

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING MAY 16, 2024**

**CASE NO. 24403**

*SIG 6/5 FED COM #714H*

**EDDY COUNTY, NEW MEXICO**



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

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

**CASE NO. 24403**

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

<b>Case: 24403</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>May 16, 2024</b>
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 COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	N/A
Well Family	Sig 6/5
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Burton Flat Upper Wolfcamp [98315]
Well Location Setback Rules:	Statewide rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horiztonal
Size (Acres)	309.88-acre
Building Blocks:	40 acres
Orientation:	West to East
Description: TRS/County	Lot 5, SE/4 NW/4, S/2 NE/4 of irregular Section 6 (S/2 N/2 equivalent) and S/2 N/2 of irregular Section 5, Township 20 South, Range 29 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?	
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C-3
<b>Well(s)</b>	<b>BEFORE THE OIL CONSERVATION DIVISION</b>
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed Santa Fe, New Mexico Exhibit No. A Submitted by: Mewbourne Oil Company Hearing Date: May 16, 2024 Case No. 24403

Well #1 Received by OCD: 5/14/2024 4:54:17 PM	<u>Sig 6/5 Fed Com 714H well</u> SHL: 2,000' FNL, 80' FWL (Lot 5) of Section 6 BHL: 1,750' FNL, 100' FEL (Unit H) of Section 5 Target: Wolfcamp Orientation: West-East Completion: Standard	Page 4 of 2
Horizontal Well First and Last Take Points	Exhibit C-1	
Completion Target (Formation, TVD and MD)	Exhibit C-3	
<b>AFE Capex and Operating Costs</b>		
Drilling Supervision/Month \$	\$8,000	
Production Supervision/Month \$	\$800	
Justification for Supervision Costs	Exhibit C	
Requested Risk Charge	200%	
<b>Notice of Hearing</b>		
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	
<b>Ownership Determination</b>		
Land Ownership Schematic of the Spacing Unit	Exhibit C-2	
Tract List (including lease numbers and owners)	Exhibit C-2	
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A	
Pooled Parties (including ownership type)	Exhibit C-2	
Unlocatable Parties to be Pooled	N/A	
Ownership Depth Severance (including percentage above & below)	N/A	
<b>Joinder</b>		
Sample Copy of Proposal Letter	Exhibit C-3	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-2	
Chronology of Contact with Non-Joined Working Interests	Exhibit C-3	
Overhead Rates In Proposal Letter	Exhibit C-3	
Cost Estimate to Drill and Complete	Exhibit C-3	
Cost Estimate to Equip Well	Exhibit C-3	
Cost Estimate for Production Facilities	Exhibit C-3	
<b>Geology</b>		
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
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-2
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
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Paula M. Vance
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	5/14/2024

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

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

CASE NO. 24403

APPLICATION

Mewbourne Oil Company (“Mewbourne” or “Applicant”) (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral owners in the Wolfcamp formation underlying a standard 309.88-acre, more or less, horizontal well spacing unit comprised of Lot 5, SE/4 NW/4, S/2 NE/4 of irregular Section 6 (S/2 N/2 equivalent) and S/2 N/2 of irregular Section 5, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of its application, Mewbourne states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Sig 6/5 Fed Com #714H** well, to be horizontally drilled from a surface location in Lot 5 (SW/4 NW/4 equivalent) of irregular Section 6, with a first take point in Lot 5 (SW/4 NW/4 equivalent) of irregular Section 6 and a last take point in the SE/4 NE/4 (Unit H) of irregular Section 5.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

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4. The pooling of uncommitted mineral owners will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 2, 2024, and, after notice and hearing as required by law, the Division enter an order:

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

Respectfully submitted,

HOLLAND & HART LLP

By: \_\_\_\_\_

Michael H. Feldewert  
Adam G. Rankin  
Paula M. Vance  
Post Office Box 2208  
Santa Fe, NM 87504  
505-988-4421  
505-983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
pmvance@hollandhart.com

**ATTORNEYS FOR MEWBOURNE OIL COMPANY**

**CASE \_\_\_\_\_:**     **Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Wolfcamp formation underlying a standard 309.88-acre, more or less, horizontal well spacing unit comprised of Lot 5, SE/4 NW/4, S/2 NE/4 of irregular Section 6 (S/2 N/2 equivalent) and S/2 N/2 of irregular Section 5, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Sig 6/5 Fed Com #714H** well, to be horizontally drilled from a surface location in Lot 5 (SW/4 NW/4 equivalent) of irregular Section 6, with a first take point in Lot 5 (SW/4 NW/4 equivalent) of irregular Section 6 and a last take point in the SE/4 NE/4 (Unit H) of irregular Section 5. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14.5 miles northeast of Carlsbad, New Mexico.

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
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**APPLICATION OF MEWBOURNE OIL  
COMPANY FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24403**

**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. 24403**, Mewbourne seeks an order pooling all uncommitted mineral owners in the Wolfcamp formation underlying a standard 309.88-acre, more or less, horizontal well spacing unit comprised of Lot 5, SE/4 NW/4, S/2 NE/4 of irregular Section 6 (S/2 N/2 equivalent) and S/2 N/2 of irregular Section 5, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. Mewbourne seeks to initially dedicate this Wolfcamp spacing unit to the proposed **Sig 6/5 Fed Com #714H** well, to be horizontally drilled from a surface location in Lot 5 (SW/4 NW/4 equivalent) of irregular Section 6, with a first take point in Lot 5 (SW/4 NW/4

equivalent) of irregular Section 6 and a last take point in the SE/4 NE/4 (Unit H) of irregular Section 5.

