

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

**APPLICATION OF MEWBOURNE OIL
COMPANY TO AMEND ORDER R-23641
TO ADD ADDITIONAL POOLED PARTIES,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25280
(formerly Case No. 24846)**

NOTICE OF REVISED EXHIBIT

Mewbourne Oil Company (collectively “Mewbourne”) gives notice that it is filing the attached revised exhibit for acceptance into the record.

Revised Exhibit C-1 is a revised pooling exhibit that breaks out all interests included in the proposed spacing unit.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
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ATTORNEYS FOR MEWBOURNE OIL COMPANY

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING APRIL 10, 2025**

CASE No. 25280

*GOAT ROPE RE-OPEN ORDER R-23641
523H WELL*

LEA COUNTY, NEW MEXICO



**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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- **Mewbourne Exhibit A:** Application of Permian Resources Operating, LLC for Pooling Additional Parties
- **Mewbourne Exhibit B:** Original Pooling Order
- **Mewbourne Exhibit C:** Self-Affirmed Statement of Hudson Brunson, Landman
 - Mewbourne *Revised* Exhibit C-1: Updated Map / Uncommitted Interest Owners
 - Mewbourne Exhibit C-2: Sample Well Proposal Letter with AFEs
 - Mewbourne Exhibit C-3: Chronology of Contacts
- **Mewbourne Exhibit D:** Self-Affirmed Statement of Notice
- **Mewbourne Exhibit E:** Affidavit of Publication for the Case

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

**APPLICATION OF MEWBOURNE OIL
COMPANY TO AMEND ORDER R-23641
TO ADD ADDITIONAL POOLED PARTIES,
LEA COUNTY, NEW MEXICO.**

CASE NO. 25280

APPLICATION

Mewbourne Oil Company (“Mewbourne” or “Applicant”) (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to amend Pooling Order R-23641 to add additional mineral interest owners to the pooling order. In support of its application, Mewbourne states:

1. Order R-23641 was issued in Case No. 24846 and pooled uncommitted mineral interest owners in the Bone Spring formation (Featherstone; Bone Spring, East Pool [24270]) underlying the E/2 W/2 of Sections 7 and 18, Township 20 South, Range 36 East, NMPM Lea County, New Mexico. This standard 320-acre horizontal well spacing unit is currently dedicated to the **Goat Rope 7/18 State Com #523H** well.

2. Applicant has discovered additional mineral interest owners in the pooled acreage that were not subject to the pooling proceedings giving rise to Order R-23641.

3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from these additional mineral interest owners.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 10, 2025, and, after notice and hearing as required by law, the Division enter an order pooling these additional mineral interest owners under the terms of Order R-23641.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: Mewbourne Oil Company
Hearing Date: April 10, 2025
Case No. 25280

Respectfully submitted,

HOLLAND & HART LLP

By: _____

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ATTORNEYS FOR MEWBOURNE OIL COMPANY

CASE: _____

Application of Mewbourne Oil Company to Amend Order R-23641 to Add Additional Pooled Parties, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Pooling Order R-23641 to add additional mineral interest owners to the pooling order. Order R-23641 was issued in Case No. 24846 and pooled uncommitted mineral interest owners in the Bone Spring formation (Featherstone; Bone Spring, East Pool [24270]) underlying the E/2 W/2 of Sections 7 and 18, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico. This standard 320-acre horizontal well spacing unit is currently dedicated to the **Goat Rope 7/18 State Com #523H** well. The subject area is located approximately 16 miles southwest of Hobbs, New Mexico.

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. 24846
ORDER NO. R-23641

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on January 9, 2025, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

FINDINGS OF FACT

1. Mewbourne 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. 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

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. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
20. 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.
21. This Order shall terminate automatically if the Operator fails to comply with the preceding paragraph unless the Operator requests an extension by notifying the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the extension is automatically granted up to one year. If a protest is received the extension is not granted and the Operator must set the case for a hearing.
22. Operator may propose reasonable deviations from the development plan via notice to the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the deviation is automatically granted. If a protest is received the deviation is not granted and the Operator must set the case for a hearing.

