/4SE/4 of Section 12. Applicant also requests approval for the above well to overlap the Journey 11 B2MP Fee Well No. 1H, located in the S/2S/2 of Section 11, Township 24 South, Range 28 East, N.M.P.M. That well is operated by applicant. The prior order is submitted as Exhibit 1.
5. There are no depth severances in the Bone Spring formation.
6. Land plats and information on the parties being pooled and their interests are set forth in Exhibit 2-A. To find the addresses for the parties we examined county and government records, and also conducted internet searches including google and drillinginfo.

EXHIBIT

2

7. Exhibit 2-B contains a summary of contacts with the interest owners, together with a sample copy of the proposal letters sent to them.

8. Mewbourne has made a good faith effort to locate or obtain the voluntary joinder of the working interest and mineral owners in the proposed wells.

9. Exhibit 2-C contains the Authorization for Expenditure for each proposed well. The estimated cost of the wells set forth therein are fair and reasonable, and are comparable to the costs of other wells of similar depth and length drilled in this area of Eddy County.

10. Mewbourne requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Eddy County. They are also the rates set forth in the Joint Operating Agreement for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

11. Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.


12. Applicant requests that it be designated operator of the wells.

13. The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.

14. The granting of this application is in the interests of conservation and the prevention of waste.

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 14 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.

1-2-2024
Date


Carson Cullen

Fee
Journey 11-12 B1MP Fed COM #1H
Sections 11 (S/2S/2) & 12 (S/2S/2), T25S, R28E
EDDY COUNTY, NM