6. **Mewbourne Exhibit C-1** contains a draft Form C-102 for the well. This form demonstrates that the completed interval for the well will comply with statewide setbacks for oil wells. The exhibit shows that the well will be assigned to the Burton Flat Upper Wolfcamp East Oil [98315].

7. **Mewbourne Exhibit C-2** 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.

8. **Mewbourne Exhibit C-3** 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.

9. Mewbourne requests that the overhead and administrative costs for drilling and producing the proposed well be set at \$8,000 per month while drilling and \$800 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

10. **Mewbourne Exhibit C-4** 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.

11. 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.

12. **Mewbourne Exhibits C-1 through C-4** 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.

  
\_\_\_\_\_  
Ariana Rodriguez

05/14/2024  
\_\_\_\_\_  
Date

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 98315		<sup>3</sup> Pool Name BURTON FLAT UPPER WOLFCAMP	
<sup>4</sup> Property Code		<sup>5</sup> Property Name SIG 6/5 FED COM			<sup>6</sup> Well Number 714H
<sup>7</sup> GRID NO. 14744		<sup>8</sup> Operator Name MEWBOURNE OIL COMPANY			<sup>9</sup> Elevation 3290'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
5	6	20S	29E		2000	NORTH	80	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	5	20S	29E		1750	NORTH	100	EAST	EDDY

<sup>12</sup> Dedicated Acres 309.88	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

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<p><b>GEODETIC DATA</b>                  NAD 83 GRID - NM EAST  <b>SURFACE LOCATION</b>                  N: 583767.7 - E: 606543.5                  LAT: 32.6046510° N                  LONG: 104.1215823° W  <b>BOTTOM HOLE</b>                  N: 584000.3 - E: 616599.6                  LAT: 32.6052310° N                  LONG: 104.0889243° W</p>	<p><b>CORNER DATA</b>                  NAD 83 GRID - NM EAST                  A: FOUND BRASS CAP "1916"                  N 580365.5 - E 606463.1                  B: FOUND BRASS CAP "1942"                  N 583023.8 - E 606467.5                  C: FOUND BRASS CAP "1916"                  N 585767.2 - E 606452.8                  D: FOUND BRASS CAP "1916"                  N 585757.6 - E 611400.7                  E: FOUND BRASS CAP "1916"                  N 585749.7 - E 616696.7</p>	F: FOUND BRASS CAP "1916" N 583011.3 - E 616701.2 G: FOUND BRASS CAP "1916" N 580365.0 - E 616706.0 H: FOUND BRASS CAP "1916" N 580369.0 - E 614058.1 I: FOUND BRASS CAP "1916" N 580372.5 - E 611413.2 J: FOUND BRASS CAP "1916" N 580368.4 - E 608772.1 K: FOUND BRASS CAP "1916" N 583013.9 - E 611406.8
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**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.*

09/20/2021  
 Date of Survey

Signature and Seal of Professional Surveyor



**19680**  
 Certificate Number

REV: BH MOVE 3/20/24  
 REV: NAME CHANGE 6/6/23

**Job No.: LS21091016R**

**16**

S 89°53'19" E 4949.11'	S 89°54'53" E 5297.22'	S 89°54'53" E 5297.22'	S 89°54'53" E 5297.22'
LOT 4 31.79 Acs.	LOT 3 42.73 Acs.	LOT 2 42.87 Acs.	LOT 1 43.01 Acs.
LOT 4 43.08 Acs.	LOT 3 43.07 Acs.	LOT 2 43.07 Acs.	LOT 1 43.06 Acs.
LOT 5 29.88 Acs.			
S.L. 80'			
LOT 6 29.91 Acs.			
LOT 7 29.95 Acs.			
S 89°55'36" W 2309.57'	S 89°54'42" W 2641.74'	N 89°55'29" W 2645.56'	N 89°54'45" W 2648.46'