CASE NO. 24846
ORDER NO. R-23641

Page 2 of 5

23. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
24. 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").
25. 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 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."
26. 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.
27. 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.
28. 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."
29. 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.

30. 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.
31. 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.
32. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to the preceding paragraph to each Pooled Working Interest that paid its share of the Estimated Well Costs.
33. 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.
34. 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.
35. 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.*
36. 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.
37. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



GERASIMOS RAZATOS
DIRECTOR (Acting)
GR/dm

Date: 1/15/2025

CASE NO. 24846
ORDER NO. R-23641

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R-23641 EXHIBIT A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24846	APPLICANT'S RESPONSE
Date: January 9, 2025	
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company [OGRID 14744]
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Franklin Mountain Energy 3, LLC
Well Family	Goat Rope
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Featherstone; Bone Spring, East Pool (24270)
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	Standup
Description: TRS/County	E2W2 of Sections 7 and 18, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in the application?	Yes
Other Situations	
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 A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	<u>Goat Rope 7/18 State Com 523H (API Pending)</u> SHL: 300' FSL & 1520' FWL (Unit N) of Sec. 6, T20S, R36E BHL: 100' FSL & 1760' FWL (Unit N) of Sec. 18, T20S, R36E Completion Target: Bone Spring formation Well Orientation: North to South Completion Location expected to be: Standard

R-23641 EXHIBIT A

Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$12,000
Production Supervision/Month \$	\$1,200
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-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 A-2
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A

R-23641 EXHIBIT A

Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits A-1, B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	10-Dec-24

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

APPLICATION OF MEWBOURNE OIL
COMPANY TO AMEND ORDER R-23641
TO ADD ADDITIONAL POOLED PARTIES,
LEA COUNTY, NEW MEXICO.

CASE NO. 25280
(formerly Case No. 24846)

SELF-AFFIRMED STATEMENT OF HUDSON BRUNSON

1. My name is Hudson Brunson, and 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 petroleum 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. On January 15, 2025, the Division entered Order No. R-23641 in Case Nos. 24846, pooling the uncommitted interest owners in the Bone Spring formation (Featherstone; Bone Spring, East Pool [24270]) underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the E/2 W/2 of Sections 7 and 18, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico. Mewbourne is the designated operator under the Pooling Order and the pooled spacing unit is initially dedicated to the **Goat Rope 7/18 State Com #523H** (API: 30-025-53330) well.
5. Mewbourne requests that Order No. R-23641 be re-opened and amended to add additional parties under the Pooling Order.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Mewbourne Oil Company
Hearing Date: April 10, 2025
Case No. 25280

6. **Mewbourne Exhibit C-1** is an updated copy of the pooling exhibit from Case No. 24846. The original pooled parties are highlighted in yellow, and the additional parties are highlighted in green. Some of the parties originally pooled were dropped from the exhibit because Mewbourne confirmed that the parties do not own an interest in the proposed unit.

7. **Mewbourne Exhibit C-2** contains a sample of the well proposal letter and AFE, as well as lease offer (sent on an individual basis pursuant to good-faith negotiations), for the well that was sent to the additional parties to be pooled. 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.

8. **Mewbourne Exhibit C-3** 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 reach voluntary agreement with all of the additional parties that it seeks to pool in this case. In my opinion, Mewbourne has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

9. Mewbourne has provided the law firm of Holland & Hart LLP with the names and addresses of the additional 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.

10. The granting of this application will prevent waste and protect correlative rights.

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

12. 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.