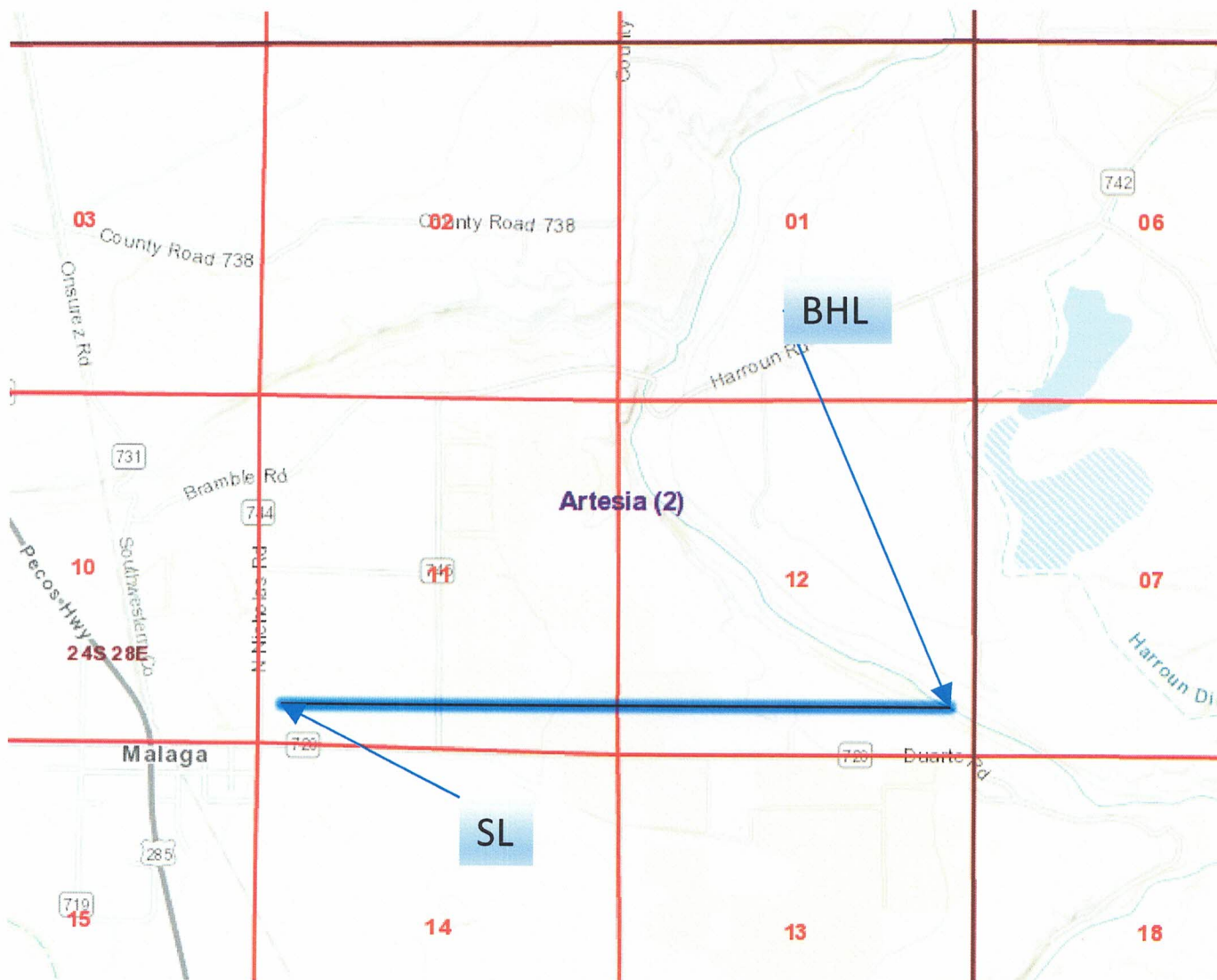


EXHIBIT *2-A*

SUMMARY OF INTERESTS
Journey 11/12 B1MP Fed. Com. Well No. 1H
Journey 11/12 W0LI Fed. Com. Well No. 2H
Eddy County, New Mexico

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, <i>et al.</i> 500 West Texas, Ste. 1020 Midland, Texas 79701	99.996875%

*Boys Club of America 1275 Peachtree Street NE Atlanta, Georgia 30309-0356	00.003125%
--	------------

100.000000%

***Total interest being pooled: 00.003125%**

EXHIBIT

2.C

Summary of Communications

Journey 11-12 B2LI Fed Com #1H

Journey 11-12 W0LI Fed Com #2H

Journey 11-12 B1MP Fee #1H

Journey 11 B2MP Fee #1H

Journey 11 W0MP Fee #1H

Boys Club of America

- 1) 09/5/2023 – Well proposals and AFE's sent via electronic mail.
- 2) 11/1/2023 – Sent multiple emails and made phone calls to various people within the organization and have received no reply.

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

September 11, 2023

Via Fed Ex Overnight

Boys Club of America
1275 Peachtree St. NE
Atlanta, GA 30309-3506

Re: Journey 11 B2MP FEE #1H
Journey 11 W0MP FEE #1H
Journey 11-12 B2LI FED COM #1H
Journey 11-12 W0LI FED COM #2H
S/2 of Section 11 & Section 12, T24S, R28E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640-acre Working Interest Unit ("WIU") covering all of the above captioned acreage in Sections 11 & 12 for oil and gas production. Our title shows that Boys Club of America owns ("BCA") owns an interest in the SW/4SW/4 of Section 11 (1 net acre). BCA would own a 0.15625% working interest in the proposed WIU.

Mewbourne Oil Company hereby proposes drilling the following wells:

Journey 11 B2MP Fee #1H

Surface Location: 1015' FSL & 265' FWL, Sec. 11
Bottom Hole Location: 500' FSL & 100' FEL, Sec. 11
Proposed Total Vertical Depth: 8352'
Proposed Total Measured Depth: 13040'
Target: Bone Spring

Journey 11/12 B1MP Fee #1H

Surface Location: 1075' FSL & 265' FWL, Sec. 11
Bottom Hole Location: 500' FSL & 100' FEL, Sec. 12
Proposed Total Vertical Depth: 7500'
Proposed Total Measured Depth: 17750'
Target: Bone Spring

Journey 11/12 B2LI Fee #1H

Surface Location: 1035' FSL & 265' FWL, Sec. 11
Bottom Hole Location: 2140' FSL & 100' FEL, Sec. 12
Proposed Total Vertical Depth: 8462'
Proposed Total Measured Depth: 18355'
Target: Bone Spring

Journey 11 W0MP Fed Com #1H

Surface Location: 995' FSL & 265' FWL, Sec. 11
Bottom Hole Location: 2140' FSL & 100' FEL, Sec. 11
Proposed Total Vertical Depth: 9690'
Proposed Total Measured Depth: 14180'
Target: Wolfcamp

Journey 11/12 W0LI Fed Com #2H

Surface Location: 1055' FSL & 265' FWL, Sec. 11
Bottom Hole Location: 2200' FSL & 330' FEL, Sec. 12
Proposed Total Vertical Depth: 9787'
Proposed Total Measured Depth: 19800'
Target: Wolfcamp

Regarding the above enclosed for your further handling is our AFE's for the above referenced proposed wells. A response is requested within thirty (30) days in order to timely complete this unit.

