CASE NO. 24815

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

EXHIBIT LIST - Part II

- 3. Geologist's Affidavit
 - 3-A: Locator Map
 - 3-B: Structure Map
 - 3-C: Cross-Section
 - 3-D: 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

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. 24815

SELF-AFFIRMED STATEMENT OF TYLER HILL

Tyler Hill deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in these cases. I have been qualified by the Division as an expert petroleum geologist.
 - 3. The following plats are attached hereto:
 - (a) Exhibit 3-A is an area locator plat, showing the well unit is near Carlsbad.
 - (b) Exhibit 3-B is a structure map on the top of the Wolfcamp of the area around Sections 4 and 5, Township 22 South, Range 27 East, NMPM. It shows that structure dips gently to the east-southeast. It also shows existing and proposed Wolfcamp wells in the area. It also shows a west-east line of cross-section.
 - (c) Exhibit 3-C is a west-east cross section of the Wolfcamp zones in this area. The logs on the cross-sections give a representative sample of the Wolfcamp zones in this area. The sands and shales are continuous and of relatively uniform thickness across the well units.

The proposed wells will test the Wolfcamp Y Sand (Well Nos. 715H and 717H) and the Wolfcamp C Shale (Well Nos. 825H and 827H).

- 4. I conclude from the maps that:
- (a) The proposed horizontal Wolfcamp spacing units are justified from a geologic standpoint.
- (b) The target zones are continuous and of uniform thickness across the well units.
- (c) Each quarter section in each well unit will contribute more or less equally to production from a well.

EXHIBIT 3

25

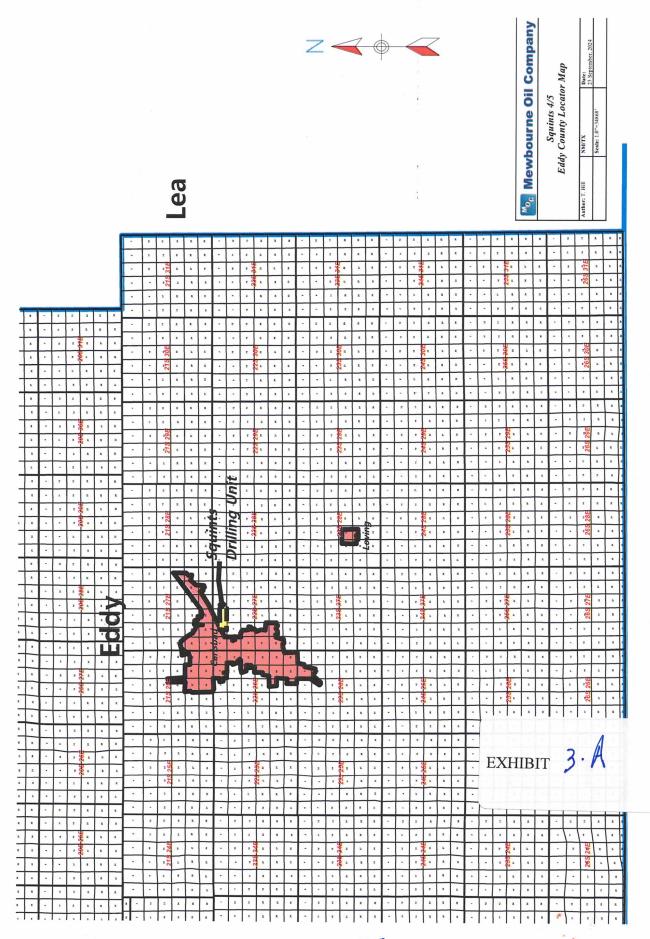
- (d) There is no faulting or other geologic impediment in the area which will affect the drilling of the subject wells.
- 5. Other Wolfcamp wells drilled and proposed in this area are uniformly laydown well units.
- 6. Exhibits 3-D-1 through 3-D-4 contain copies of the horizontal drilling plans for the subject wells. The well locations are orthodox.