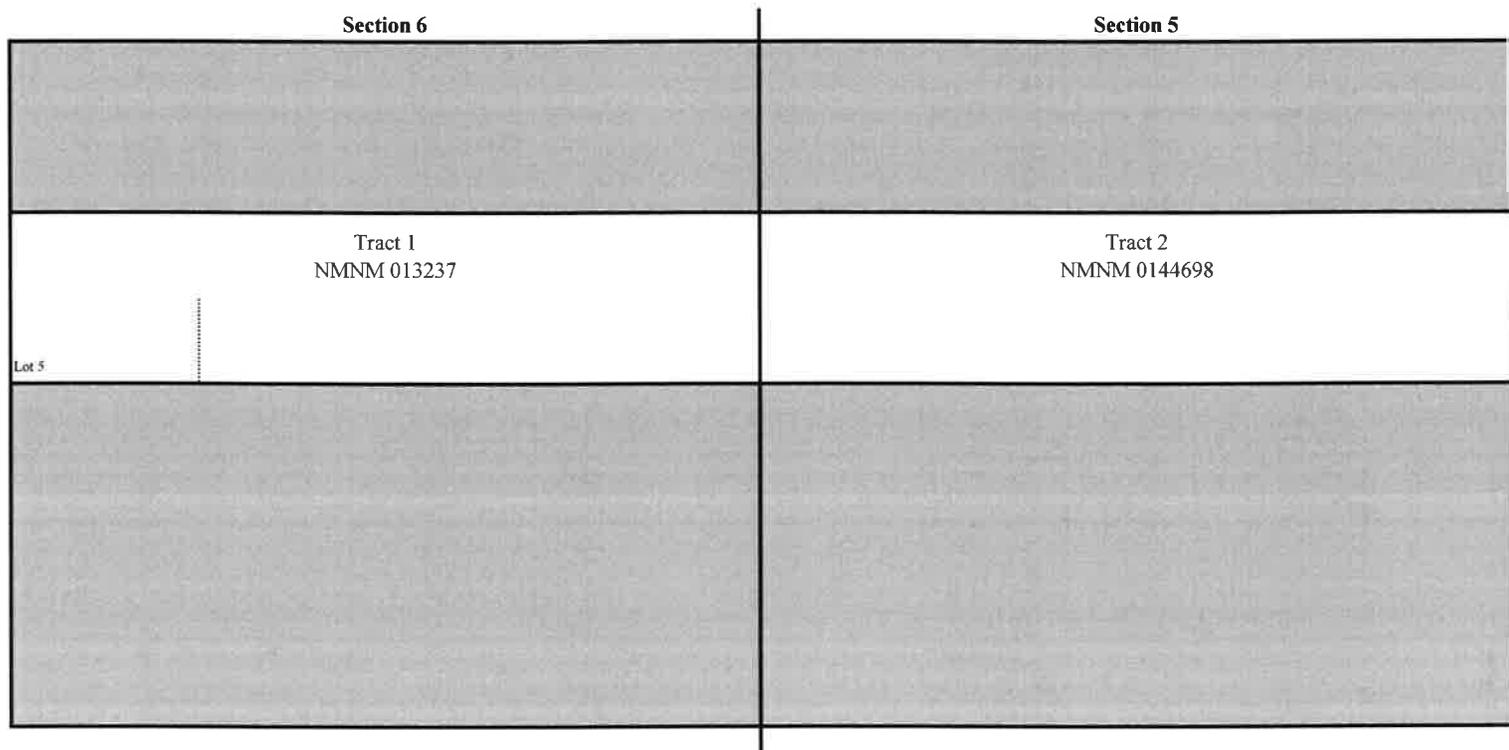
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Received by OCD: 5/14/2024 4:54:17 PM

**Section Plat**  
**Sig 6/5 Fed Com #714H**  
**S2N2 of Section 6 & S2N2 of Section 5**

T20S, R29E, Eddy County, New Mexico

T20S, R29E, Eddy County, New Mexico



**RECAPITULATION**

<b>Tract Number</b>	<b>Number of Acres Committeed</b>	<b>Percentage of Interest in Communitized Area</b>
1	149.88	48.367110%
2	160.00	51.632890%
<b>TOTAL</b>	<b>309.88</b>	<b>100.000000%</b>

**TRACT OWNERSHIP**  
**Sig 6/5 Fed Com #714H**  
**S2N2 of Section 6 & S2N2 of Section 5**  
**T20S, R29E, Eddy County, NM**

**Ownership by Tract**

**Tract 1: S2N2 of Section 6 - Federal Lease NMNM 013237**

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company, et. al.	66.666667%	149.88	99.920000
Marathon Oil Permian, LLC	33.333333%	149.88	49.960000
<b>Total</b>	<b>100.000000%</b>		<b>149.88000</b>

**Tract 2: S2N2 of Section 5 - Federal Lease NMNM 0144698**

Entity/Individual	Interest	Gross Acres	Net Acres
Mewbourne Oil Company, et. al.	45.989790%	160.00	73.583664
Magnum Hunter Production, Inc.	54.010210%	160.00	86.416336
<b>Total</b>	<b>100.000000%</b>		<b>160.00000</b>

**Spacing Unit Ownership**

Owners	Percentage	
Mewbourne Oil Company, et. al.	55.990598%	173.503664
Marathon Oil Permian, LLC*	16.122370%	49.960000
Magnum Hunter Production, Inc.*	27.887032%	86.416336
<b>Total</b>	<b>100.000000%</b>	<b>309.88000</b>

\*Parties highlighted in Red are being pooled                      **Total Interest Being Pooled:**                      **44.009402%**

**MEWBOURNE OIL COMPANY**

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

March 27, 2024

Certified Mail

«Owners»  
«Attn»  
«Address\_Line\_1»  
«Address\_Line\_2»  
«City», «State» «Zip\_Code»

Re: Well Proposals – Section 5 & 6, T20S, R29E, Eddy County, NM  
Sig 6/5 Fed Com #713H  
Sig 6/5 Fed Com #714H

Ladies and Gentlemen:

After further evaluation, Mewbourne Oil Company (“Mewbourne”), as Operator, hereby retracts that certain well proposal dated January 30, 2024 and replaces it with the following.