The BCA mineral interest is unleased currently. I would like to negotiate an oil, gas, and mineral lease as an alternative to BCA participating in this unit.

Please email me at ccullen@mewbourne.com or call me at (432) 682-3715 at your earliest convenience.

Very truly yours,

MEWBOURNE OIL COMPANY

Carson J. Cullen

Carson Cullen
Landman

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: JOURNEY 11/12 B1MP FEE #1H		Prospect: 1ST BSS	
Location: SL: 1605' FSL & 250' FWL (11); BHL: 500' FSL & 100' FEL (12)		County: Eddy ST: NM	
Sec. 11/12	Bk:	Survey:	TWP: 24S RNG: 28E Prop. TVD: 7497 TMD: 17513

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$8,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$50,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$18,800
Daywork / Turnkey / Footage Drilling 18 days drlg / 3 days comp @ \$18,550/d		0180-0110	\$356,600	0180-0210	\$59,400
Fuel 1700 gal/day @ \$1.60/gal		0180-0114	\$52,300	0180-0214	\$313,500
Alternate Fuels		0180-0115		0180-0215	
Mud, Chemical & Additives		0180-0120	\$70,000	0180-0220	
Mud - Specialized		0180-0121	\$110,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$30,000
Cementing		0180-0125	\$80,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,300	0180-0230	\$266,900
Casing / Tubing / Snubbing Service		0180-0134	\$18,000	0180-0234	\$40,000
Mud Logging		0180-0137	\$30,000		
Stimulation 49 Stg 20MM gal & 20MM lbs				0180-0241	\$1,325,000
Stimulation Rentals & Other				0180-0242	\$180,000
Water & Other		0180-0145	\$35,000	0180-0245	\$406,900
Bits		0180-0148	\$74,800	0180-0248	\$5,000
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	\$80,000		
Transportation		0180-0165	\$30,000	0180-0265	\$15,000
Welding, Construction, & Maint. Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$30,400	0180-0270	\$55,300
Directional Services Includes vertical control		0180-0175	\$232,300		
Equipment Rental		0180-0180	\$123,500	0180-0280	\$20,600
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,100	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$10,000
Damages		0180-0190	\$50,000	0180-0290	
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	
Company Supervision		0180-0195	\$114,000	0180-0295	\$81,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 2% (TCP) 2% (CC)		0180-0199	\$36,800	0180-0299	\$63,500
TOTAL			\$1,878,100		\$3,240,400

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 550' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft		0181-0794	\$18,900		
Casing (8.1" - 10.0") 2610' - 9 5/8" 40# HCL80 LT&C @ \$25.77/ft		0181-0795	\$71,800		
Casing (6.1" - 8.0") 7580.88' - 7" 29# HCP-110 LT&C @ \$24.50/ft		0181-0796	\$198,400		
Casing (4.1" - 6.0") 10750' - 4 1/2" 13.5# P-110 BPN @ \$13.75/ft				0181-0797	\$157,900
Tubing 6742' - 2 7/8" 6.5# EUE tbg @ \$7.82/ft				0181-0798	\$56,300
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$40,000
Horizontal Completion Tools Completion liner hanger				0181-0871	\$70,000
Subsurface Equip. & Artificial Lift Packer				0181-0880	\$25,000
Pumping Unit Systems				0181-0885	
Service Pumps (1/2) TP/CP/circ. pump				0181-0886	\$10,700
Storage Tanks (1/3) 6 - 750 bbl/5 - 750 bbl coated/1 - GB				0181-0890	\$88,300
Emissions Control Equipment (1/3) VRTs/VRU/KOs				0181-0892	\$66,800
Separation / Treating Equipment (1/3) horz. sep./vert. sep./HT				0181-0895	\$103,300
Automation / Metering Equipment				0181-0898	\$37,500
Line Pipe & Valves - Gathering (1/3) 1 mile gas & water				0181-0900	\$66,800
Fittings / Valves & Accessories				0181-0906	\$200,000
Cathodic Protection				0181-0908	\$3,800
Electrical Installation				0181-0909	\$68,800
Equipment Installation				0181-0910	\$62,500
Pipeline Construction (1/3) 1 mile gas & water				0181-0920	\$100,400
TOTAL			\$324,100		\$1,158,100
SUBTOTAL			\$2,202,200		\$4,398,500
TOTAL WELL COST			\$6,600,700		