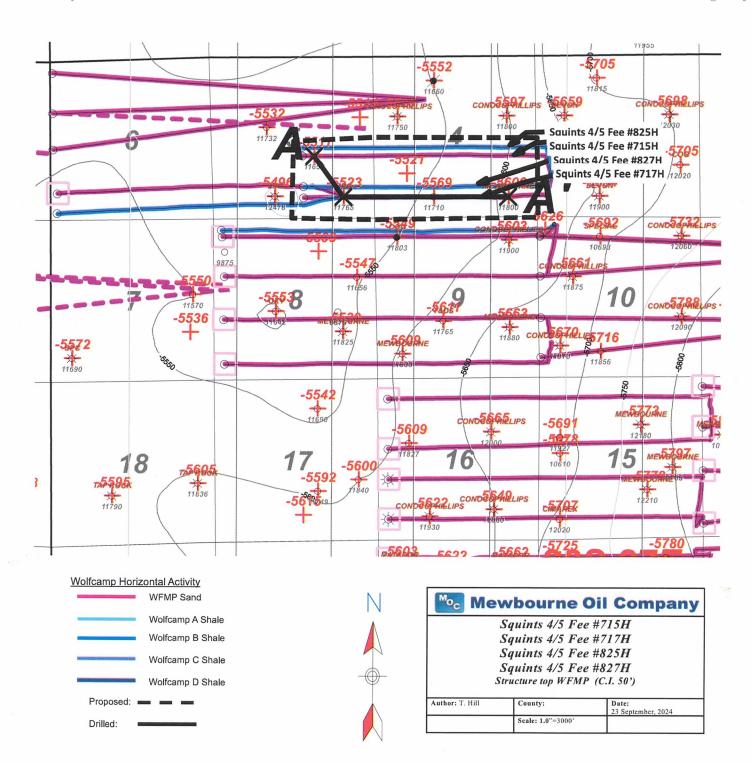
I understand that this Self-Affirmed Statement will be used as written testimony in these cases. I affirm that my testimony in paragraphs 1 through 6 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date written next to my signature below.