Hudson Brunson

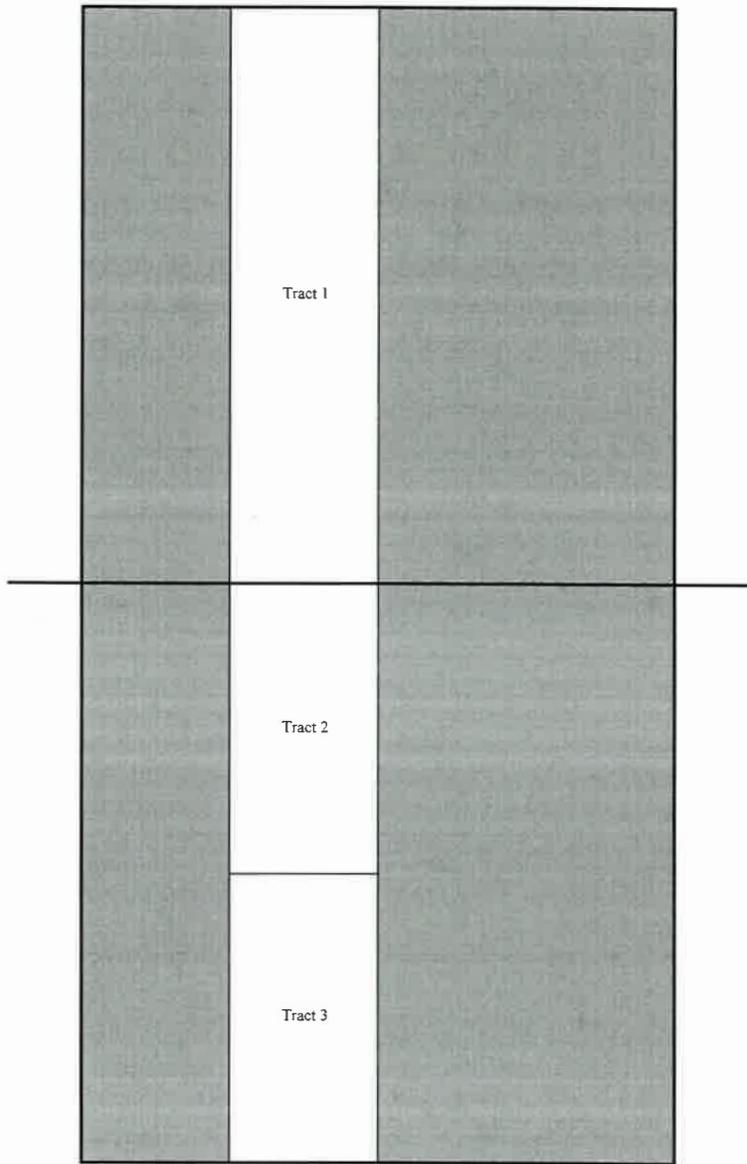
4/2/2025

Date

Section Plat
Goat Rope 7/18 State Com #523H (B2CN)
E/2W/2 of Section 7 and E/2W/2 of Section 18

T20S-R36E, Lea County, NM

Section 7



Section 18

Tract 1: E/2W/2 of Section 7- Fee

Ia: E/2NW/4 of Section 7- Fee
 Mewbourne Oil Company
 Maverick Permian, LLC

Ib: E/2SW/4 of Section 7- Fee
 Mewbourne Oil Company
 Maverick Permian, LLC

Patricia Tidwell
 Est. of Mary Elizabeth McCrory
 The Heirs of Ruby Fox

Tract 3: E/2SW/4 of Section 18 - State Lease A0-1375-0045

Mewbourne Oil Company
 Maverick Permian, LLC
 Occidental Permian Ltd (Record Title Owner)
 Pioneer Exploration LLC
 Est. of Perry R. Bass

Tract 2: E/2NW/4 of Section 18 - State Lease VC-1233-0000

Franklin Mountain Energy 3, LLC

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Revised Exhibit No. C-1
 Submitted by: Mewbourne Oil Company
 Hearing Date: April 10, 2025
 Case No. 25280

RECAPITULATION FOR Goat Rope 7/18 State Com #523H (B2CN)