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: H. Buckley Date: 03/11/2021

Company Approval: Date:

Joint Owner Interest: Amount:

Joint Owner Name: Signature:

EXHIBIT 2.D

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

**APPLICATION OF MEWBOURNE OIL COMPANY
TO AMEND ORDER NO. R-21986 FOR COMPULSORY
POOLING AND APPROVING OVERLAPPING WELL
UNITS, EDDY COUNTY, NEW MEXICO.**

Case No. 24048

SELF-AFFIRMED STATEMENT OF NOTICE

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

James Bruce deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Mewbourne Oil Company.
3. Mewbourne Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibits 3-A and 3-B.
5. Applicant has complied with the notice provisions of Division Rules.

I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 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: 3/19/24


James Bruce

EXHIBIT

3

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

December 13, 2023

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of five applications, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company ("Mewbourne"), requesting the following relief:

- (a) Case No. 24047: Mewbourne seeks an order amending Order No. R-21985 for compulsory pooling to pool all uncommitted mineral interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the N/2S/2 of Section 11 and the N/2S/2 of Section 12, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the Journey 11/12 B1LI Fed. Com. Well No. 1H and the Journey 11/12 B2LI Fed. Com. Well No. 1H, with first take points in the NW/4SW/4 of Section 11 and last take points in the NE/4SE/4 of Section 12;
- (b) Case No. 24048: Mewbourne seeks an order amending Order No. R-21986 to pool all uncommitted mineral interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the S/2S/2 of Section 11 and the S/2S/2 of Section 12, Township 24 South, Range 28 East, NMPM. The unit is dedicated to the Journey 11/12 B1MP Fee Well No. 1H, with a first take point in the SW/4SW/4 of Section 11 and a last take point in the SE/4SE/4 of Section 12. Applicant requests approval for the above well to overlap the Journey 11 B2MP Fee Well No. 1H, located in the S/2S/2 of Section 11, Township 24 South, Range 28 East, N.M.P.M. That well is operated by Mewbourne;
- (c) Case No. 24049: Mewbourne seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a 160-acre horizontal spacing unit comprised of the S/2S/2 of Section 11, Township 24 South, Range 28 East, NMPM. The unit is dedicated to the Journey 11 B2MP Fee Well No. 1H, with a first take point in the SW/4SW/4 and a last take point in the SE/4SE/4 of Section 11. Also to be considered will be the cost of drilling, completing, testing and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, testing, and equipping the well. Applicant requests approval for the above well to overlap the Journey 11/12 B1MP Fee Well No. 1H, located in the

EXHIBIT 3-A

S/2S/2 of Section 11 and the S/2S/2 of Section 12, Township 24 South, Range 28 East, N.M.P.M. That well is operated by Mewbourne;

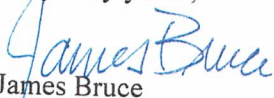
(d) Case No. 24050: Mewbourne seeks an order amending Order No. R-21902 and pooling all uncommitted mineral interests in the Wolfcamp formation underlying a 640-acre horizontal spacing unit comprised of the S/2 of Section 11 and the S/2 of Section 12, Township 24 South, Range 28 East, NMPM. The unit is dedicated to the Journey 11/12 WOLI Fed. Com. Well No. 2H, with a first take point in the NW/4SW/4 of Section 11 and a final take point in the NE/4SE/4 of Section 12. Applicant requests approval for the above well to overlap the Journey 11 WOMP Fee Well No. 1H, located in the S/2 of Section 11, Township 24 South, Range 28 East, N.M.P.M. That well is operated by Mewbourne; and

(e) Case No. 24051: Mewbourne seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation underlying a 320-acre horizontal spacing unit comprised of the S/2 of Section 11, Township 24 South, Range 28 East, NMPM. The unit is dedicated to the Journey 11 WOMP Fee Well No. 1H, with a first take point in the SW/4SW/4 and a final take point in the SE/4SE/4 of Section 11. Applicant requests approval for the above well to overlap the Journey 11/12 WOLI Fed. Com. Well No. 2H, located in the S/2 of Section 11 and the S/2 of Section 12, Township 24 South, Range 28 East, N.M.P.M. That well is operated by Mewbourne

