BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JUNE 2, 2022

CASE NO. 22807

MAD DOG 26/35 B1DM STATE COM 1H WELL MAD DOG 26/35 B2DM STATE COM 1H WELL MAD DOG 26/35 H3DM STATE COM 1H WELL

LEA COUNTY, NEW MEXICO



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

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

CASE NO. 22807

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 - MEWBOURNE Exhibit A-3: Chronology of Contact & Sample Well Proposal Letters
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 - o MEWBOURNE Exhibit B-1: Project Location Map
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- **MEWBOURNE Exhibit C:** Notice Affidavit
- MEWBOURNE Exhibit D: Affidavit of Publication

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 22807	APPLICANT'S RESPONSE	
Date: June 2, 2022		
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:		
Well Family	Mad Dog 26/35	
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:	Antelope Ridge;Bone Spring (2200)	
Well Location Setback Rules:	Standard	
Spacing Unit Size:	320-acres	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	320-acres	
Building Blocks:	Quarter-Quarter sections	
Orientation:	Standup	
Description: TRS/County	W2W2 of Sections 26 & 35, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico	
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes	
Other Situations		
Depth Severance: Y/N. If yes, description	Νο	
Proximity Tracts: If yes, description	No	
Proximity Defining Well: if yes, description	N/A	
Applicant's Ownership in Each Tract	Exhibit A-1	
Well(s)		
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)		
Well #1	Mad Dog 26/35 B1DM State Com 1H , API No. pending SHL: 205' FNL & 1240 FWL (Unit D) of Sec. 26, T23S, R34E BHL: 100' FSL & 660' FWL (Unit M) of Sec. 35, T23S, R34E	
	Completion Target: Bone Spring formation Well Orientation: North to South Completion Location expected to be: Standard	

Received by OCD: 5/31/2022 11:15:50 AM	Page 4 o
Well #2	Mad Dog 26/35 B2DM State Com 1H , API No. pending SHL: 205' FNL & 1200' FWL (Unit D) of Sec. 26, T23S, R34E BHL: 100' FSL & 330' FWL (Unit M) of Sec. 35, T23S, R34E
	Completion Target: Bone Spring formation Well Orientation: North to South Completion Location expected to be: Standard
N/-11 #2	Mad Dog 26/35 H3DM State Com 1H , API No. pending
Well #3	SHL: 205' FNL & 1220' FWL (Unit D) of Sec. 26, T23S, R34E BHL: 100' FSL & 660' FWL (Unit M) of Sec. 35, T23S, R34E
	Completion Target: Bone Spring formation Well Orientation: North to South Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-5
Completion Target (Formation, TVD and MD)	Exhibit A-3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
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-1
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	Exhibits C & D
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-3
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit A-5
Gunbarrel/Lateral Trajectory Schematic Released to Imaging: 5/31/2022 11:20:12 AM	Exhibit B-2

Received by OCD: 5/31/2022 11:15:50 AM Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-5
Tracts	Exhibit A-1
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit A-5
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 pr	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	Tichal & Fellevers 31-May-22

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

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

CASE NO. _22807

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 interests in the Bone Spring formation [Antelope Ridge; Bone Spring Pool (2200)] underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W2W2 of Sections 26 & 35, Township 23 South, Range 34 East, NMPM, Lea 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 spacing unit to the proposed Mad Dog 26/35 B1DM State Com 1H, the Mad Dog 26/35 B2DM State Com 1H and the Mad Dog 26/35 H3DM State Com 1H wells to be horizontally drilled from a surface location in the NW4NW4 (Unit D) of Section 26 to a bottom hole location in the SW4SW4 (Unit M) of Section 35.

3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the working interest owners in the subject spacing unit.

4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 2, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial wells thereon;
- B. Designating Applicant as operator of the horizontal spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- 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 wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

Fellevers By:

Michael H. Feldewert Adam G. Rankin Julia Broggi Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421 (505) 983-6043 Facsimile mhfeldewert@hollandhart.com agrankin@hollandhart.com

ATTORNEYS FOR MEWBOURNE OIL COMPANY

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 COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 22807

VERIFIED STATEMENT OF ADRIANA SALGADO

Adriana Salgado, being duly sworn upon her 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 worked as a landman for two years. I hold a Bachelor of Arts Degree in Humanities from the University of Texas of the Permian Basin. I have 4 years of land work experience with Apache Corporation, prior to working at Mewbourne Oil Company. Collectively, I have 11 years of land work experience.

2. Pursuant to NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:

(a) The purpose of this application is to force pool working interest owners into the Bone Spring formation [Antelope Ridge; Bone Spring Pool (2200)] horizontal spacing unit described below, and in wells to be drilled in the unit.

(b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well but have failed or refused to voluntarily commit their interests to the well. All interest owners have been located.

(c) A plat outlining the unit being pooled is attached hereto as Exhibit 1. Mewbourne seeks an order approving a 320.00-acre horizontal spacing unit in the Bone Spring formation comprised of the W2W2 of Section 26 and the W2W2 of Section 35, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Mad Dog 26/35 B1DM State Com #1H, the Mad Dog 26/35 B2DM State Com #1H and the Mad Dog 26/35 H3DM State Com #1H.

(d) The parties being pooled and their interests are set forth in Exhibit 2. Their current and correct addresses are also set forth.

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Mewbourne Oil Company Hearing Date: June 2, 2022 Case No. 22807 (e) Exhibit 3 contains a summary of contacts with the interest owners, together with copies of the proposal letters sent to them, delivery receipts for each and copies of all email correspondence as listed.