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
1	160	50.000000%
2	80	25.000000%
3	80	25.000000%
TOTAL	320	100.000000%

TRACT OWNERSHIP

Goat Rope 7/18 State Com #523H (B2CN)
E/2W/2 of Section 7 & E/2W/2 of Section 18

E/2W/2 of Section 7 & E/2W/2 of Section 18**Bone Spring Formation:**

Owner	% of Leasehold Interest
Mewbourne Oil Company	54.456244%
Maverick Permian, LLC	16.695626%
*Franklin Mountain Energy 3, LLC	25.000000%
*Pioneer Exploration LLC	1.410486%
*Est. of Perry R. Bass	0.875144%
*Patricia Tidwell	0.390625%
*Est. of Mary Elizabeth McCrory	0.390625%
*The Heirs of Ruby Fox	0.781250%
TOTAL	100.000000%
*Total Interest Being Pooled:	28.848130%

OWNERSHIP BY TRACT**E/2W/2 of Section 7**

1a: E/2NW/4 of Section 7

Owner	% of Leasehold Interest
Mewbourne Oil Company	61.250000%
Maverick Permian, LLC	26.250000%
Patricia Tidwell	3.125000%
Est. of Mary Elizabeth McCrory	3.125000%
The Heirs of Ruby Fox	6.250000%
TOTAL	100.000000%

1b: E/2SW/4 of Section 7

Owner	% of Leasehold Interest
Mewbourne Oil Company	70.000000%
Maverick Permian, LLC	30.000000%
TOTAL	100.000000%

E/2NW/4 of Section 18

Owner	% of Leasehold Interest
Franklin Mountain Energy 3, LLC	100.000000%
TOTAL	100.000000%

E/2SW/4 of Section 18

Owner	% of Leasehold Interest
Mewbourne Oil Company	80.324976%
Maverick Permian, LLC	10.532504%
Pioneer Exploration LLC	5.641945%
Est. of Perry R. Bass	3.500575%
TOTAL	100.000000%

MEWBOURNE OIL COMPANY

FASKEN CENTER
500 WEST TEXAS, SUITE 1020
MIDLAND, TX 79701

TELEPHONE (432) 682-3715

January 13, 2025

Certified Mail

Working Interest Owner

Re: **Goat Rope 18/7 Working Interest Unit**
All of Section 18 and All of Section 7,
T20S, R36E, Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("MOC"), as Operator, hereby proposes creating a working interest unit comprising All of Section 18 and All of Section 7, T20S, R36E, Lea County, New Mexico covering the Bone Spring formation. As part of the initial development, MOC proposes drilling and completing the following wells:

- 1) Goat Rope 7/18 State Com #521H (B2DM) – API #30-025-53329
Surface Location: 300' FSL, 1500' FWL, Section 6, T20S, R36E
Bottom Hole Location: 100' FSL, 330' FWL, Section 18, T20S, R36E
Proposed Total Vertical Depth: 9857'
Proposed Total Measured Depth: 20562'
Target: 2nd Bone Spring Sand
- 2) Goat Rope 7/18 State Com #523H (B2CN) – API #30-025-53330
Surface Location: 300' FSL, 1520' FWL, Section 6, T20S, R36E
Bottom Hole Location: 100' FSL, 1760' FWL, Section 18, T20S, R36E
Proposed Total Vertical Depth: 9757'
Proposed Total Measured Depth: 20421'
Target: 2nd Bone Spring Sand
- 3) Goat Rope 7/18 State Com #525H (B2BO) – API #30-025-53331
Surface Location: 300' FSL, 1990' FEL, Section 6, T20S, R36E
Bottom Hole Location: 100' FSL, 2090' FEL Section 18, T20S, R36E
Proposed Total Vertical Depth: 9655'
Proposed Total Measured Depth: 20309'
Target: 2nd Bone Spring Sand
- 4) Goat Rope 7/18 State Com #527H (B2AP) – API #30-025-53332
Surface Location: 300' FSL, 1970' FEL, Section 6, T20S, R36E
Bottom Hole Location: 100' FSL, 660' FEL, Section 18, T20S, R36E
Proposed Total Vertical Depth: 9562'
Proposed Total Measured Depth: 20159'
Target: 2nd Bone Spring Sand