Also to be considered will be the cost of drilling, completing, testing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, January 4, 2024. During the current circumstances, state buildings are closed to the public and the hearing will be conducted remotely. To view the hearing docket and to determine how to participate in an electronic hearing, go to <https://www.emnrd.nm.gov/ocd/hearing-info/>, or contact Sheila Apodaca at Sheila.Apodaca@emnrd.nm.gov. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than five business days before the hearing date. This statement may be filed online with the Division at ocd.hearings@emnrd.nm.gov, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

Boys Club of America
1275 Peachtree St. NE
Atlanta, Georgia 30309-3506

Charles Wynn Kilgore, III
111 Woodland Rd. East
Kerrville, Texas 78028

Anne C. Conn
2468 State Highway 97E
Floresville, Texas 78114

Melinda Richardson
9003 Vista West Dr. APT. 333
San Antonio, Texas 78245

Priscilla L. Burleson
189 Oak Fields Drive
Floresville, Texas 78114

EXHIBIT

A

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<input type="checkbox"/> Adult Signature Restricted Delivery	\$

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 1275 Peachtree St. NE
 Atlanta, Georgia 30309-3506

Street and Apt. No.

City, State, ZIP+4®

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☒ Addressee

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 ROBERT BARR 12-18-2023

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<input type="checkbox"/> Collect on Delivery Restricted Delivery	

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Journey Domestic Return Receipt

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

February 29, 2024

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

EXHIBIT 3-B

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of five applications, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company ("Mewbourne"), requesting the following relief:

- (a) Case No. 24048: Mewbourne seeks an order amending Order No. R-21986 to pool all uncommitted mineral interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the S/2S/2 of Section 11 and the S/2S/2 of Section 12, Township 24 South, Range 28 East, NMPM. The unit is dedicated to the Journey 11/12 B1MP Fee Well No. 1H, with a first take point in the SW/4SW/4 of Section 11 and a last take point in the SE/4SE/4 of Section 12. Applicant requests approval for the above well to overlap the Journey 11 B2MP Fee Well No. 1H, located in the S/2S/2 of Section 11, Township 24 South, Range 28 East, N.M.P.M. That well is operated by Mewbourne;
- (b) Case No. 24049: Mewbourne seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a 160-acre horizontal spacing unit comprised of the S/2S/2 of Section 11, Township 24 South, Range 28 East, NMPM. The unit is dedicated to the Journey 11 B2MP Fee Well No. 1H, with a first take point in the SW/4SW/4 and a last take point in the SE/4SE/4 of Section 11. Also to be considered will be the cost of drilling, completing, testing and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, testing, and equipping the well. Applicant requests approval for the above well to overlap the Journey 11/12 B1MP Fee Well No. 1H, located in the S/2S/2 of Section 11 and the S/2S/2 of Section 12, Township 24 South, Range 28 East, N.M.P.M. That well is operated by Mewbourne;
- (c) Case No. 24050: Mewbourne seeks an order amending Order No. R-21902 and pooling all uncommitted mineral interests in the Wolfcamp formation underlying a 640-acre horizontal spacing unit comprised of the S/2 of Section 11 and the S/2 of Section 12, Township 24 South, Range 28 East, NMPM. The unit is dedicated to the Journey 11/12 WOLI Fed. Com. Well No. 2H, with a first take point in the NW/4SW/4 of Section 11 and a final take point in the NE/4SE/4

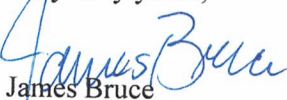
of Section 12. Applicant requests approval for the above well to overlap the Journey 11 W0MP Fee Well No. 1H, located in the S/2 of Section 11, Township 24 South, Range 28 East, N.M.P.M. That well is operated by Mewbourne; and

(d) Case No. 24051: Mewbourne seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation underlying a 320-acre horizontal spacing unit comprised of the S/2 of Section 11, Township 24 South, Range 28 East, NMPM. The unit is dedicated to the Journey 11 W0MP Fee Well No. 1H, with a first take point in the SW/4SW/4 and a final take point in the SE/4SE/4 of Section 11. Applicant requests approval for the above well to overlap the Journey 11/12 W0LI Fed. Com. Well No. 2H, located in the S/2 of Section 11 and the S/2 of Section 12, Township 24 South, Range 28 East, N.M.P.M. That well is operated by Mewbourne.