(f) In order to locate the interest owners, Mewbourne examined the county records, performed internet searches, checked telephone records, and searched pertinent computer searches.

(g) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well.

(h) Mewbourne has the right to pool the overriding royalty owners in the well unit.

(i) Exhibit 4 is the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depth and length drilled in this area Lea County.

(j) Mewbourne requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Lea County. Mewbourne requests that these rates be adjusted periodically as provided in the standard COPAS. Accounting Procedure.

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

(l) Applicant requests that it be designated operator of the well.

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

(n) The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION

STATE OF TEXAS

)) ss.)

COUNTY OF MIDLAND

Adriana Salgado, being duly sworn upon his oath, deposes and states that: She is a landman for Mewbourne Oil Company; she is authorized to make this verification on its behalf; she has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of her knowledge, information, and belief.

Adriana Salgado

SUBSCRIBED AND SWORN TO before me this 25^{th} day of May, 2022 by Adriana Salgado.

My Commission Expires: 3-28-22

Notary Public



EXHIBIT 1

Section Plat

Mad Dog 26/35 B1DM State Com #1H Mad Dog 26/35 B2DM State Com #1H Mad Dog 26/35 H3DM State Com #1H W/2W/2 of Section 26 & W/2W/2 of Section 35 T23S-R34E, Lea County, NM



<u>Tract 1: W2W2 of Section 26 – State Lse. K-5283(W2NW) & State Lse.</u> <u>L-5014 (W2SW) – Contractual Rights IA dtd 3/10/13 & 8/25/13</u> Mewbourne Oil Company

Chevron U.S.A. Inc. Nortex Corporation

Tract 2: W2NW of Section 35 - State Lse. V-8253 (W2NW)

Mewbourne Oil Company Chevron U.S.A. Inc. *Marathon Oil Permian LLC *Hanley Petroleum LLC Mavros Oil Company, LLC *LHAH Properties LLC H6 Holdings LLC TBO Cattle Company, LLC

Tract 3: W2SW of Section 35 – State Lse. V-8275 (W2SW) Mewbourne Oil Company Chevron U.S.A. Inc. Prospector, LLC *McCombs Energy, Ltd. Parrot Head Properties, LLC Big Three Energy Group, LLC

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A1 Submitted by: Mewbourne Oil Company Hearing Date: June 2, 2022 Case No. 22807

*Indicates parties being pooled.

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EXHIBIT 2

TRACT OWNERSHIP

Mad Dog 26/35 B1DM State Com #1H Mad Dog 26/35 B2DM State Com #1H Mad Dog 26/35 H3DM State Com #1H W2W2 of Section 26 & W2W2 of Section 35, Township 23 South, Range 34 East Lea County, New Mexico

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	37.500000%
Chevron U.S.A. Inc. P.O. Box 2100 Houston, Texas 77252	37.500000%
*Marathon Oil Permian LLC 5555 San Felipe Houston, Texas 77056	6.250000%
Nortex Corporation 3009 Post Oak Blvd. Houston, Texas 77056	4.687500%
*Hanley Petroleum 415 W. Wall Street, Suite 1500 Midland, Texas 79701-4473	3.867175%
Prospector LLC P.O. Box 429 Roswell, New Mexico 88202	3.500000%
*McCombs Energy, Ltd. 755 East Mulberry, Suite 600 San Antonio, Texas 78212	2.812500%
Mavros Oil Company, LLC P.O. Box 50820 Midland, Texas 79710-0820	1.562500%
Parrot Head Properties P.O. Box 429 Roswell, New Mexico 88202	0.750000%
. –	BEFORE THE OIL CONS Santa Fe, No

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A2 Submitted by: Mewbourne Oil Company Hearing Date: June 2, 2022 Case No. 22807

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Big Three Energy Group P.O. Box 429 Roswell, New Mexico 88202		0.750000%
*LHAH Properties LLC 415 W. Wall Street, Suite 1500 Midland, Texas 79701		0.468750%
H6 Holdings LLC P.O. Box 1212 Midland, Texas 79701		0.234375%
TBO Cattle Company, LLC 4505 Mockingbird Lane Midland, Texas 79707		0.117200%
	Total	100.00000%

*Total interest being pooled: 13.398425%

EXHIBIT 3

Summary of Communications Mad Dog 26/35 B1DM State Com #1H Mad Dog 26/35 B2DM State Com #1H Mad Dog 26/35 H3DM State Com #1H

Mad Dog 26/35 B2CN State Com #1H

Company Name: Marathon Oil Permian LLC			
Date:	Communicated with:	Comments/Actions:	
4/4/22	Jeff Broussard	Mailed & emailed well & JOA proposals via certified mail.	
4/11/22	Jeff Broussard	Jeff emailed me letting me know they received the AFE/JOA proposals and asked questions.	
4/11/22	Jeff Broussard	I emailed Jeff back answering his questions.	
4/11/22	Jeff Broussard	Jeff emailed me stating he needed to investigate title for this area and asked about if we were going to pool.	
4/11/22	Jeff Broussard	I emailed Jeff letting him know what we showed to be their interest and where it was derived. I also told him we would probably pool them.	
4/11/22	Jeff Broussard	I emailed Jeff asking for an update on their review process for these wells/OA.	
4/27/22	Jeff Broussard	Jeff emailed me asking if they were the only non-participating party.	
4/27/22	Jeff Broussard	I emailed Jeff back answering his question.	
4/27/22	Jeff Broussard	Jeff emailed me back stating they would prefer to trade or farmout their acreage in these wells.	
5/17/22	Jeff Broussard	I emailed Jeff an offer to carry Marathon's interest through tanks.	
5/19/22	Jeff Broussard	Jeff stated they were going to evaluate our offer and later sent me another email with follow-up questions.	
5/19/22	Jeff Broussard	I emailed Jeff answering his questions.	