Date: 9/24/2024

Tyler Hill







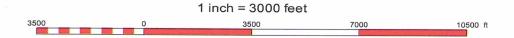
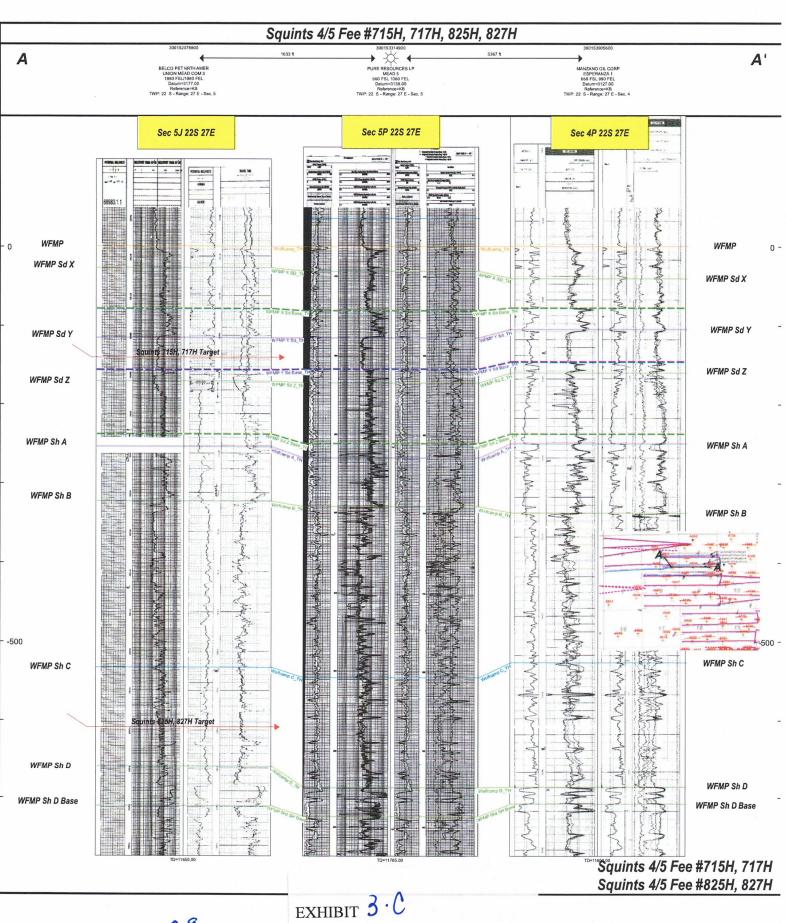
