#### **CASE NO. 24652**

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

#### **EXHIBIT LIST**

- 1. Pooling Checklist
- 2. Landman's Affidavit
  - 2-A: Plat and C-102
    - 2-B: Title Opinion/List of Interest Owners
  - 2-C: Proposal Letter and Summary of Communications
- 3. Geologist's Affidavit
  - 3-A: Structure Map
  - 3-B: Cross-Section
  - 3-C: Horizontal Drilling Plans
- 4. Affidavit of Mailing
  - 4-A: Notice Letter and Green Cards
  - 4-B: Certified Notice Spreadsheet
- 5. Affidavit of Publication
- 6. Application and Proposed Notice

Part 1

COMPULSORY POOLING APPLICATION	
CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24652	APPLICANT'S RESPONSE
Date: July 25, 2024	
Applicant	Mewbourne Oil Company
,	14744
Designated Operator & OGRID (affiliation if applicable)	James Bruce
Applicant's Counsel:  Case Title:	Application of Mewbourne Oil Company for
Case Title:	compulsory pooling, Eddy County, New Mexico
	1
	EXHIBIT
Entries of Appearance/Intervenors:	
Well Family	Sandbox Bone Spring Wells
well railing	Canada a a a a a a a a a a a a a a a a a
Formation/Pool	Bone Spring formation
Formation Name(s) or Vertical Extent:	Bottle Spring formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code (Only if NSP is requested):	
Well Location Setback Rules (Only if NSP is Requested):	
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	East-West

Received by OCD: 7/17/2024 8:09:00 PM	S/2N//2 §12 and S/2N/2 §11, Township 18 South, f 20 Range 30 East, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Not Applicable
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Sandbox 12/11 Fed. Com. Well No. 523H API No. 30-015-54642

Received by OCD: 7/17/2024 8:09:00 PM	Page 4 of 20
Horizontal Well First and Last Take Points	1980 feet FNL and 100 feet FEL §12
Horizontal Well Flist and Last Fake Foliits	1980 feet FNL and 100 feet FWL §11
Completion Target (Formation, TVD and MD)	Second Bone Spring Sand
	TVD 8278 feet, MVD 18520 feet
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	NI/A
Drilling Supervision/Wonth \$	N/A
Production Supervision/Month \$	N/A
Justification for Supervision Costs	N/A
Requested Risk Charge	N/A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 6
1 10posed Notice of Healing	EXIIIDIL O
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
3 ( )	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 5

Received by OCD: 7/17/2024 8:09:00 PM Ownership Determination	Page 5 o
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-B
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	1
Pooled Parties (including ownership type)	Exhibit 2-B/Record Title owners
Unlocatable Parties to be Pooled  Ownership Depth Severance (including percentage above & below)	
	No severance
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 Record Title Interests	Exhibit 2-C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	N/A
Cost Estimate to Equip Well	N/A
Cost Estimate for Production Facilities  Geology	N/A
33.00	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 2-A and Exhibit 3-A

Received by OCD: 7/17/2024 8:09:00 PM	Page 6 of 20
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-B
Well Orientation (with rationale)	Exhibit 3
Target Formation	Second Bone Spring Sand
HSU Cross Section	Exhibit 3-B
Depth Severance Discussion  Forms, Figures and Tables	N/A
Forms, Figures and Tables	
C-102	Exhibit 2-A
C-102	
Tracts	Exhibit 2-B
114453	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B
General Location Map (including basin)	Exhibit 3-A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3-B
Cross Section (including Landing Zone)  Additional Information	Exhibit 3-C
Special Provisions/Stipulations  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):	Jams Bruy
Date:	July 17, 2024
	July 17, 2024