Company Name: McCombs Energy, Ltd.			
Date:	Communicated with:	Comments/Actions:	
3/25/22		Mailed well & JOA proposals via certified mail.	
3/28/22		Certified Mail receipt showed successful delivery at 1:55 PM	
5/11/22	Mark Hajdik	I got an email from Mark at Colgate Energy stating CM Resources II was the JV entity these wells were under now. He sent me the Assignment copy and copies of the Mad Dog proposal packets we sent to McCombs originally. He asked when they were being pooled and for case numbers. He stated he anticipated the JOA would be signed and it was currently being routed, along with the AFEs.	
5/11/22	Mark Hajdik	I emailed Mark back answering his questions.	
5/17/22	Mark Hajdik	I emailed Mark for asking for an update.	
5/17/22	Mark Hajdik	Mark emailed me letting me know he thinks they'll be good to go on signing the JOA and he asked me a question about well formation.	
5/17/22	Mark Hajdik	I emailed Mark back letting him know the answer.	

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Company Name: Hanley Petroleum LLC			
Date:	Communicated with:	Comments/Actions:	
3/25/22	Frank Closuit	Mailed well & JOA proposals via certified mail.	
3/31/22		Certified Mail receipt showed successful delivery at 4:34 PM	
4/4/22	Frank Closuit	Emailed well & JOA proposals since I received mail returned as undeliverable from one of the Hanley entities. I resent to an updated address I received from a colleague.	
4/4/22	Frank Closuit	Frank emailed me asking questions.	
4/27/22	Frank Closuit	I emailed Frank asking for an update.	
4/28/22	Frank Closuit	Frank emailed letting me know they were going to participate, and he would get elections back to me within a week.	
4/28/22	Frank Closuit	I responded by email confirming his response.	
4/29/22	Frank Closuit	Frank emailed asking more questions on proposals.	
4/29/22	Frank Closuit	I emailed Frank back answering his questions.	
5/13/22	Frank Closuit	Frank sent me the signed AFEs for both Hanley Petroleum and LHAH Properties. He stated the JOA was being circulated for signatures.	
5/17/22	Frank Closuit	I emailed Frank to follow-up on the JOA.	
5/17/22	Frank Closuit	Frank emailed me and let me know he was out of the office and would send me signed copy of JOA once he was back in office next week.	
5/25/22	Frank Closuit	I emailed Frank to follow-up on the JOA.	

Company Name: LHAH Properties LLC			
Date:	Communicated with:	Comments/Actions:	
3/25/22	Frank Closuit	Mailed well & JOA proposals via certified mail.	
3/31/22		Certified Mail receipt showed successful delivery at 4:34 PM	
4/4/22	Frank Closuit	Emailed well & JOA proposals since I received mail returned as	
		undeliverable from one of the Hanley entities. I resent to an	
		updated address I received from a colleague.	
4/4/22	Frank Closuit	Frank emailed me asking questions.	
4/27/22	Frank Closuit	I emailed Frank asking for an update.	
4/28/22	Frank Closuit	Frank emailed letting me know they were going to participate,	
		and he would get elections back to me within a week.	
4/28/22	Frank Closuit	I responded by email confirming his response.	
4/29/22	Frank Closuit	Frank emailed asking more questions on proposals.	
4/29/22	Frank Closuit	I emailed Frank back answering his questions.	
5/13/22	Frank Closuit	Frank sent me the signed AFEs for both Hanley Petroleum and	
		LHAH Properties. He stated the JOA was being circulated for	
		signatures.	
5/17/22	Frank Closuit	I emailed Frank to follow-up on the JOA.	
5/17/22	Frank Closuit	Frank emailed me and let me know he was out of the office and	
		would send me signed copy of JOA once he was back in office	
		next week.	
5/25/22	Frank Closuit	I emailed Frank to follow-up on the JOA.	

MEWBOURNE OIL COMPANY FASKEN CENTER

500 WEST TEXAS, SUITE 1020 MIDLAND, TX 79701

TELEPHONE (432) 682-3715 FACSIMILE (432) 685-4170

March 25, 2022

Via Certified Mail & Email

Marathon Oil Permian LLC 990 Town & Country Blvd. Houston, Texas 77024 Attn: Permian Land Manager

Re: Mad Dog 26/35 B1DM State Com #1H 205' FNL & 1240' FWL (SL) (Sec 26) 100' FSL & 660' FWL (BHL) (Sec 35) Sections 26 & 35, T23S, R34E Lea County, New Mexico TVD: 9,990' MD: 20,075' Proration Unit/Project Area: W2W2 of Sec 26 & 35

Mad Dog 26/35 B2DM State Com #1H 205' FNL & 1200' FWL (SL) (Sec 26) 100' FSL & 330' FWL (BHL) (Sec 35) Sections 26 & 35, T23S, R34E Lea County, New Mexico TVD: 10,462' MD: 20,550' Proration Unit/Project Area: W2W2 of Sec 26 & 35 Mad Dog 26/35 B2CN State Com #1H 205' FNL & 1260' FWL (SL) (Sec 26) 100' FSL & 1650' FWL (BHL) (Sec 35) Sections 26 & 35, T23S, R34E Lea County, New Mexico TVD: 10,471' MD: 20,580' Proration Unit/Project Area: E2W2 of Sec 26 & 35