Now, pursuant to that certain Operating Agreement dated May 15, 2022, Mewbourne hereby proposes drilling the following horizontal wells:

- 1) API #30-015-53454 - **Sig 6/5 Fed Com #713H** (previously W0DA)  
Surface Location: 1980’ FNL & 80’ FWL (Section 6)  
Bottom Hole Location: 650’ FNL & 100’ FEL (Section 5)  
Proposed Total Vertical Depth: 9217’  
Proposed Total Measured Depth: 19100’  
Target: Wolfcamp
- 2) API #30-015-53454 - **Sig 6/5 Fed Com #714H** (previously W0EH)  
Surface Location: 2000’ FNL & 80’ FWL (Section 6)  
Bottom Hole Location: 1750’ FNL & 100’ FEL (Section 5)  
Proposed Total Vertical Depth: 9220’  
Proposed Total Measured Depth: 19050’  
Target: Wolfcamp

The wells are planned to be pad drilled using one rig with the first well tentatively planned to spud in May 2024. **In the event you elect to participate in the proposed wells, please execute the enclosed AFEs before returning them to the undersigned within thirty (30) days. Please enclose your most current well information requirements so that we may supply well data when available.**

Also enclosed regarding the Sig 6/5 Fed Com #714H, please find the Federal Communitization Agreement for your review and execution. I have provided extra signature and acknowledgement pages for your execution. The stapled agreement is your copy to keep. **Please have two (2) sets of signature and acknowledgment pages executed before mailing it back to my attention to the address on the letterhead above.**

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

Enclosures

# MEWBOURNE OIL COMPANY

## AUTHORIZATION FOR EXPENDITURE

Well Name:	SIG 6/5 FED COM #714H (W0EH)	Prospect:	Sig 6/5
Location:	SL: 2000 FNL & 80 FWL (6); BHL: 1750 FNL & 100 FEL (5)	County:	Eddy ST: NM
Sec.:	6	Blk.:	
Survey:		TWP:	20S
		RNG:	29E
		Prop. TVD:	9220
		TMD:	19050

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$25,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$150,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$200,000	0180-0206	\$100,000
Daywork / Turnkey / Footage Drilling 20 days drlg / 3 days comp @ \$28000/d	0180-0110	\$598,100	0180-0210	\$89,700
Fuel 1700 gal/day @ \$3.9/gal	0180-0114	\$141,600	0180-0214	\$202,000
Alternate Fuels	0180-0115		0180-0215	\$72,000
Mud, Chemical & Additives	0180-0120	\$55,000	0180-0220	
Mud - Specialized	0180-0121	\$180,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$200,000
Stimulation Toe Preparation			0180-0223	\$25,000
Cementing	0180-0125	\$205,000	0180-0225	\$55,000
Logging & Wireline Services	0180-0130	\$30,900	0180-0230	\$305,000
Casing / Tubing / Snubbing Services	0180-0134	\$45,000	0180-0234	\$15,000
Mud Logging	0180-0137	\$15,000		
Stimulation 51 Stg 20.2 MM gal / 20.2 MM lb			0180-0241	\$2,279,000
Stimulation Rentals & Other			0180-0242	\$232,000
Water & Other 100% PW f/ San Mateo/MOC/Waterbridge @ \$0	0180-0145	\$35,000	0180-0245	\$200,000
Bits	0180-0148	\$85,400	0180-0248	
Inspection & Repair Services	0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services	0180-0154		0180-0254	\$10,000
Testing & Flowback Services	0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig			0180-0260	\$10,500
Rig Mobilization	0180-0164	\$154,000		
Transportation	0180-0165	\$30,000	0180-0265	\$65,000
Welding, Construction & Maint. Services	0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision	0180-0170	\$142,500	0180-0270	\$70,000
Directional Services Includes Vertical Control	0180-0175	\$450,000		
Equipment Rental	0180-0180	\$152,500	0180-0280	\$25,000
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$4,900	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	\$90,000	0180-0295	\$39,600
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)	0180-0199	\$144,400	0180-0299	\$205,500
<b>TOTAL</b>		<b>\$3,032,300</b>		<b>\$4,315,300</b>