# 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 FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 24652

#### SELF-AFFIRMED STATEMENT OF JOSH ANDERSON

Josh Anderson, being duly sworn upon his oath, 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. Pursuant to Division Rules, the following information is submitted in support of this compulsory pooling application.
- 3. The purpose of this application is to force pool Record Title owners into the Bone Spring horizontal spacing unit described below.
- 4. In this case Mewbourne seeks an order pooling all uncommitted mineral interest (Record Title) owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 12 and the S/2N/2 of Section 11, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the Sandbox 12/11 Fed. Com. Well No. 523H, a horizontal well with a first take point in the SE/4NE/4 of Section 12 and a last take point in the SW/4NW/4 of Section 11.
  - 5. There is no depth severance in the Bone Spring formation.
  - 6. A plat and C-102 outlining the unit being pooled are submitted as Exhibit 2-A.
- 7. Exhibit 2-Bis a portion of a title opinion setting forth the Record Title ownership of federal leases in Sections 11 and 12, as well as their percentage interests. The persons being pooled are highlighted in yellow.
- 8. The interest owners being pooled have been contacted regarding the proposed well unit, but have failed or refused to voluntarily execute a communitization agreement.

EXHIBIT 2

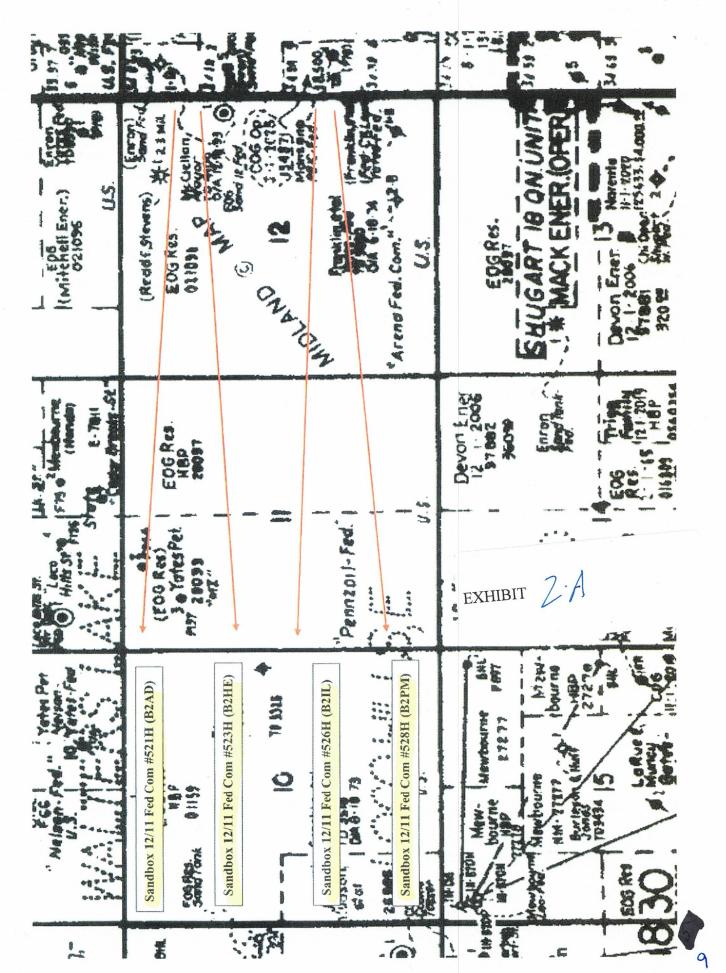
- 9. In order to locate the interest owners, Mewbourne examined the county and federal records, performed internet searches, checked telephone records, and searched Accurint and Whitepages. Mewbourne has made a good faith effort to locate all Record Title owners in the well unit.
- 10. Exhibit 2-C contains a sample copy of the letters sent to the Record Title owners in the well unit. Mewbourne has made a good faith effort to obtain the voluntary joinder of the Record Title interest in the well unit.
- 11. Only Record Title owners of several federal leases are being pooled. This is necessary in order to obtain Bureau of Land Management approval of the communitization agreement for the well and well unit.
- 12. Because only Record Ttitle owners, who own no working interest in the well, are being pooled, Mewbourne does not seek recovery of costs by this application. Therefore, an Authorization for Expenditure, overhead and administrative rates, and a risk charge are not provided or requested.
  - 13. Mewbourne requests that it be designated operator of the well.
- 14. The attachments to this affidavit were prepared by me or compiled from company business records.
- 15. Granting 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 this case. I affirm that my testimony in paragraphs 1 through 15 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: 7/17/24