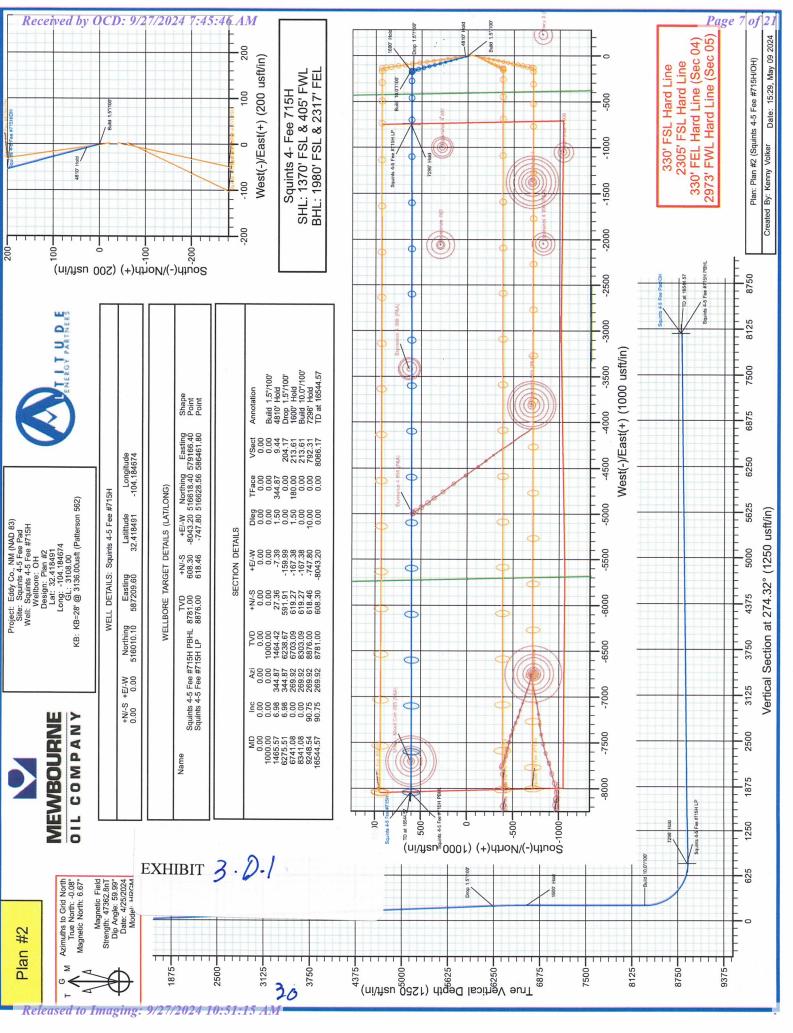
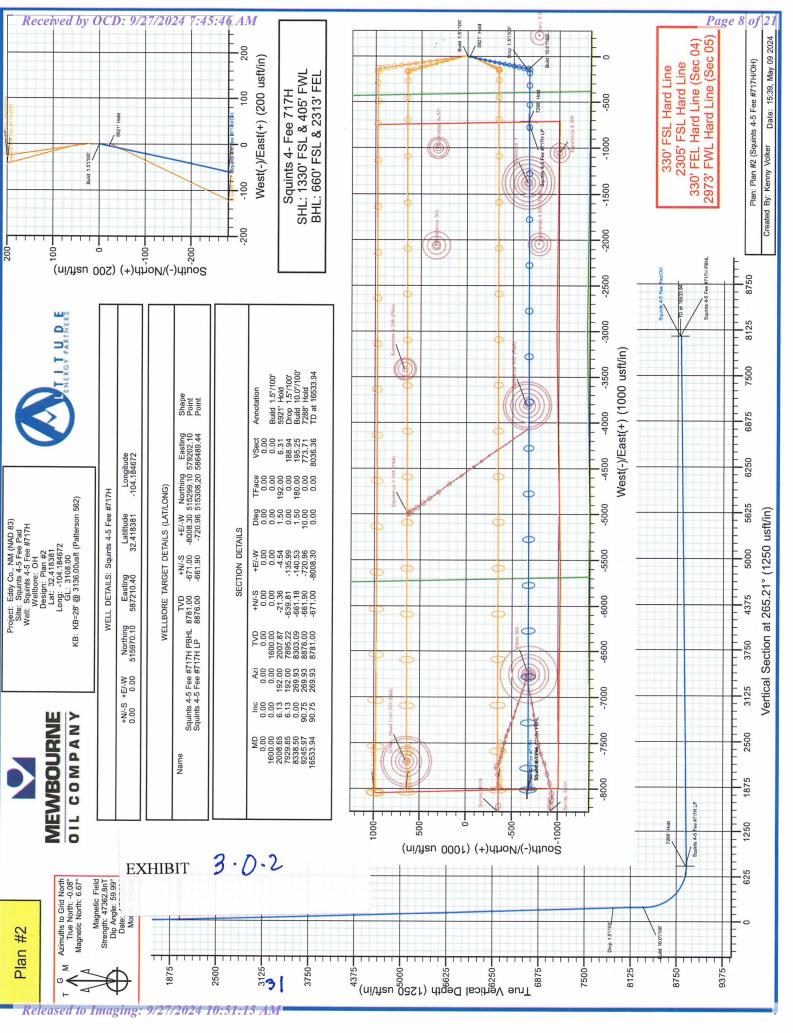