Mad Dog 26/35 H3DM State Com #1H 205' FNL & 1220' FWL (SL) (Sec 26) 100' FSL & 660' FWL (BHL) (Sec 35) Sections 26 & 35, T23S, R34E Lea County, New Mexico TVD: 10,862' MD: 20,960' Proration Unit/Project Area: W2W2 of Sec 26 & 35

Dear Sir or Madam:

Mewbourne Oil Company ("Mewbourne") hereby proposes to drill the above referenced horizontal Bone Spring wells. The referenced wells will be drilled as stated above. The estimated costs for these wells are as follows:

Well Name	Est Cost to Casing Point	Est Cost of Producing Well
Mad Dog 26/35 B1DM State Com #1H	\$3,429,700	\$9,391,700
Mad Dog 26/35 B2CN State Com #1H	\$3,449,700	\$9,420,100
Mad Dog 26/35 B2DM State Com #1H	\$3,448,100	\$9,415,700
Mad Dog 26/35 H3DM State Com #1H	\$3,465,100	\$10,214,900

Enclosed are Mewbourne's AFEs for the wells, more fully detailing drilling costs. To make your election to participate in the proposed wells, properly execute and return the AFEs to my attention. You will also need to provide your "Well Information" requirements. As a reminder, Mewbourne's AFEs provide all participants the opportunity to opt out of the "Extra Expense Well Control Insurance" that Mewbourne purchases for each well it drills. If you do opt out, you must provide evidence that you have adequate "Well Control Insurance". If you do not wish to participate in the wells, Mewbourne is interested in discussing other options for your interest.

To facilitate the drilling of these wells and the development of this project area, Mewbourne proposes forming a working interest unit by signing an Operating Agreement with a Contract Area comprised of the All of Section 26 and All of Section 35, Township 23 South, Range 34 East, Lea County, New Mexico. Our Joint Operating Agreement (JOA), whereas Mewbourne is listed as Operator, is attached for your review and execution. To make your election to participate in the proposed JOA, properly execute and return the marked signature and acknowledgement pages to my attention. Feel free to contact me if you have any questions. I can be reached by phone at (432) 682-3715 or via email at asalgado@mewbourne.com.

Sincerely, MEWBOURNE OIL COMPANY

asalgado.

Adriana Jimenez-Salgado Landman



Proof of Acceptance (Electronic)

Date: 5/25/2022

Client Name: Mewbourne Oil Company

Certified with RR(E) item number 9402836897846123612023, addressed to Marathon Oil Permian LLC

Accepted at USPS Regional Facility-March 25, 2022, 6:13 pm, MIDLAND TX DISTRIBUTION CENTER,

The item number, time, date, city, state, and zip code is a true extract of information provided by the United States Postal Service to SimpleCertifiedMail.com.

Marathon Oil Permian LLC 5555 San Felipe Houston, TX 77056 Reference #: Mad Dog 26 35 Proposals Item ID: Mad Dog 26 35 Proposals Group Name: MIDLAND OFFICE

The above information is for the sole use of SimpleCertifiedMail.com clients and represents information provided by the United States Postal Service.

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Received by OCD: 5/31/2022 11:15:50 AM



Proof of Delivery (Electronic)

Date: 5/25/2022

Client Name: Mewbourne Oil Company

Certified with RR(E) item number 9402836897846164397859, addressed to Permian Land Manager was designated Held at Post Office, At Customer Request at 9:42 PM on April 07, 2022.

The item number, time, date, city, state, and zip code is a true extract of information provided by the United States Postal Service to SimpleCertifiedMail.com.

Permian Land Manager Marathon Oil Permian LLC 990 Town & Country Blvd. Houston, TX 77024 Reference #: Mad Dog 26/35

The above information is for the sole use of SimpleCertifiedMail.com clients and represents information provided by the United States Postal Service.

Adriana Salgado

From:	Broussard, Jeff (MRO) <jbroussard1@marathonoil.com></jbroussard1@marathonoil.com>
Sent:	Monday, April 11, 2022 8:30 AM
То:	Adriana Salgado
Subject:	[EXT] Mad Dog 26/35 Well Proposals

Adriana,

I received your well proposals for the above captions wells. Could you tell me what you show as Marathon's WI/NRI in these tracts?

Also, what is your anticipated spud/completion dates?

Thanks,

Jeff Broussard Marathon Oil O: 713-296-3159 C: 409-351-2656

CONFIDENTIAL

This e-mail message and all corresponding e-mail messages, including all attachments, are intended solely for the individual(s) named above. They contain confidential and/or proprietary information. Do not forward, copy, distribute or otherwise relay the messages or their content to any individual without first contacting the sender of this message.

Notice: Should the contents of this message concern any potential agreement it is understood that any final agreement is subject to diligence and management approval; there shall be no binding agreement until the parties have <u>executed and</u> <u>exchanged</u> a definitive final agreement.