Josh Anderson





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

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

District IV

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

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

ſ	<sup>1</sup> API Numbe	per 2Pool Code 3 Pool				
1	30-015-546	<b>56405</b>	SHUGART	NORTH;	BONE	SPRING
Ī	<sup>4</sup> Property Code		perty Name			6 Well Number
	335218	SANDBOX 12/11 FED COM				523H
Ī	<sup>7</sup> OGRID NO.		erator Name			9 Elevation
	14744	MEWBOURNE	E OIL COMPANY			3563'

<sup>10</sup> Surface Location

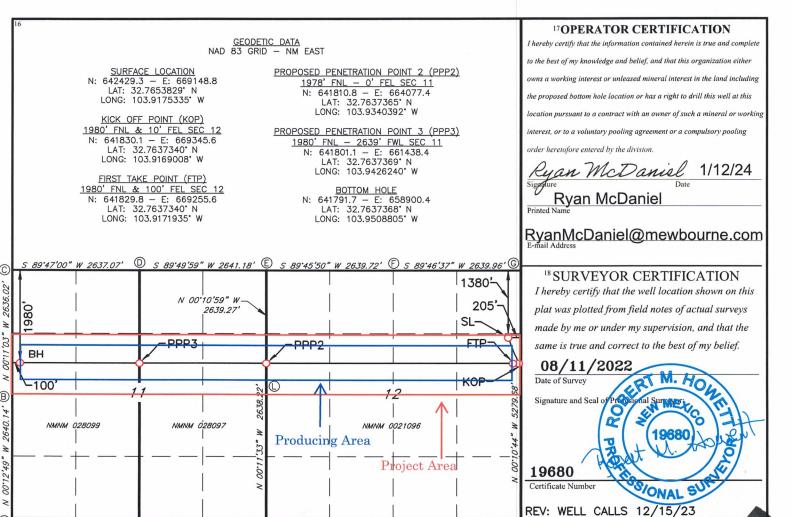
12 Defined A control 12 Vint of Letter   15 Control 14									
E	11	18S	30E		1980	NORTH	100	WEST	EDDY
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	11 Bottom Hole Location If Different From Surface								
H	12	18S	30E		1380	NORTH	205	EAST	EDDY
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County

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

S 89'49'01" W 2639.89' (K) S 89'49'42" W 2637.34' (J) S 89'47'14" W 2640.20

Released to Imaging: 7/18/2024 8:30:04 AM

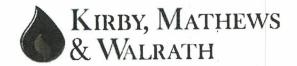
No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



() S 89°48'05" W 2638.66°

 $\oplus$ 

Job No: LS22080974D



Drew Potts, Attorney at Law Licensed in Texas and New Mexico Certified in Oil, Gas, and Mineral Law by the Texas Board of Legal Specialization apotts@kmwenergylaw.com

December 28, 2023

Mewbourne Oil Company 500 West Texas Avenue, Suite 1020 Midland, Texas 79701

Attention: Ms. Natalie Stephens

THIS INFORMATION OR OPINION IS SELECTION AND THE REAL PORT OF A COMMODIST AS OF A COMPANY. OUR RECORD OR OPINION IS OF THE REAL OR SELECTION AND THE REAL OR THE R

2<sup>ND</sup> REVISED SUPPLEMENTAL TITLE OPINION 1

**EXHIBIT** 

7\_B

Re:

NM-28099, NM-28097 & NM-021096 1,280.00 acres of land, more or less Section 11, Township 18S, Range 30E Section 12, Township 18S, Range 30E NMPM, Eddy County, New Mexico