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
Casing (19.1" - 30") 400' - 20" 94# J-55 BTC @ \$106.37/ft	0181-0793	\$45,400		
Casing (10.1" - 19.0") 1200' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft	0181-0794	\$61,400		
Casing (8.1" - 10.0") 3000' - 9 5/8" 40# HCL80 LT&C @ \$39.18/ft	0181-0795	\$125,500		
Casing (6.1" - 8.0") 9400' - 7" 29# HPP110 BT&C @ \$35.79/ft	0181-0796	\$359,300		
Casing (4.1" - 6.0") 10450' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$20.13/ft			0181-0797	\$224,700
Tubing 8700' - 3 1/2" 9.2# L-80 IPC Tbg @ \$13.75/ft			0181-0798	\$127,800
Drilling Head	0181-0860	\$50,000		
Tubing Head & Upper Section			0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger			0181-0871	\$70,000
Subsurface Equip. & Artificial Lift			0181-0880	\$25,000
Service Pumps (1/10) TP/CP/CIRC PUMP			0181-0886	\$4,000
Storage Tanks (1/10) (8)OT/(5)WT/(1)GB			0181-0890	\$47,000
Emissions Control Equipment (1/10) (4)VRT/(2)VRU/(1)FLARE/(3)KO/(1)AIR			0181-0892	\$48,000
Separation / Treating Equipment (1/10) (2)BULK H SEP/(3)TEST H SEP/(1)V SEP/(3)VHT/(1)H			0181-0895	\$45,000
Automation Metering Equipment			0181-0898	\$58,000
Oil/Gas Pipeline-Pipe/Valves&Misc			0181-0900	\$20,000
Water Pipeline-Pipe/Valves & Misc			0181-0901	\$6,000
On-site Valves/Fittings/Lines&Misc			0181-0906	\$76,000
Wellhead Flowlines - Construction			0181-0907	\$106,000
Cathodic Protection			0181-0908	
Electrical Installation			0181-0909	\$163,000
Equipment Installation			0181-0910	\$55,000
Oil/Gas Pipeline - Construction			0181-0920	\$28,000
Water Pipeline - Construction			0181-0921	\$4,000
<b>TOTAL</b>		<b>\$641,600</b>		<b>\$1,137,500</b>
<b>SUBTOTAL</b>		<b>\$3,673,900</b>		<b>\$5,452,800</b>

**TOTAL WELL COST \$9,126,700**

**Insurance procured for the Joint Account by Operator**

**Opt-in.** I elect to be covered by Operator's Extra Expense, Commercial General Liability, Pollution Legal Liability, and Excess/Umbrella Insurance Policies, and will pay my proportionate share of the premiums associated with these insurance coverages through joint account billings.

**Opt-out.** I elect to purchase my own policies for well control and other insurance requirements, or to self-insure (if applicable). By opting-out, I recognize I will be responsible for my own coverage and will not be afforded protection under operator's policies.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's insurance.

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

Prepared by: Ryan McDaniel Date: 3/13/2024

Company Approval: *m. whittier* Date: 3/13/2024

Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_

Joint Owner Name: \_\_\_\_\_ Signature: \_\_\_\_\_

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**Summary of Communications**  
**Sig 6/5 Fed Com #714H**  
**S2N2 of Section 6 & S2N2 of Section 5**  
**T20S, R29E, Eddy County, New Mexico**

**Magnum Hunter Production, Inc.:**

- 3/14/2024:** Correspondence with above listed party regarding Working Interest Unit.
- 3/25/2024:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.
- 3/27/2024:** Mailed & Emailed Working Interest Unit and Well Proposal to the above listed party.
- 4/25/2024:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

**Marathon Oil Permian, LLC:**

- 1/30/2024:** Correspondence with above listed party regarding Working Interest Unit.
- 3/27/2024:** Mailed & Emailed Working Interest Unit and Well Proposal to the above listed party.
- 5/14/2024:** Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

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

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

**CASE NO. 24403**

**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 Wolfcamp Y Sand Interval of the Wolfcamp 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 top of the Wolfcamp formation. The contour intervals are 100 feet. The area comprising the proposed spacing unit is outlined in dashed black boxes with the approximate location and orientation of the initial wells noted with a dashed purple arrows. The structure map shows the targeted formation gently dipping to the East/Southeast. The structure appears consistent across the proposed spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D  
Submitted by: Mewbourne Oil Company  
Hearing Date: May 16, 2024  
Case No. 24403

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 red arrow. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

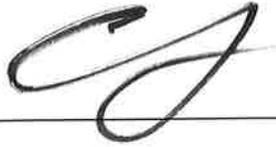
9. In my opinion, laydown orientation of the proposed wells is the appropriate orientation for horizontal well development in this area because it is more near perpendicular to the maximum horizontal stress of the area.