The wells are planned to be pad drilled using one (1) rig with the first well tentatively scheduled to spud 1st quarter 2025. In the event you elect to participate in the proposed wells, please execute the enclosed Operating Agreement and AFEs before returning them to the undersigned within thirty (30) days. Please enclose your most current well information requirements so that we may provide well data when available.

Please feel free contact me at (432) 682-3715 or via e-mail at hbrunson@mewbourne.com if you have any questions or need more information.

Very truly yours,

MEWBOURNE OIL COMPANY

Hudson L. Brunson
Landman

MEWBOURNE OIL COMPANY

FASKEN CENTER
500 WEST TEXAS, SUITE 1020
MIDLAND, TX 79701
TELEPHONE (432) 682-3715

February 5, 2025

Certified Mail

Unleased Mineral Owner

Re: Goat Rope 18/7 Working Interest Unit
All of Section 18 and All of Section 7,
T20S, R36E, Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("MOC"), as Operator, hereby proposes creating a working interest unit comprising All of Section 18 and All of Section 7, T20S, R36E, Lea County, New Mexico covering the Bone Spring formation. As part of the initial development, MOC proposes drilling and completing the following wells:

- 1) Goat Rope 7/18 State Com #521H (B2DM) – API #30-025-53329
Surface Location: 300' FSL, 1500' FWL, Section 6, T20S, R36E
Bottom Hole Location: 100' FSL, 330' FWL, Section 18, T20S, R36E
Proposed Total Vertical Depth: 9857'
Proposed Total Measured Depth: 20562'
Target: 2nd Bone Spring Sand
- 2) Goat Rope 7/18 State Com #523H (B2CN) – API #30-025-53330
Surface Location: 300' FSL, 1520' FWL, Section 6, T20S, R36E
Bottom Hole Location: 100' FSL, 1760' FWL, Section 18, T20S, R36E
Proposed Total Vertical Depth: 9757'
Proposed Total Measured Depth: 20421'
Target: 2nd Bone Spring Sand
- 3) Goat Rope 7/18 State Com #525H (B2BO) – API #30-025-53331
Surface Location: 300' FSL, 1990' FEL, Section 6, T20S, R36E
Bottom Hole Location: 100' FSL, 2090' FEL Section 18, T20S, R36E
Proposed Total Vertical Depth: 9655'
Proposed Total Measured Depth: 20309'
Target: 2nd Bone Spring Sand
- 4) Goat Rope 7/18 State Com #527H (B2AP) – API #30-025-53332
Surface Location: 300' FSL, 1970' FEL, Section 6, T20S, R36E
Bottom Hole Location: 100' FSL, 660' FEL, Section 18, T20S, R36E
Proposed Total Vertical Depth: 9562'
Proposed Total Measured Depth: 20159'
Target: 2nd Bone Spring Sand

Released to Imaging: 4/17/2025 3:56:06 PM

Regarding the above, enclosed for your further handling are our AFEs dated September 4, 2024, for the captioned proposed wells. Please sign and return said AFEs at your earliest convenience if you elect to participate in the captioned wells and WIU and return to me within thirty (30) days. Should you elect to participate, I will send a copy of our Joint Operating Agreement (“JOA”) under a separate cover letter. Our proposed Operating Agreement will have COPAS rates of \$12,000/month while drilling and \$1,200/month for a producing well, as well as a Non-Consent Penalty of 300%.

In lieu of participation, Mewbourne is interested in discussing various options for your interest.

Please feel free contact me at (432) 682-3715 or via email at hbrunson@mewbourne.com if you have any questions or need more information.