409-00001

#### Ladies & Gentlemen:

Pursuant to the request of Mewbourne Oil Company ("Mewbourne"), this Supplemental Title Opinion ("Opinion") contains an examination of the record title to the following described tract of land in Eddy County, New Mexico, in particular with regard to record title ownership of oil, gas, and related hydrocarbons and the right to explore, develop, and produce same therefrom. Said land is described as follows:

1,280.00 acres, more or less, being Section 11 and Section 12, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico; and consisting of the following seven (7) leasehold tracts: (1) NW4 Section 11, (2) SW4 Section 11, (3) NE4 Section 11, (4) SE4 Section 11, (5) W2 Section 12, (6) E2 less SE4SE4 Section 12, and (7) SE4SE4 Section 12.

The above-described land ("Captioned Land") is illustrated on the plat attached hereto as Addendum "D."

808 Travis, Suite 1625 Houston, Texas 77002

www.kmwenergylaw.com

Telephone: (713) 489-4620 Telecopier: (713) 489-4619

<sup>&</sup>lt;sup>1</sup> Revisions are limited to the interests credited as being assigned by Assignment 40 (1158/1050 Eddy) and Assignment 41 (1158/1195 and 1159/372 Eddy), and corresponding revisions to the Division of Interest for the West-half (W2) of Section 11, as to depths below 4,000'.

LEASEHOLD ESTATE: NE4 SEC 11 (BONE SPRING FORMATION)

LAND OFFICE "RECORD TITLE"	SOURCE	COMMENTS	INTEREST
EOG Resources, Inc. (0.65625000 + 0.10000000) Record Title	L2	C13	0.75625000
Burlington Resources Oil & Gas Company LP 0.05500000 Record Title	L2	BL	0.05500000
Read & Stevens, Inc 0.09375000 Record Title	L2		0.09375000
Charles A. Aston, III	L2		0.00900000

 $2^{nd}$  Revised 409-00001 - S11 & S12 T18S R30E Eddy PRIVILEGED AND CONFIDENTIAL

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<u>LEASEHOLD ESTATE: NE4 SEC 11</u> (CONT.) (BONE SPRING FORMATION)

LAND OFFICE "RECORD TITLE" (CONT.)	SOURCE	COMMENTS	INTEREST
Valeria Kobal 0.00900000 Record Title	L2		0.00900000
Ellen Paull 0.00900000 Record Title	L2		0.00900000
Audrey Bean 0.00900000 Record Title	L2		0.00900000
Sharon A. Olsen, Trustee of the Sharon A. Olsen Trust dated July 31, 1931 0.00900000 Record Title	L2		0.00900000
Paul Slayton 0.02000000 Record Title	L2		0.02000000
Paula Dooley, Personal Representative of the Estate of William Patrick Dooley, deceased 0.023333333 Record Title	L2		0.02333333
Terence P. Perkins 0.00666667 Record Title	L2	TOTAL:	0.00666667 1.00000000

LEASEHOLD ESTATE: SE4 SEC 11 (BONE SPRING FORMATION)

LAND OFFICE "RECORD TITLE"	Source	COMMENTS	INTEREST
EOG Resources, Inc. (0.65625000 + 0.10000000) Record Title	L2	C13	0.75625000
Burlington Resources Oil & Gas Company LP 0.05500000 Record Title	L2	BL	0.05500000
Read & Stevens, Inc 0.09375000 Record Title	L2		0.09375000
Charles A. Aston, III 0.00900000 Record Title	L2		0.00900000
Valeria Kobal 0.00900000 Record Title	L2		0.00900000
Ellen Paull 0.00900000 Record Title	L2		0.00900000
Audrey Bean 0.00900000 Record Title	L2		0.00900000
Sharon A. Olsen, Trustee of the Sharon A. Olsen Trust dated July 31, 1931 0.00900000 Record Title	L2		0.00900000
Paul Slayton 0.02000000 Record Title	L2	>.	0.02000000
Paula Dooley, Personal Representative of the Estate of William Patrick Dooley, deceased 0.02333333 Record Title	L2		0.02333333
Terence P. Perkins 0.00666667 Record Title	L2	TOTAL:	0.00666667 1.00000000