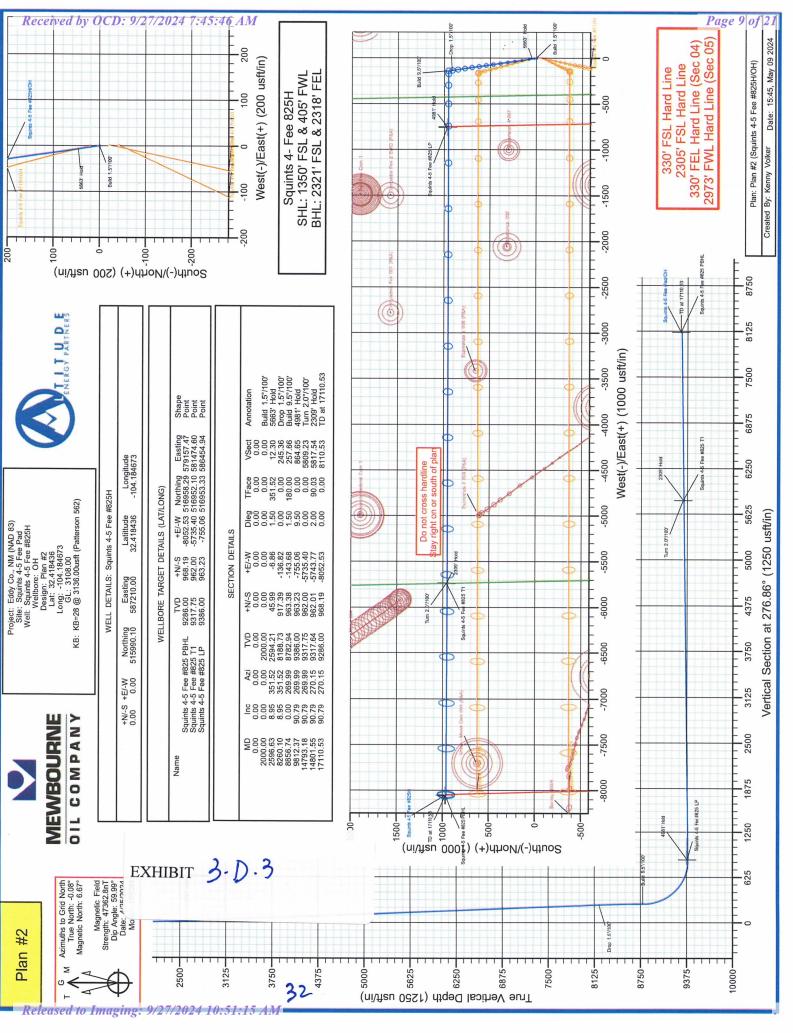
EXHIBIT $3 \cdot B$

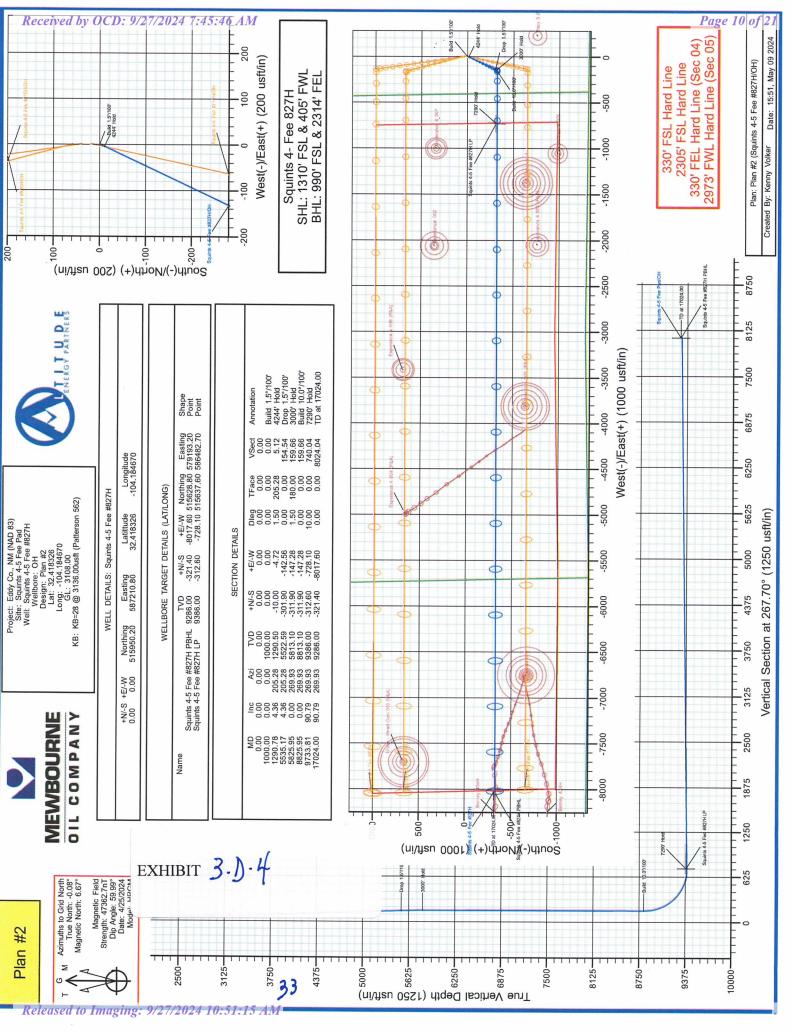


Released to Imaging: 9/27/2024 10:51:15 AM









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. 24815

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 Exhibit 4-A.
 - 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: 9/26/24

James Bruce

EXHIBIT 4

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

August 30, 2024

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

EXHIBIT A - A

Ladies and gentlemen:

Enclosed are copies of an application, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, requesting the following relief:

Case No. 24815: Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2 of Section 4 and the SE/4 of Section 5, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. The unit will be dedicated to:

- The Squints 4/5 Fee Well No. 715H, with a first take point in the NE/4SE/4 of Section 4 and a last take point in the NW/4SE/4 of Section 5;
- The Squints 4/5 Fee Well No. 717H, with a first take point in the SE/4SE/4 of Section 4 and a last take point in the SW/4SE/4 of Section 5;
- The Squints 4/5 Fee Well No. 825H, with a first take point in the NE/4SE/4 of Section 4 and a last take point in the NW/4SE/4 of Section 5; and
- The Squints 4/5 Fee Well No. 827H, with a first take point in the NE/4SE/4 of Section 4 and a last take point in the NW/4SE/4 of Section 5.