MEWBOURNE OIL COMPANY FASKEN CENTER 500 WEST TEXAS, SUITE 1020 MIDLAND, TX 79701

> TELEPHONE (432) 682-3715 FACSIMILE (432) 685-4170

March 25, 2022

Via Certified Mail

McCombs Energy, Ltd. 755 East Mulberry, Suite 600 San Antonio, Texas 78212 Attn: Land Manager

Re: Mad Dog 26/35 B1DM State Com #1H 205' FNL & 1240' FWL (SL) (Sec 26) 100' FSL & 660' FWL (BHL) (Sec 35) Sections 26 & 35, T23S, R34E Lea County, New Mexico TVD: 9,990' MD: 20,075' Proration Unit/Project Area: W2W2 of Sec 26 & 35

Mad Dog 26/35 B2DM State Com #1H 205' FNL & 1200' FWL (SL) (Sec 26) 100' FSL & 330' FWL (BHL) (Sec 35) Sections 26 & 35, T23S, R34E Lea County, New Mexico TVD: 10,462' MD: 20,550' Proration Unit/Project Area: W2W2 of Sec 26 & 35 Mad Dog 26/35 B2CN State Com #1H 205' FNL & 1260' FWL (SL) (Sec 26) 100' FSL & 1650' FWL (BHL) (Sec 35) Sections 26 & 35, T23S, R34E Lea County, New Mexico TVD: 10,471' MD: 20,580' Proration Unit/Project Area: E2W2 of Sec 26 & 35

Mad Dog 26/35 H3DM State Com #1H 205' FNL & 1220' FWL (SL) (Sec 26) 100' FSL & 660' FWL (BHL) (Sec 35) Sections 26 & 35, T23S, R34E Lea County, New Mexico TVD: 10,862' MD: 20,960' Proration Unit/Project Area: W2W2 of Sec 26 & 35

Dear Sir or Madam:

Mewbourne Oil Company ("Mewbourne") hereby proposes to drill the above referenced horizontal Bone Spring wells. The referenced wells will be drilled as stated above. The estimated costs for these wells are as follows:

Well Name	Est Cost to Casing Point	Est Cost of Producing Well
Mad Dog 26/35 B1DM State Com #1H	\$3,429,700	\$9,391,700
Mad Dog 26/35 B2CN State Com #1H	\$3,449,700	\$9,420,100
Mad Dog 26/35 B2DM State Com #1H	\$3,448,100	\$9,415,700
Mad Dog 26/35 H3DM State Com #1H	\$3,465,100	\$10,214,900

Enclosed are Mewbourne's AFEs for the wells, more fully detailing drilling costs. To make your election to participate in the proposed wells, properly execute and return the AFEs to my attention. You will also need to provide your "Well Information" requirements. As a reminder, Mewbourne's AFEs provide all participants the opportunity to opt out of the "Extra Expense Well Control Insurance" that Mewbourne purchases for each well it drills. If you do opt out, you must provide evidence that you have adequate "Well Control Insurance". If you do not wish to participate in the wells, Mewbourne is interested in discussing other options for your interest.

To facilitate the drilling of these wells and the development of this project area, Mewbourne proposes forming a working interest unit by signing an Operating Agreement with a Contract Area comprised of the All of Section 26 and All of Section 35, Township 23 South, Range 34 East, Lea County, New Mexico. Our Joint Operating Agreement (JOA), whereas Mewbourne is listed as Operator, is attached for your review and execution. To make your election to participate in the proposed JOA, properly execute and return the marked signature and acknowledgement pages to my attention. Feel free to contact me if you have any questions. I can be reached by phone at (432) 682-3715 or via email at asalgado@mewbourne.com.

Sincerely, MEWBOURNE OIL COMPANY

asalgado.

Adriana Jimenez-Salgado Landman

Adriana Salgado

From:
Sent:
To:
Subject:

webmaster@simplecertifiedmail.com Monday, March 28, 2022 1:55 PM Adriana Salgado [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9402836897846123759902 and reference number of Mad Dog 26 35 Proposals was successfully delivered to McCombs Energy Ltd.

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If you have questions or concerns, please let us know.

Regards,

The Client Services Group-Assistance

SimpleCertifiedMail.com 111 Commonwealth Court, Suite 103 Cary, NC 27511-4447

888-462-1750 ext. 2 assistance@simplecertifiedmail.com

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MEWBOURNE OIL COMPANY

500 WEST TEXAS, SUITE 1020 MIDLAND, TX 79701

TELEPHONE (432) 682-3715 FACSIMILE (432) 685-4170

April 4, 2022

Via Certified Mail & Email

Hanley Petroleum 2501 Ridgmar Plaza Fort Worth, TX 76116 Attn: Mr. Fred Closuit

Re: Mad Dog 26/35 B1DM State Com #1H 205' FNL & 1240' FWL (SL) (Sec 26) 100' FSL & 660' FWL (BHL) (Sec 35) Sections 26 & 35, T23S, R34E Lea County, New Mexico TVD: 9,990' MD: 20,075' Proration Unit/Project Area: W2W2 of Sec 26 & 35

Mad Dog 26/35 B2DM State Com #1H 205' FNL & 1200' FWL (SL) (Sec 26) 100' FSL & 330' FWL (BHL) (Sec 35) Sections 26 & 35, T23S, R34E Lea County, New Mexico TVD: 10,462' MD: 20,550' Proration Unit/Project Area: W2W2 of Sec 26 & 35 Mad Dog 26/35 B2CN State Com #1H 205' FNL & 1260' FWL (SL) (Sec 26) 100' FSL & 1650' FWL (BHL) (Sec 35) Sections 26 & 35, T23S, R34E Lea County, New Mexico TVD: 10,471' MD: 20,580' Proration Unit/Project Area: E2W2 of Sec 26 & 35

Mad Dog 26/35 H3DM State Com #1H 205' FNL & 1220' FWL (SL) (Sec 26) 100' FSL & 660' FWL (BHL) (Sec 35) Sections 26 & 35, T23S, R34E Lea County, New Mexico TVD: 10,862' MD: 20,960' Proration Unit/Project Area: W2W2 of Sec 26 & 35