10. Based on my geologic study, the Wolfcamp 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.



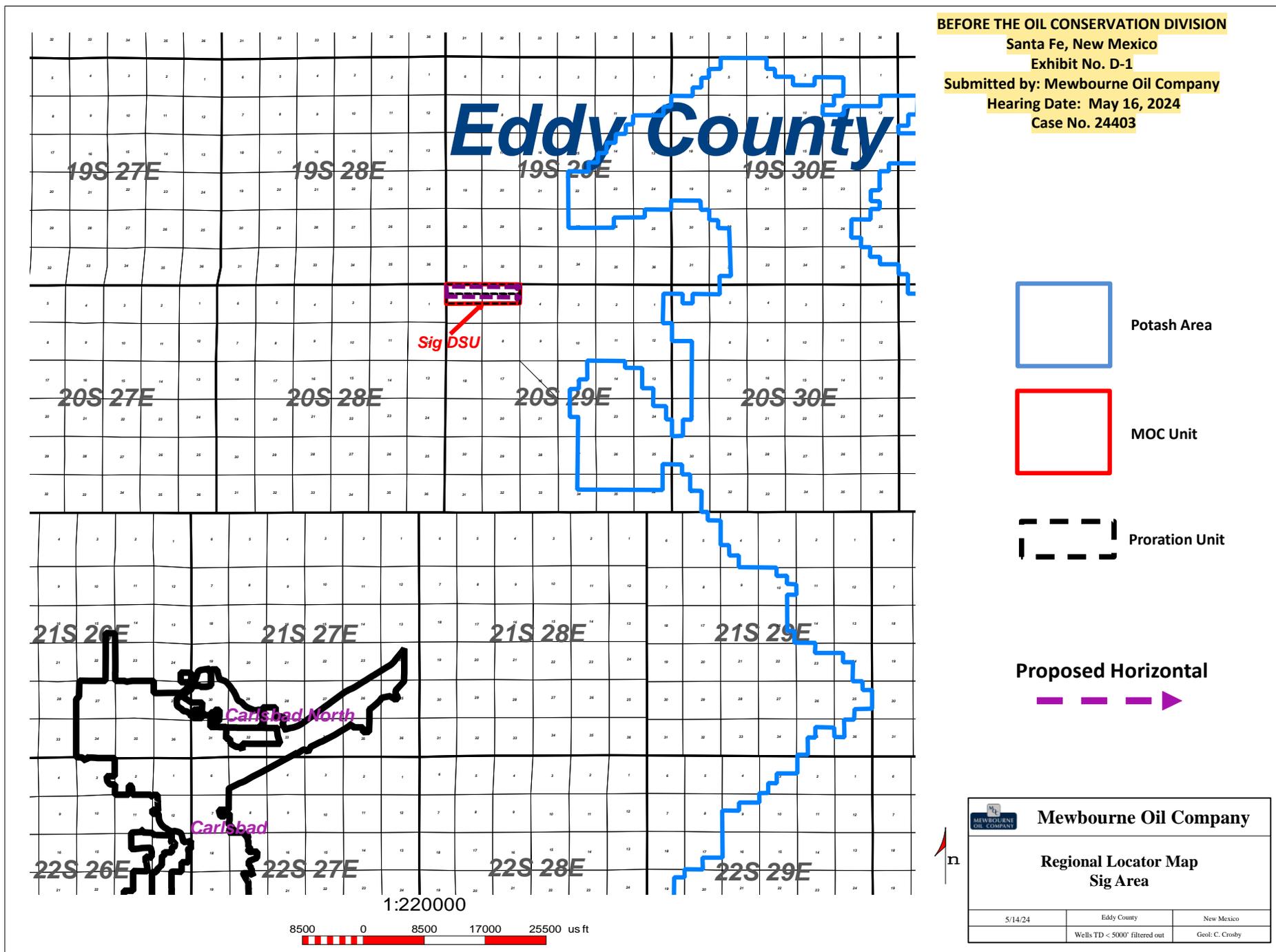
A handwritten signature in black ink, appearing to be 'C Crosby', written over a horizontal line.

Charles Crosby



A handwritten date '5/14/24' in black ink, written over a horizontal line.