YOU ARE BEING NOTIFIED ONLY AS TO THE OVERLAPPING WELL UNITS.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, March 21, 2024. During the current circumstances, state buildings are closed to the public and the hearing will be conducted remotely. To view the hearing docket and to determine how to participate in an electronic hearing, go to <https://www.emnrd.nm.gov/ocd/hearing-info/>, or contact Sheila Apodaca at Sheila.Apodaca@emnrd.nm.gov. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than five business days before the hearing date. This statement may be filed online with the Division at ocd.hearings@emnrd.nm.gov, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT A

Chevron U.S.A. Inc.
6301 Deauville Boulevard
Midland, Texas 79706

Attention: Permitting Team

OXY USA Inc.
Suite 110
5 Greenway Plaza
Houston, Texas 77046

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☐ Adult Signature Restricted Delivery \$
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6301 Deauville Boulevard
Midland, Texas 79706
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 PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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 Chevron U.S.A. Inc.
 6301 Deauville Boulevard
 Midland, Texas 79706
 Attention: Permitting Team

2. A 7020 0090 0000 0864 4103 Restricted Delivery
 B 4103 Restricted Delivery

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Suite 110
PO Box 5 Greenway Plaza
Houston, Texas 77046
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PROOF OF PUBLICATION

Mr James Bruce
James Bruce Attorney At Law
Pobox 1056
Santa Fe NM 87504

STATE OF WISCONSIN, COUNTY OF BROWN

The Carlsbad Current Argus, a newspaper published in the city of Carlsbad, Eddy County, State of New Mexico, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

03/08/2024

and that the fees charged are legal.

Sworn to and subscribed before on 03/08/2024

Legal Clerk

Notary, State of WI, County of Brown

My commission expires

Publication Cost: \$262.92

Order No: 9935592

Customer No: 1360617

PO #: 24048-24051

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Please do not use this form for payment remittance.

KATHLEEN ALLEN
Notary Public
State of Wisconsin

NOTICE

To: Chevron U.S.A. Inc. and OXY USA Inc., or your successors or assigns: Mewbourne Oil Company has filed four applications with the New Mexico Oil Conservation Division, requesting the following relief:

Case No. 24048: Mewbourne seeks an order amending Order No. R-21986 to pool all uncommitted mineral interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the S/2S/2 of Section 11 and the S/2S/2 of Section 12, Township 24 South, Range 28 East, N.M.P.M. The unit is dedicated to the Journey 11/12 B1MP Fee Well No. 1H, with a first take point in the SW/4SW/4 of Section 11 and a last take point in the SE/4SE/4 of Section 12. Applicant requests approval for the above well to overlap the Journey 11 B2MP Fee Well No. 1H, located in the S/2S/2 of Section 11, Township 24 South, Range 28 East, N.M.P.M. That well is operated by Mewbourne;

Case No. 24049: Mewbourne seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a 160-acre horizontal spacing unit comprised of the S/2S/2 of Section 11, Township 24 South, Range 28 East, N.M.P.M. The unit is dedicated to the Journey 11 B2MP Fee Well No. 1H, with a first take point in the SW/4SW/4 and a last take point in the SE/4SE/4 of Section 11. Also to be considered will be the cost of drilling, completing, testing and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, testing, and equipping the well. Applicant requests approval for the above well to overlap the Journey 11/12 B1MP Fee Well No. 1H, located in the S/2S/2 of Section 11 and the S/2S/2 of Section 12, Township 24 South, Range 28 East, N.M.P.M. That well is operated by Mewbourne;

Case No. 24050: Mewbourne seeks an order amending Order No. R-21902 and pooling all uncommitted mineral interests in the Wolfcamp formation underlying a 640-acre horizontal spacing unit comprised of the S/2 of Section 11 and the S/2 of Section 12, Township 24 South, Range 28 East, N.M.P.M. The unit is dedicated to the Journey 11/12 W01 Fed. Com. Well No. 2H, with a first take point in the NW/4SW/4 of Section 11 and a final take point in the NE/4SE/4 of Section 12. Applicant requests approval for the above well to overlap the Journey 11 W0MP Fee Well No. 1H, located in the S/2 of Section 11, Township 24 South, Range 28 East, N.M.P.M. That well is operated by Mewbourne; and

Case No. 24051: Mewbourne seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation underlying a 320-acre horizontal spacing unit comprised of the S/2 of Section 11, Township 24 South, Range 28 East, N.M.P.M. The unit is dedicated to the Journey 11 W0MP Fee Well No. 1H, with a first take point in the SW/4SW/4 and a final take point in the SE/4SE/4 of Section 11. Applicant requests approval for the above well to overlap the Journey 11/12 W01 Fed. Com. Well No. 2H, located in the S/2 of Section 11 and the S/2 of Section 12, Township 24 South, Range 28 East, N.M.P.M. That well is operated by Mewbourne.