Also to be considered will be the cost of drilling, completing, 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, and equipping the wells.

This matter is scheduled for hearing at 8:30 a.m. on Thursday, October 3, 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 Freya Tschantz

<u>freya.tschantz@emnrd.nm.gov</u>. 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 <u>ocd.hearings@emnrd.nm.gov</u>, 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,

Attorney for Mewbourne Oil Company

EXHIBIT A

Magnum Hunter Production Company Suite 300N 6001 Deauville Blvd. Midland, TX 79706

JC Properties P.O. Box 25072 Dallas, TX 75225

Twodubyah, LLC P.O. Box 25072 Dallas, TX 75225

Mizel Resources Fifth Floor 4350 South Monaco Street Denver, CO80237

Domestic Return Receipt

☐ Priority Mail Express®
☐ Registered Mail**
☐ Registered Mail**
☐ Registered Mail Restricted
Delivary
☐ Signature Confirmation
☐ Signature Confirmation
✓ Restricted Delivery

A Agent

U.S. Postal Service" CERTIFIED MAIL® RECEIPTS &		Certified Mail Fee Stria Services & Fees (check box, add fee as appropriate) Estra Seum Receipt (hardcopy) Return Receipt (electronic) Certified Mail Restricted Delivery \$ Adult Signature Required Adult Signature Required	Postage Total Postage and Fees Magnum Hunter Production Company Suit Solid Delaying Brd. Midland, TX 79706 Street and Apr. No., or PO Box No.	Gity, State, ZIP44 ^e City, State, ZIP44 ^e PS Form 3800, April 2015 PSN 7830-02-000-9047 See Reverse for In	
COMPLETE THIS SECTION ON DELIVERY A. Signature	- 10	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	000 00	ivery Restricted Delivery wer \$500)	S S Domestic Heturn Receipt
SENDER: COMPLETE THIS SECTION	First your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	1. Article Addressed to: Mizel Resources Fifth Floor 1330 South Monaco Street Denver, C080237	9590 9402 7475 2055 6615 30	2. 7020 0090 0000 0864 571	PS Form 3811, July 2020 PSN 7530-02-000-9053

COMBIETE THIS SECTION ON DELIVERY	A. Signature X Agent Addres Ad	D. is delivery address different from item 1? \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		3. Service Type 1. Adult Signature 2. Adult Signature Restricted Delivery 3. Service Type 4. Adult Signature Restricted Delivery 4. Collect on Delivery 5. Signature Confirm 6. Collider on Delivery 6. Signature Confirm 6. Signature Confirm 6. Collider on Delivery 6. Signature Confirm 6. Signature	livery	M 5Q Domestic Return R
	SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Print your name and address on the reverse of that we can return the card to you.	Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to:	Magnum Hunter Production Company Satisfa 200N 6001 Dearwille Blvd. Midland, TX 79706	9590 9402 7475 2055 6615 61	2. Article Number Transfer	PS Form 3811, July 2020 PSN 7530-02-000-9053
	U.S. Postal Service" CERTIFIED MAIL® RECEIPT	For delivery information, visit our website at www.usps.com°. OFF Contiled Mall Fee	Sktra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy)	Postage Total Postage and Fees Mizel Resources Sent To Fith Floor	Street and Apt. No., or PG. penver. CO80237 City State 719.18	PS Form 3800, April 2015 PSN 7530-02-000-8047 See Reverse for Instructions

0507

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TTLS

4980 0000 OFOO

PS Form 3811, July 2020 PSI

CASE NO. 24815

STATUS OF CERTIFIED NOTICE

INTEREST OWNER	MAILING DATE	RECEIPT DATE	CARD RETURNED
MAGNUM HUNTER PRODUCTION CO.	AUGUST 30, 2024	SEPTEMBER 4, 2024	Yes
MIZEL RESOURCES	AUGUST 30, 2024	UNKNOWN	Yes

OTHER COMPANIES WHO WERE SENT NOTICE ARE NOT BEING POOLED, DUE TO SUBSEQUENT JOINDER IN THE WELLS.