Date

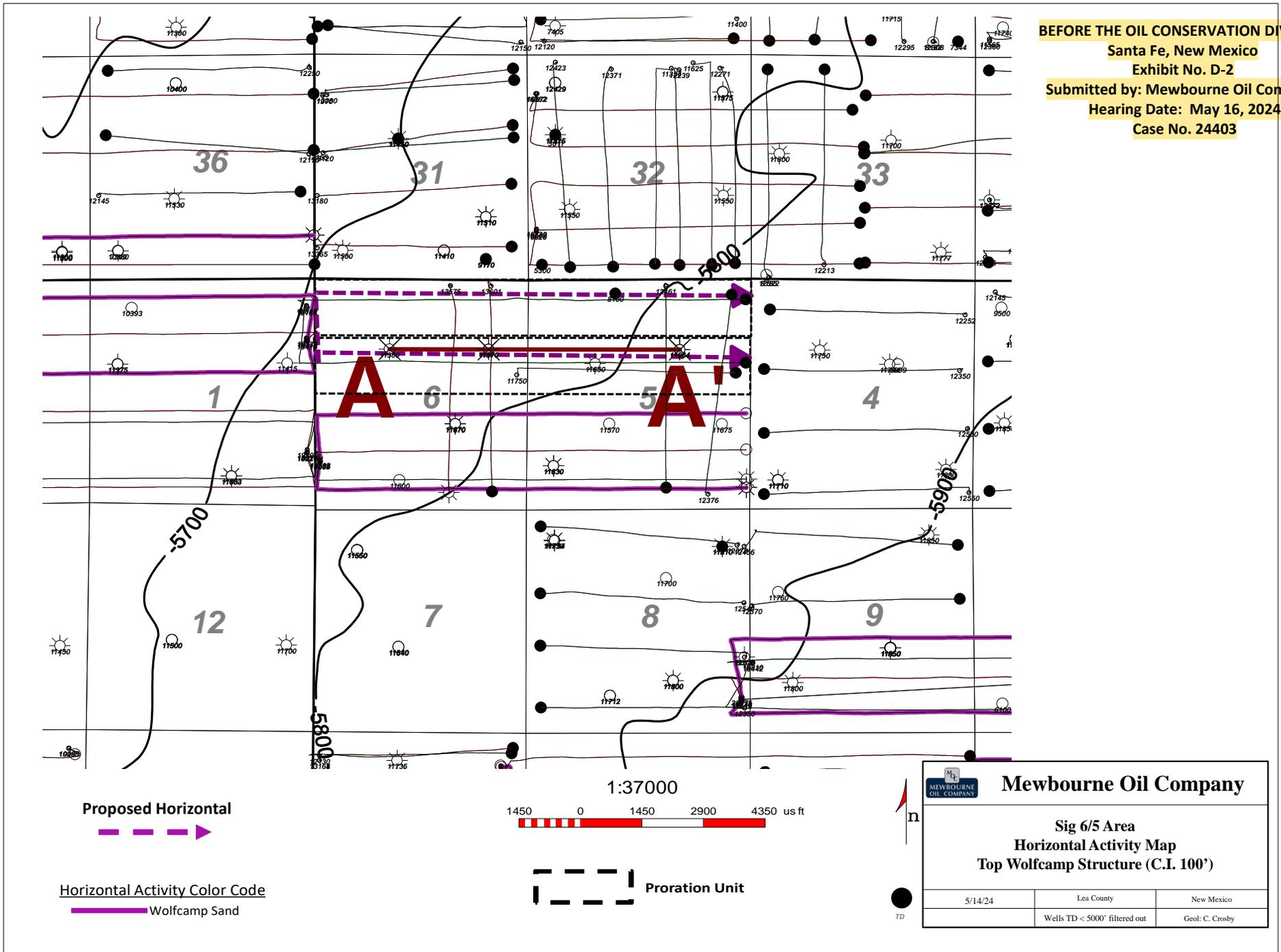


BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. D-1  
 Submitted by: Mewbourne Oil Company  
 Hearing Date: May 16, 2024  
 Case No. 24403

-  Potash Area
-  MOC Unit
-  Proration Unit
-  Proposed Horizontal

 Mewbourne Oil Company		
<b>Regional Locator Map Sig Area</b>		
5/14/24	Eddy County	New Mexico
Wells TD < 5000' filtered out		Geol: C. Crosby

**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**  
**Exhibit No. D-2**  
**Submitted by: Mewbourne Oil Company**  
**Hearing Date: May 16, 2024**  
**Case No. 24403**



A  
W

3001534208000  
MEWBOURNE OIL CO  
RUGER 6 FEDERAL 2  
Datum=3305.00  
1650 FNL 1750 FWL  
TWP: 20 S - Range: 29 E - Sec. 6

2334 ft

3001533905000  
MEWBOURNE OIL CO  
RUGER 6 FEDERAL 1  
Datum=3302.00  
1650 FNL 860 FEL  
TWP: 20 S - Range: 29 E - Sec. 5

4506 ft

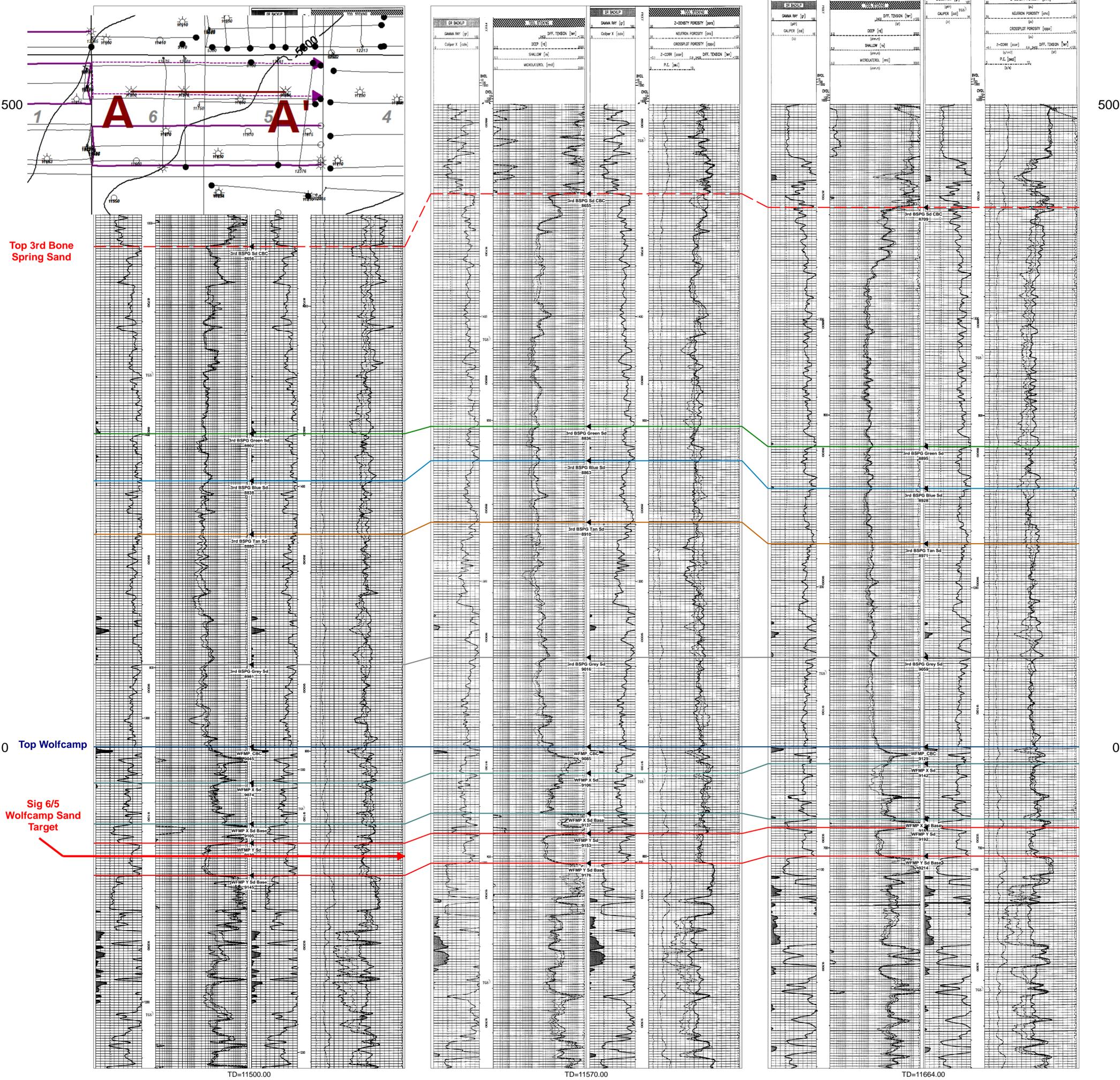
3001533151000  
MEWBOURNE OIL CO  
COLT 5 FEDERAL COM 1  
Datum=3309.00  
1650 FNL 1650 FEL  
TWP: 20 S - Range: 29 E - Sec. 5