Dear Sir or Madam:

Mewbourne Oil Company ("Mewbourne") hereby proposes to drill the above referenced horizontal Bone Spring wells. The referenced wells will be drilled as stated above. The estimated costs for these wells are as follows:

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Mad Dog 26/35 B1DM State Com #1H	\$3,429,700	\$9,391,700
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Mad Dog 26/35 B2DM State Com #1H	\$3,448,100	\$9,415,700
Mad Dog 26/35 H3DM State Com #1H	\$3,465,100	\$10,214,900

Enclosed are Mewbourne's AFEs for the wells, more fully detailing drilling costs. To make your election to participate in the proposed wells, properly execute and return the AFEs to my attention. You will also need to provide your "Well Information" requirements. As a reminder, Mewbourne's AFEs provide all participants the opportunity to opt out of the "Extra Expense Well Control Insurance" that Mewbourne purchases for each well it drills. If you do opt out, you must provide evidence that you have adequate "Well Control Insurance". If you do not wish to participate in the wells, Mewbourne is interested in discussing other options for your interest.

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Sincerely, MEWBOURNE OIL COMPANY

asalgado.

Adriana Jimenez-Salgado Landman

Adriana Salgado

From:
Sent:
To:
Subject:

webmaster@simplecertifiedmail.com Thursday, March 31, 2022 4:34 PM Adriana Salgado [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9402836897846133437784 and reference number of Mad dog 26/35 was successfully delivered to Land Manager at Hanley Petroleum

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If you have questions or concerns, please let us know.

Regards,

The Client Services Group-Assistance

SimpleCertifiedMail.com 111 Commonwealth Court, Suite 103 Cary, NC 27511-4447

888-462-1750 ext. 2 assistance@simplecertifiedmail.com

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Adriana Salgado

From:
Sent:
To:
Subject:

webmaster@simplecertifiedmail.com Wednesday, April 6, 2022 3:22 PM Adriana Salgado [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9402836897846161407896 and reference number of Mad dog 26/35 was successfully delivered to Mr. Fred Closuit at Hanley Petroleum

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If you have questions or concerns, please let us know.

Regards,

The Client Services Group-Assistance

SimpleCertifiedMail.com 111 Commonwealth Court, Suite 103 Cary, NC 27511-4447

888-462-1750 ext. 2 | assistance@simplecertifiedmail.com

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MEWBOURNE OIL COMPANY FASKEN CENTER

500 WEST TEXAS, SUITE 1020 MIDLAND, TX 79701

TELEPHONE (432) 682-3715 FACSIMILE (432) 685-4170

April 4, 2022

Via Certified Mail & Email

LHAH Properties LLC 2501 Ridgmar Plaza Fort Worth, TX 76116 Attn: Mr. Fred Closuit

Re: Mad Dog 26/35 B1DM State Com #1H 205' FNL & 1240' FWL (SL) (Sec 26) 100' FSL & 660' FWL (BHL) (Sec 35) Sections 26 & 35, T23S, R34E Lea County, New Mexico TVD: 9,990' MD: 20,075' Proration Unit/Project Area: W2W2 of Sec 26 & 35

Mad Dog 26/35 B2DM State Com #1H 205' FNL & 1200' FWL (SL) (Sec 26) 100' FSL & 330' FWL (BHL) (Sec 35) Sections 26 & 35, T23S, R34E Lea County, New Mexico TVD: 10,462' MD: 20,550' Proration Unit/Project Area: W2W2 of Sec 26 & 35 Mad Dog 26/35 B2CN State Com #1H 205' FNL & 1260' FWL (SL) (Sec 26) 100' FSL & 1650' FWL (BHL) (Sec 35) Sections 26 & 35, T23S, R34E Lea County, New Mexico TVD: 10,471' MD: 20,580' Proration Unit/Project Area: E2W2 of Sec 26 & 35

Mad Dog 26/35 H3DM State Com #1H 205' FNL & 1220' FWL (SL) (Sec 26) 100' FSL & 660' FWL (BHL) (Sec 35) Sections 26 & 35, T23S, R34E Lea County, New Mexico TVD: 10,862' MD: 20,960' Proration Unit/Project Area: W2W2 of Sec 26 & 35

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Sincerely, MEWBOURNE OIL COMPANY

asalgado.

Adriana Jimenez-Salgado Landman

Adriana Salgado

From:
Sent:
To:
Subject:

webmaster@simplecertifiedmail.com Sunday, March 27, 2022 12:39 AM Adriana Salgado [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9402836897846123870928 and reference number of Mad Dog 26 35 Proposals was successfully delivered to LHAH Properties LLC

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If you have questions or concerns, please let us know.