Very truly yours,

MEWBOURNE OIL COMPANY

Hudson L. Brunson
Landman

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: **GOAT ROPE 7/18 STATE COM #523H (B2CN)** Prospect: **GOAT ROPE**
 Location: **SL: 300 FSL & 1520 FWL (6); BHL: 100 FSL & 1760 FWL (18)** County: **LEA** ST: **NM**
 Sec. **6** Blk: Survey: TWP: **20S** RNG: **36E** Prop. TVD: **9757** TMD: **20421**

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$75,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$150,000	0180-0206	\$80,000
Daywork / Turnkey / Footage Drilling	0180-0110	\$598,100	0180-0210	\$89,700
Fuel	0180-0114	\$141,600	0180-0214	\$203,900
Alternate Fuels	0180-0115		0180-0215	\$72,000
Mud, Chemical & Additives	0180-0120	\$30,000	0180-0220	
Mud - Specialized	0180-0121	\$240,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$200,000
Stimulation Toe Preparation			0180-0223	\$25,000
Cementing	0180-0125	\$150,000	0180-0225	\$55,000
Logging & Wireline Services	0180-0130	\$40,000	0180-0230	\$313,200
Casing / Tubing / Snubbing Service	0180-0134	\$40,000	0180-0234	\$15,000
Mud Logging	0180-0137	\$15,000		
Stimulation			0180-0241	\$2,170,000
Stimulation Rentals & Other			0180-0242	\$242,000
Water & Other	0180-0145	\$35,000	0180-0245	\$590,700
Bits	0180-0148	\$96,100	0180-0248	
Inspection & Repair Services	0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services	0180-0154		0180-0254	\$10,000
Testing & Flowback Services	0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig			0180-0260	\$10,500
Rig Mobilization	0180-0164	\$150,000		
Transportation	0180-0165	\$30,000	0180-0265	\$40,000
Welding, Construction, & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision	0180-0170	\$131,100	0180-0270	\$61,800
Directional Services	0180-0175	\$400,000		
Equipment Rental	0180-0180	\$149,500	0180-0280	\$30,000
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$4,400	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	\$82,800	0180-0295	\$23,400
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	0180-0199	\$133,800	0180-0299	\$217,400
TOTAL		\$2,810,400		\$4,566,100

TANGIBLE COSTS 0181				
Casing (19.1" - 30")	0181-0793			
Casing (10.1" - 19.0")	0181-0794	\$96,700		
Casing (8.1" - 10.0")	0181-0795	\$109,800		
Casing (6.1" - 8.0")	0181-0796	\$367,800		
Casing (4.1" - 6.0")			0181-0797	\$218,000
Tubing			0181-0798	\$137,200
Drilling Head	0181-0860	\$50,000		
Tubing Head & Upper Section			0181-0870	\$30,000
Horizontal Completion Tools			0181-0871	\$75,000
Subsurface Equip. & Artificial Lift			0181-0880	\$40,000
Service Pumps	(1/4) TP/CP/Circ pump		0181-0886	\$10,000
Storage Tanks	(1/4) (8)OT/(6)WT/(2)GB		0181-0890	\$135,000
Emissions Control Equipment	(1/4) (4)VRT/(1)VRU/(1)FLARE/(3)KO/(1)AIR		0181-0892	\$99,000
Separation / Treating Equipment	(1/4) (4)H SEP/(2)V SEP/(4)VHT		0181-0895	\$77,000
Automation Metering Equipment			0181-0898	\$93,000
Oil/Gas Pipeline-Pipe/Valves&Misc			0181-0900	\$87,500
Water Pipeline-Pipe/Valves & Misc			0181-0901	\$95,000
On-site Valves/Fittings/Lines&Misc			0181-0906	\$175,000
Wellhead Flowlines - Construction			0181-0907	\$32,000
Cathodic Protection			0181-0908	
Electrical Installation			0181-0909	\$167,000
Equipment Installation			0181-0910	\$88,000
Oil/Gas Pipeline - Construction			0181-0920	\$135,000
Water Pipeline - Construction			0181-0921	\$85,000
TOTAL		\$624,300		\$1,778,700
SUBTOTAL		\$3,434,700		\$6,344,800