EXHIBIT $4 \cdot B$

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS PO BOX 507 HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO COUNTY OF EDDY

SS

Account Number: 82

Ad Number:

er: 14490

Description:

Case #24815

Ad Cost:

\$157.01

Nicole Bitton, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

September 19, 2024

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

NBitton

Agent

Subscribed to and sworn to me this 19th day of September 20240

/ jul

County County

My commission expires: .

LATISHA ROMINE
Notary Public, State of New Mexico
Commission No. 1076338
My Commission Expires
05-12-2027

James Bruce Attorney At Law JAMES BRUCE ATTORNEY AT LAW PO BOX 1056 Santa Fe, NM 87504

NOTICE

To: Magnum Hunter Production Company, JC Properties, Twodubyah, LLC, and Mizel Resources, or your heirs, devisees, successors, or assigns: Mewbourne Oil Company has filed the following application with the New Mexico Oil Conservation Division seeking an order pooling the following horizontal spacing unit:

Case No. 24815: Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2 of Section 4 and the SE/4 of Section 5. Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. The unit will be dedicated to:

(a) The Squints 4/5 Fee Well No. 715H, with a first take point in the NE/4SE/4 of Section 4 and a last take point in the NW/4SE/4 of Section 5:

(b) The Squints 4/5 Fee Well No. 717H, with a first take point in the SE/4SE/4 of Section 4 and a last take point in the SW/4SE/4 of Section 5;

(c) The Squints 4/5 Fee Well No. 825H, with a first take point in the NE/4SE/4 of Section 4 and a last take point in the NW/4SE/4 of Section 5; and

(d) The Squints 4/5 Fee Well No. 827H, with a first take point in the NE/4SE/4 of Section 4 and a last take point in the NW/4SE/4 of Section 5.

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.

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14490-Published in the Carlsbad Current-Argus on Sep 19, 2024.

EXHIBIT

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 24815

APPLICATION

Mewbourne Oil Company applies for an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2 of Section 4 and the SE/4 of Section 5, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

- 1. Applicant is an interest owner in the S/2 of Section 4 and the SE/4 of Section 5 (containing 480 acres), and has the right to drill a well or wells thereon.
- 2. Applicant proposes to drill the following wells to depths sufficient to test the Wolfcamp formation:
 - (a) The Squints 4/5 Fee Well No. 715H, with a first take point in the NE/4SE/4 of Section 4 and a last take point in the NW/4SE/4 of Section 5;
 - (b) The Squints 4/5 Fee Well No. 717H, with a first take point in the SE/4SE/4 of Section 4 and a last take point in the SW/4SE/4 of Section 5;
 - (c) The Squints 4/5 Fee Well No. 825H, with a first take point in the NE/4SE/4 of Section 4 and a last take point in the NW/4SE/4 of Section 5; and
 - (d) The Squints 4/5 Fee Well No. 827H, with a first take point in the NE/4SE/4 of Section 4 and a last take point in the NW/4SE/4 of Section 5.

EXHIBIT 6

- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2 of Section 4 and the SE/4 of Section 5 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 wells or to otherwise commit their interests to the wells, 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 Wolfcamp formation underlying the S/2 of Section 4 and the SE/4 of Section 5, pursuant to NMSA 1978 §70-2-17.
- 5. The pooling of all uncommitted mineral interest owners in the Wolfcamp formation underlying the S/2 of Section 4 and the SE/4 of Section 5 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- A. Pooling all uncommitted mineral interest owners in the Wolfcamp formation (Purple Sage; Wolfcamp Gas Pool/Pool Code 98220) underlying the S/2 of Section 4 and the SE/4 of Section 5;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, and equipping the wells, and allocating the cost among the wells' 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; and

E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

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 for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2 of Section 4 and the SE/4 of Section 5, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. The unit will be dedicated to:

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Also to be considered will be the cost of drilling, completing, 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, and equipping the wells. The unit is located approximately 2 miles northeast of downtown Carlsbad, New Mexico.

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