<u>LEASEHOLD ESTATE: W2 SEC 12</u> (BONE SPRING FORMATION)

LAND OFFICE "RECORD TITLE"	SOURCE	COMMENTS	INTEREST
EOG Resources, Inc. (0.71125000 + 0.10000000) Record Title	L3	C13	0.81125000
Read & Stevens, Inc 0.09375000 Record Title	L3		0.09375000
R. Rogers Aston and NationsBank of Texas, N.A., Trustees of the "C" Trusts u/w/o Bert Aston, deceased 0.04500000 Record Title	L3		0.04500000
Paul Slayton 0.02000000 Record Title	L3		0.02000000
Paula Dooley, Personal Representative of the Estate of William Patrick Dooley, deceased 0.02333333 Record Title	L3		0.02333333

 $2^{\text{rd}}$  Revised 409-00001 – S11 & S12 T18S R30E Eddy PRIVILEGED AND CONFIDENTIAL

LEASEHOLD ESTATE: W2 SEC 12 (CONT.)

(BONE SPRING FORMATION)

LAND OFFICE "RECORD TITLE" (CONT.)	SOURCE	COMMENTS	INTEREST
Terence P. Perkins 0.00666667 Record Title	L3		0.00666667
VIVOUS TIME		TOTAL:	1.00000000

# LEASEHOLD ESTATE: E2 LESS SE4SE4 SEC 12 (BONE SPRING FORMATION)

LAND OFFICE "RECORD TITLE"	SOURCE	COMMENTS	INTEREST
EOG Resources, Inc. (0.71125000 + 0.10000000) Record Title	L3	C13	0.81125000
Read & Stevens, Inc 0.09375000 Record Title	L3		0.09375000
R. Rogers Aston and NationsBank of Texas, N.A., Trustees of the "C" Trusts u/w/o Bert Aston, deceased 0.04500000 Record Title	L3		0.04500000
Paul Slayton 0.02000000 Record Title	L3		0.02000000
Paula Dooley, Personal Representative of the Estate of William Patrick Dooley, deceased 0.023333333 Record Title	L3		0.02333333
Terence P. Perkins 0.00666667 Record Title	L3	TOTAL	0.00666667 1.00000000
		TOTAL:	1.00000000

 $2^{\text{nd}}$  Revised 409-00001 – S11 & S12 T18S R30E Eddy PRIVILEGED AND CONFIDENTIAL

#### <u>LEASEHOLD ESTATE: SE4SE4 SEC 12</u> (BONE SPRING FORMATION)

LAND OFFICE "RECORD TITLE"	SOURCE	COMMENTS	INTEREST
EOG Resources, Inc. (0.71125000 + 0.10000000) Record Title	L3	C13	0.81125000
Read & Stevens, Inc 0.09375000 Record Title	L3		0.09375000
R. Rogers Aston and NationsBank of Texas, N.A., Trustees of the "C" Trusts u/w/o Bert Aston, deceased 0.04500000 Record Title	L3		0.04500000
Paul Slayton 0.02000000 Record Title	L3		0.02000000
Paula Dooley, Personal Representative of the Estate of William Patrick Dooley, deceased 0.02333333 Record Title	L3		0.02333333
Terence P. Perkins 0.00666667 Record Title	L3	TOTAL:	0.00666667 1.00000000

#### MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020 MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

November 29, 2023

#### Via Certified Mail

William P. Dooley Estate C/O Paula Dooley 1006 South Second Street Artesia, New Mexico 88210

Re: Sandbox "12/11" Fed Com No. 521H

Sandbox "12/11" Fed Com No. 523H Sandbox "12/11" Fed Com No. 526H

Sandbox "12/11" Fed Com No. 528H Comm Agreements

Section 12/11, T18S, R30E Eddy County, New Mexico

To Whom It May Concern:

Enclosed for your further handling are our proposed Federal Communitization Agreements dated December, 1 2023 covering the captioned lands and 3 sets of extra signature pages of same, for each Communitization Agreement. These agreements communitizes the leases covering the captioned lands from the Bone Spring formation. The captioned wells are horizontal wells with the N/2N/2 of the captioned Section 12 & the N/2N/2 of the captioned Section 11, the S/2N/2 of the captioned Section 12 & the N/2S/2 of the captioned Section 12, and the S/2S/2 of the captioned Section 12 & the S/2S/2 of the captioned Section 11, being dedicated to the wells as the proration units, respectively.

In reference to the above, please have the agreements executed and return only the extra sets of signature pages to me for further handling. Please retain the copy of the Communitization Agreements for your file.

Should you have any questions regarding the above, please email me at <u>janderson@mewbourne.com</u> or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Josh Anderson, RPL

Jul auch

Landman

EXHIBIT 2. C

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## **Record Title Owner**

# **Summary of Communications**

Sandbox 12/11 Fed Com #521H (B2AD) N/2N/2 of Section 12 & 11-T18S-R30E, Eddy County, NM &

Sandbox 12/11 Fed Com #523H (B2HE) S/2N/2 of Section 12 & 11-T18S-R30E, Eddy County, NM &

Sandbox 12/11 Fed Com #526H (B2IL) N/2S/2 of Section 12 & 11-T18S-R30E, Eddy County, NM &

Sandbox 12/11 Fed Com #528H (B2PM) S/2S/2 of Section 12 & 11-T18S-R30E, Eddy County, NM

#### William P. Dooley Estate:

11/29/2023: Mailed Sandbox 12/11 Fed Com #521H (B2AD), Sandbox 12/11 Fed Com #523H (B2HE), Sandbox 12/11 Fed Com #526H (B2IL), & Sandbox 12/11 Fed Com #528H (B2PM) Federal Communitization Agreements to the above listed party.

12/9/2023: The above listed party received and signed for the certified mailing of the above captioned Federal Communitization Agreements.

**Ongoing:** Mewbourne is currently negotiating with the William P. Dooley Estate to execute the above captioned Federal Communitization Agreements.

#### Valeria Kobal:

11/29/2023: Mailed Sandbox 12/11 Fed Com #521H (B2AD), Sandbox 12/11 Fed Com #523H (B2HE), Sandbox 12/11 Fed Com #526H (B2IL), & Sandbox 12/11 Fed Com #528H (B2PM) Federal Communitization Agreements to the above listed party.

12/11/2023: The above listed party received and signed for the certified mailing of the above captioned Federal Communitization Agreements.

**Ongoing:** Mewbourne is currently negotiating with the Valeria Kobal to execute the above captioned Federal Communitization Agreements.

#### Ellen Aston Paull:

11/29/2023: Mailed Sandbox 12/11 Fed Com #521H (B2AD), Sandbox 12/11 Fed Com #523H (B2HE), Sandbox 12/11 Fed Com #526H (B2IL), & Sandbox 12/11 Fed Com #528H (B2PM) Federal Communitization Agreements to the above listed party.

12/11/2023: The above listed party received and signed for the certified mailing of the above captioned Federal Communitization Agreements.

**Ongoing:** Mewbourne is currently negotiating with the Ellen Aston Paull to execute the above captioned Federal Communitization Agreements.

#### **Audrey Aston Bean:**

11/29/2023: Mailed Sandbox 12/11 Fed Com #521H (B2AD), Sandbox 12/11 Fed Com #523H (B2HE), Sandbox 12/11 Fed Com #526H (B2IL), & Sandbox 12/11 Fed Com #528H (B2PM) Federal Communitization Agreements to the above listed party.

12/11/2023: The above listed party received and signed for the certified mailing of the above captioned Federal Communitization Agreements.

**Ongoing:** Mewbourne is currently negotiating with the Audrey Aston Bean to execute the above captioned Federal Communitization Agreements.

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