Regards,

The Client Services Group-Assistance

SimpleCertifiedMail.com 111 Commonwealth Court, Suite 103 Cary, NC 27511-4447

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Received by OCD: 5/31/2022 11:15:50 AM

MEWBOURNE OIL COMPANY

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. Adv age 28 of 43 Submitted by: Mewbourne Oil Company Hearing Date: June 2, 2022 Case No. 22807

Jocation: SL: 205 FNL & 1240 FWL (2 Sec. 26 BIk: Survey: INTANGIE Regulatory Permits & Surveys Jocation / Road / Site / Preparation Jocation / Road / Site / Preparation Jocation / Restoration Joaywork / Turnkey / Footage Drilling Guel Mud, Chemical & Additives Mud - Specialized Jorizontal Drillout Services Stimulation Toe Preparation Cementing Logging & Wireline Services Casing / Tubing / Snubbing Services Mud Logging Subbing Services	5/35 B1DM STATE COM #1H 26); BHL: 100 FSL & 660 FWL (35) TWP BLE COSTS 0180 24 days drlg / 3 days comp @ \$23000 1700 gal/day @ \$4.7/gal	Co : 23S	CODE 0180-0100 0180-0105 0180-0105 0180-0106	\$40,000	0: 9991 CODE 0180-0200	ST: NM TMD: 20075 CC
Sec. 26 Blk: Survey: INTANGIE Regulatory Permits & Surveys ocation / Road / Site / Preparation ocation / Restoration Daywork / Turnkey / Footage Drilling fuel Mud, Chemical & Additives Mud, Chemical & Additives Mud - Specialized forizontal Drillout Services Stimulation Toe Preparation Cementing ogging & Wireline Services Casing / Tubing / Snubbing Services Mud Logging	TWP BLE COSTS 0180 24 days drlg / 3 days comp @ \$23000	: 235	RNG: 34 CODE 0180-0100 0180-0105 0180-0106	TCP \$20,000 \$40,000	CODE	TMD: 20075
INTANGIE Regulatory Permits & Surveys ocation / Road / Site / Preparation ocation / Restoration Daywork / Turnkey / Footage Drilling uel diternate Fuels Aud, Chemical & Additives Aud - Specialized dorizontal Drillout Services stimulation Toe Preparation Cementing ogging & Wireline Services Casing / Tubing / Snubbing Services Aud Logging	BLE COSTS 0180 24 days drig / 3 days comp @ \$23000		CODE 0180-0100 0180-0105 0180-0106	TCP \$20,000 \$40,000	CODE	
Acception of the services of t	24 days drig / 3 days comp @ \$23000	D/d	0180-0100 0180-0105 0180-0106	\$20,000 \$40,000		cc
egulatory Permits & Surveys ocation / Road / Site / Preparation ocation / Restoration aywork / Turnkey / Footage Drilling uel lternate Fuels lud, Chemical & Additives lud - Specialized orizontal Drillout Services timulation Toe Preparation ementing ogging & Wireline Services asing / Tubing / Snubbing Services lud Logging	24 days drig / 3 days comp @ \$23000)/d	0180-0100 0180-0105 0180-0106	\$20,000 \$40,000		
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Daywork / Turnkey / Footage Drilling Tuel Jternate Fuels Mud, Chemical & Additives Mud - Specialized Jorizontal Drillout Services Stimulation Toe Preparation Cementing ogging & Wireline Services Casing / Tubing / Snubbing Services Mud Logging)/d			0180-0205	\$35,000
uel Iternate Fuels Mud, Chemical & Additives Mud - Specialized Iorizontal Drillout Services itimulation Toe Preparation cementing ogging & Wireline Services casing / Tubing / Snubbing Services Mud Logging		0/d	010000110		0180-0206	\$50,000
Iternate Fuels Mud, Chemical & Additives Mud - Specialized Iorizontal Drillout Services itimulation Toe Preparation cementing ogging & Wireline Services casing / Tubing / Snubbing Services Mud Logging	1700 gal/day @ \$4.77gal		0180-0110	and the second se	0180-0210	
Mud, Chemical & Additives Mud - Specialized Iorizontal Drillout Services stimulation Toe Preparation Cementing ogging & Wireline Services Casing / Tubing / Snubbing Services Mud Logging			0180-0114	\$204,800	0180-0214 0180-0215	
Aud - Specialized Iorizontal Drillout Services Stimulation Toe Preparation Sementing ogging & Wireline Services Casing / Tubing / Snubbing Services Aud Logging			0180-0120	\$70,000	0180-0220	
timulation Toe Preparation ementing ogging & Wireline Services asing / Tubing / Snubbing Services Iud Logging			0180-0121	\$130,000		
cementing ogging & Wireline Services casing / Tubing / Snubbing Services 1ud Logging					0180-0222	\$200,00
ogging & Wireline Services Casing / Tubing / Snubbing Services Aud Logging				0100.000	0180-0223	
Casing / Tubing / Snubbing Services /lud Logging			0180-0125		0180-0225	
1ud Logging			0180-0130		0180-0230	\$13,000
			0180-0137	\$15,000	0100 0204	¢10,00
Stimulation	51 Stg 20.2 MM gal / 25.3 MM lb				0180-0241	\$2,292,20
Stimulation Rentals & Other					0180-0242	\$241,000
Vater & Other			0180-0145		0180-0245	
Bits			0180-0148		0180-0248	
nspection & Repair Services /lisc. Air & Pumping Services			0180-0150	ຈວບ,000	0180-0250 0180-0254	
esting & Flowback Services			0180-0154	\$12,000	0180-0254	
Completion / Workover Rig			3100 0100	φ12,000	0180-0258	
Rig Mobilization			0180-0164	\$150,000		
ransportation			0180-0165		0180-0265	
Velding, Construction & Maint. Services			0180-0168		0180-0268	
Contract Services & Supervision			0180-0170		0180-0270	\$57,100
Directional Services	Includes Vertical Control		0180-0175	\$357,000	0180-0280	\$10,000
equipment Rental			0180-0180		0180-0280	
Vell / Lease Insurance			0180-0185		0180-0285	
ntangible Supplies			0180-0188		0180-0288	\$1,000
Damages			0180-0190	\$10,000	0180-0290	\$1,000
Pipeline Interconnect, ROW Easements			0180-0192		0180-0292	
Company Supervision			0180-0195		0180-0295	
Overhead Fixed Rate Contingencies 5% (TC	CP) 5% (CC)		0180-0196		0180-0296 0180-0299	
Contingencies 5% (TC	5F) 5% (CC)	TOTAL	0100-0199	\$2,716,500		\$4,696,200
TANCIP		TOTAL		\$2,710,500	_	\$4,030,200
	LE COSTS 0181		0181-0793			
Casing (19.1" – 30") Casing (10.1" – 19.0") 795' -	13 3/8" 54.5# J-55 ST&C @ \$58.73/ft		0181-0794	\$49,900		
	- 9 5/8" 40# HCL80 LT&C @ \$49.46/ft		0181-0795	\$257,800		
	- 7" 29# HPP110 BT&C @ \$36.92/ft		0181-0796	\$370,600		
Casing (4.1" - 6.0") 10875	5' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$20	.31/ft			0181-0797	\$235,900
	- 2 7/8" 6.5# L-80 IPC Tbg @ \$11.25/ft				0181-0798	\$110,300
Drilling Head			0181-0860	\$35,000		
ubing Head & Upper Section	deffer the strength				0181-0870	\$30,000
Horizontal Completion Tools Comp Subsurface Equip. & Artificial Lift	bletion Liner Hanger				0181-0880	
Pumping Unit Systems			 +		0181-0885	
	TP/CP/Circ pump				0181-0886	
Storage Tanks (1/4) 8	8 OT/ 6 WT/ 1 GB			-	0181-0890	
Emissions Control Equipment (1/4) 2	2VRT's/VRU/Flare/ 3KO's				0181-0892	
	4 H sep/ 4 V sep/ HHT/ VHT		l		0181-0895	
	nation/fiber/meters	el.	╟────┼─		0181-0898	
	4 mi SWDL & 1.3 mi 6 in GL/Facility gas wo ine/parts	IK	┣		0181-0900	
Cathodic Protection	no-parta		 +		0181-0908	
Electrical Installation					0181-0909	
Equipment Installation					0181-0910	
	4 mi SWDL & 1.3 mi 6 in GL/Facility gas wo	rk			0181-0920	\$55,800
			-			
			<u> </u>			<u> </u>
		TOTAL		\$713,300		\$1,265,700
		JBTOTAL		\$3,429,800		\$5,961,900
	TOTAL WELL	COST		\$9.3	91,700	
xtra Expense Insurance	ISTAL WELL	3001		ψ3,3	- 1,1 00	
	rator's Extra Expense Insurance and pay	my proper	tionate share	of the premium		
LAIGET TO DO COVORAS BU DAS	expense Insurance covering costs of well co					0180-0185.
			8	5		
Operator has secured Extra E	well control insurance policy					
Operator has secured Extra E	well control insurance policy.		alina			
Operator has secured Extra E	ng interest owner elects to be covered by Operato	or's well contro	ol insurance.			
Operator has secured Extra E I elect to purchase my own neither box is checked above, non-operating worki Prepared by:	ng interest owner elects to be covered by Operato		ol insurance.			
Operator has secured Extra E I elect to purchase my own neither box is checked above, non-operating worki Prepared by:	ng interest owner elects to be covered by Operato	Date:	3/17/2022			
Operator has secured Extra E I elect to purchase my own neither box is checked above, non-operating worki Prepared by:	ng interest owner elects to be covered by Operato		3/17/2022			
Operator has secured Extra E I elect to purchase my own neither box is checked above, non-operating worki Prepared by:	Amount:	Date:	3/17/2022			