YOU ARE BEING NOTIFIED ONLY AS TO THE OVERLAPPING WELL UNIT PORTIONS OF THE APPLICATIONS.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, March 21, 2024. The hearing may be attended (a) in person in Pecos Hall of the Wendell Chino Building, 1st Floor, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, or (b) via the WebEx virtual meeting platform. To view the hearing docket and to determine how to participate in an electronic hearing, go to <https://www.emnrd.nm.gov/ocd/hearing-info/>, or contact Sheila Apodaca at Sheila.Apodaca@emnrd.nm.gov. You are not required to attend this hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than five business days before the hearing date. This statement may be filed online with the Division at ocd.hearings@emnrd.nm.gov, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the attorney for applicant, James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, jamesbruce@aol.com. The units are located approximately, New Mexico, #9935592, Current Argus, March 8, 2024

EXHIBIT

4

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**APPLICATION OF MEWBOURNE OIL COMPANY
TO AMEND ORDER NO. R-21986 FOR COMPULSORY
POOLING AND APPROVING OVERLAPPING WELL
UNITS, EDDY COUNTY, NEW MEXICO.**Case No. 24048**APPLICATION**

Mewbourne Oil Company applies for an order amending Order No. R-21986 and pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the S/2S/2 of Section 11 and the S/2S/2 of Section 12, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the S/2S/2 of Section 11 and the S/2S/2 of Section 12, and has the right to drill a well or wells thereon.
2. Applicant has drilled the Journey 11/12 B1MP Fee Well No. 1H to a depth sufficient to test the Bone Spring formation, with a first take point in the SW/4SW/4 of Section 11 and a last take point in the SE/4SE/4 of Section 12.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2S/2 of Section 11 and the S/2S/2 of Section 12 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all uncommitted mineral interest owners in the Bone

EXHIBIT 5

Spring formation underlying the S/2S/2 of Section 11 and the S/2S/2 of Section 12, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying the S/2S/2 of Section 11 and the S/2S/2 of Section 12 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. Applicant requests approval for the above well to overlap the Journey 11 B2MP Fee Well No. 1H, located in the S/2S/2 of Section 11, Township 24 South, Range 28 East, N.M.P.M. That well is operated by applicant.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Amending Order No. R-21896 and pooling all uncommitted mineral interest owners in the Bone Spring formation (Malaga; Bone Spring Pool/Pool Code 42800) underlying the S/2S/2 of Section 11 and the S/2S/2 of Section 12;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling, completing, testing, and equipping the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. Setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the well in the event a working interest owner elects not to participate in the well; and
- F. Approving the overlapping well units.

Respectfully submitted,



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

Attorney for Mewbourne Oil Company

Application of Mewbourne Oil Company to amend Order No. R-21986 for compulsory pooling, and approving overlapping well units, Eddy County, New Mexico. Mewbourne Oil Company seeks an order amending Order No. R-21986 to pool all uncommitted mineral interest owners in the Bone Spring formation underlying a 320-acre horizontal spacing unit comprised of the S/2S/2 of Section 11 and the S/2S/2 of Section 12, Township 24 South, Range 28 East, NMPM. The unit is dedicated to the Journey 11/12 B1MP Fee Well No. 1H, with a first take point in the SW/4SW/4 of Section 11 and a last take point in the SE/4SE/4 of Section 12. Also to be considered will be the cost of drilling, completing, testing and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, testing, and equipping the well. Applicant requests approval for the above well to overlap the Journey 11 B2MP Fee Well No. 1H, located in the S/2S/2 of Section 11, Township 24 South, Range 28 East, N.M.P.M. That well is operated by applicant. The unit is located approximately approximately 1-1/2 miles east-northeast of Malaga, New Mexico.