TOTAL WELL COST \$9,779,500

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: 09/04/2024
 Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____
 Joint Owner Name: _____ Signature: _____

Hudson Brunson

Good evening,

It was great speaking with you this morning regarding your family's interest in Mewbourne Oil Company's Goat Rope Prospect. As mentioned, our Title Opinions show [REDACTED] owning an unleased mineral interest of [REDACTED] acres in the [REDACTED] of Section 7, T20S, R36E, Lea County, NM. If you would like to sign a lease with Mewbourne, here are the terms:

- [REDACTED]-year primary term
- [REDACTED] Royalty
- [REDACTED] per acre Bonus Payment

If you have any questions, please don't hesitate to reach out.

Thanks,

Hudson L. Brunson

Landman

Mewbourne Oil Company

500 W. Texas, Suite 1020

Midland, Texas 79701

Email: hbrunson@mewbourne.com

Office Phone: (432) 682-3715

Summary of Communications
Goat Rope 7/18 State Com #523H (B2CN)
E/2W/2 of Section 7-T20S-R36E, Lea County, NM &
E/2W/2 of Section 26-T20S-R36E, Lea County, NM

Pioneer Exploration LLC:

- 7/22/2024: Mailed AFEs, Well Proposal Letter and Joint Operating Agreement to above listed party.
- 7/25/2024: Mailed package is received by above listed party.
- 9/20/2024: Email conversation with employee of above listed party.
- 10/1/2024: Mailed Notice of Change Letter for new Surface and Bottom Hole Locations.
- 1/13/2025: Email conversation with employee of above listed party.
- 3/31/2025: Email conversation with employee of above listed party.

Est. of Perry R. Bass:

- 7/22/2024: Mailed AFEs, Well Proposal Letter and Joint Operating Agreement to above listed party.
- 7/25/2024: Mailed package is received by above listed party.
- 9/20/2024: Email conversation with employee of above listed party.
- 9/30/2024: Email conversation with employee of above listed party.
- 10/2/2024: Mailed Notice of Change Letter for new Surface and Bottom Hole Locations.
- 3/7/2025: Mailed AFEs, Well Proposal Letter and Joint Operating Agreement to above listed party.
- 3/24/2025: Phone conversation with employee of above listed party.
- 3/25/2025: Email conversation with employee of above listed party.

The Heirs of Ruby Fox:

- 2/5/2025: Mailed AFEs and Well Proposal Letter containing terms of the Joint Operating Agreement to above listed party.

Patricia Tidwell:

- 2/5/2025: Mailed AFEs and Well Proposal Letter containing terms of the Joint Operating Agreement to above listed party.
- 2/12/2025: Mailed package is received by above listed party.
- 3/27/2025: Phone conversation with family member of the above listed party.

The Est. of Mary Elizabeth McCrory:

- 2/5/2025: Mailed AFEs and Well Proposal Letter containing terms of the Joint Operating Agreement to above listed party.
- 2/15/2025: Mailed package is received by above listed party.
- 2/17/2025: Phone conversation with the family of the above listed estate.
- 2/18/2025: Email conversation with the family of the above listed estate.
- 3/3/2025: Phone conversation with the family of the above listed estate.
- 3/4/2025: Phone conversation with the family of the above listed estate.
- 3/26/2025: Phone conversation with the family of the above listed estate.