A'  
E

6F

6H

5G



Sig 6/5 Wolfcamp Sand  
Cross Section Exhibit (A-A')

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D-3  
Submitted by: Mewbourne Oil Company  
Hearing Date: May 16, 2024  
Case No. 2440

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

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

**CASE NO. 24403**

**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.

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 May 10, 2024.

5. I caused a notice to be published to all parties subject to this request for compulsory pooling proceeding. 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 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.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. E  
Submitted by: Mewbourne Oil Company  
Hearing Date: May 16, 2024  
Case No. 24403**



---

Paula M. Vance

5/14/2024

---

Date



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

April 26, 2024

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Mewbourne Company for Compulsory Pooling, Eddy County,  
New Mexico: Sig 6/5 Fed Com #714H well**

Ladies & Gentlemen:

This letter is to advise you that Mewbourne Oil Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on May 16, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

**It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.**

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact 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 - Sig 713H and 714H wells - Case nos. 24402-24403  
Postal Delivery Report

9214 8901 9403 8359 2988 08	Magnum Hunter Production Inc ATTN: Tristan Walker 6001 Deauville Blvd Midland TX 79706 TX 79706	In-Transit
9214 8901 9403 8359 2988 15	MARATHON OIL PERMIAN LLC ATTN: SHAWN WILLIS 990 TOWN AND COUNTRY BLVD HOUSTON TX 77024	Delivered Signature Received



PO Box 631667 Cincinnati, OH 45263-1667

**AFFIDAVIT OF PUBLICATION**

Holland And Hart  
Holland And Hart  
110 N Guadalupe ST # 1  
Santa Fe NM 87501-1849

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 said and that the notice hereto annexed was Published in said newspapers in the issue:

05/02/2024

and that the fees charged are legal.  
Sworn to and subscribed before on 05/02/2024

Legal Clerk

Notary, State of WI, County of Brown

4-6-27

My commission expires

Publication Cost: \$213.60  
Order No: 10107948 # of Copies:  
Customer No: 1360634 1  
PO #:

**THIS IS NOT AN INVOICE!**

Please do not use this form for payment remittance.

DENISE ROBERTS  
Notary Public  
State of Wisconsin

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, May 16, 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.emnrd.nm.gov/ocd/hearing-info/> or obtained from Sheila Apodaca, at [Sheila.Apodaca@emnrd.nm.gov](mailto: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](mailto:Sheila.Apodaca@emnrd.nm.gov), or the New Mexico Relay Network at 1-800-659-1779, no later than May 7, 2024. Persons may view and participate in the hearings through the following link: <https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m32aaf777e9d082c47d69dd41d9276ffa>. Webinar number: 2486 275 6900. Join by video system: Dial 24862756900@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: 2486 275 6900. Panelist password: PxJVpFrv278 (79587378 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: Magnum Hunter Production, Inc., and Marathon Oil Permian, LLC.  
Case No. 24403: Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Wolfcamp formation underlying a standard 309.88-acre, more or less, horizontal well spacing unit comprised of Lot 5, SE/4 NW/4, S/2 NE/4 of irregular Section 6 (S/2 N/2 equivalent) and S/2 N/2 of irregular Section 5, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Sig #5 Fed Com #714H well, to be horizontally drilled from a surface location in Lot 5 (SW/4 NW/4 equivalent) of irregular Section 6, with a first take point in Lot 5 (SW/4 NW/4 equivalent) of irregular Section 6 and a last take point in the SE/4 NE/4 (Unit H) of irregular Section 5. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14.5 miles northeast of Carlsbad, New Mexico.  
#10107948, Current Argus, May 2, 2024

**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**  
**Exhibit No. F**  
**Submitted by: Mewbourne Oil Company**  
**Hearing Date: May 16, 2024**  
**Case No. 24403**