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

**APPLICATION OF MEWBOURNE OIL
COMPANY TO AMEND ORDER R-23641
TO ADD ADDITIONAL POOLED PARTIES,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25280
(formerly Case No. 24846)**

**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 March 28, 2025.

5. I caused a notice to be published to all parties subject to this compulsory pooling proceeding. An affidavit of publication from the publication’s legal clerk with a copy of the notice of 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. D
Submitted by: Mewbourne Oil Company
Hearing Date: April 10, 2025
Case No. 25280**



Paula M. Vance

4/2/2025

Date



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

March 21, 2025

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Mewbourne Oil Company to Amend Order R-23641 to Add Additional Pooled Parties, Lea County, New Mexico: Goat Rope 7/18 State Com #523H well

Greetings:

This letter is to advise you that Mewbourne Oil Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on April 10, 2025, 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 Hudson Brunson at (432) 682-3715, or at hbrunson@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 - Goat Rope Re-open 523H well - Case no. 25280
Postal Delivery Report

9414811898765453461082	Pioneer Exploration LLC	1900 Saint James Pl Ste 800	Houston	TX	77056-4133	Your item was delivered to the front desk, reception area, or mail room at 5:10 pm on March 27, 2025 in HOUSTON, TX 77056.
9414811898765453461037	The Heirs of Ruby Fox	368 E 375th Rd	Dunnegan	MO	65640-9648	Your item arrived at the FAIR PLAY, MO 65649 post office at 10:34 am on March 27, 2025 and is ready for pickup.
9414811898765453461075	Deborah L. McCrory, as Personal Representative of the Estate of Mary Elizabeth McCrory	PO Box 255	Sagle	ID	83860-0255	Your item was picked up at the post office at 9:46 am on March 27, 2025 in SAGLE, ID 83860.
9414811898765453461419	Patricia Tidwell	1709 W Sears Ave	Artesia	NM	88210-2668	Your item was delivered to an individual at the address at 4:25 pm on March 25, 2025 in ARTESIA, NM 88210.
9414811898765453461464	The Estate of Perry R. Bass	201 Main St	Fort Worth	TX	76102-3105	Your item departed our USPS facility in FORT WORTH TX DISTRIBUTION CENTER on March 26, 2025 at 9:59 pm. The item is currently in transit to the destination.

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
March 27, 2025
and ending with the issue dated
March 27, 2025.



Publisher

Sworn and subscribed to before me this
27th day of March 2025.

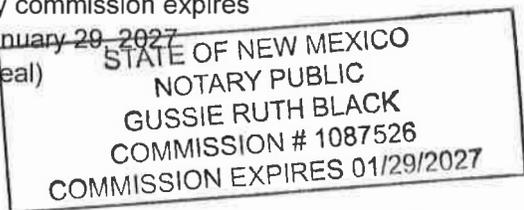


Business Manager

My commission expires

~~January 29, 2027~~

(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL	LEGAL
LEGAL NOTICE March 27, 2025	
<p>Case No. 25280: Application of Mewbourne Oil Company to Amend Order R-23641 to Add Additional Pooled Parties, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Pioneer Exploration LLC; The Heirs of Ruby Fox; Deborah L. McCrory, as Personal Representative of the Estate of Mary Elizabeth McCrory; Patricia Tidwell; and The Estate of Perry R. Bass. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on April 10, 2025, to consider this application. The hearing 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. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date; https://www.emnrd.nm.gov/ocd/hearing-info/ or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order amending Pooling Order R-23641 to add additional mineral interest owners to the pooling order. Order R-23641 was issued in Case No. 24846 and pooled uncommitted mineral interest owners in the Bone Spring formation (Featherstone; Bone Spring, East Pool [24270]) underlying the E/2 W/2 of Sections 7 and 18, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico. This standard 320-acre horizontal well spacing unit is currently dedicated to the Goat Rope 7/18 State Com #523H well. The subject area is located approximately 16 miles southwest of Hobbs, New Mexico. #00299437</p>	

67100754

00299437

HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
SANTA FE, NM 87501

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: Mewbourne Oil Company
Hearing Date: April 10, 2025
Case No. 25280