Released the Imaging 528 28 648 648 At 220 M #1H AFE.xlsx

MEWBOURNE OIL COMPANY

	AUTHORIZATION FOR	EXPENDITOR	κε Γ			
	OG 26/35 B2DM STATE COM #1H	Pros	pect: MAD	DOG 26		
ocation: SL: 205 FNL & 1200 F	WL (26); BHL: 100 FSL & 330 FWL (35)	Co	ounty: Lea		-	ST: NM
Sec. 26 Blk: Survey:	יד	WP: 23S	RNG: 3	4E Prop. TVD	10462	TMD: 20550
INT	ANGIBLE COSTS 0180		CODE	TCP	CODE	сс
Regulatory Permits & Surveys		1.0	0180-0100	\$20,000	0180-0200	
ocation / Road / Site / Preparation			0180-0105		0180-0205	\$35,00
ocation / Restoration aywork / Turnkey / Footage Drillin	g 24 days drig / 3 days comp @ \$23	b000/d	0180-0106		0180-0206 0180-0210	\$50,00 \$73,70
uel	1700 gal/day @ \$4.7/gal	000/4	0180-0114		0180-0214	\$497,30
Iternate Fuels			0180-0115		0180-0215	
Iud, Chemical & Additives Iud - Specialized			0180-0120	\$70,000 \$130,000	0180-0220	
lorizontal Drillout Services			0180-0121	\$130,000	0180-0221	\$200,00
timulation Toe Preparation			and the second		0180-0223	\$50,00
Cementing			0180-0125		0180-0225	\$50,00
ogging & Wireline Services Casing / Tubing / Snubbing Service			0180-0130 0180-0134		0180-0230 0180-0234	\$371,80 \$13,00
lud Logging	3		0180-0137	\$15,000		\$10,00
timulation	51 Stg 20.2 MM gal / 25.3 MM lb				0180-0241	\$2,292,20
timulation Rentals & Other					0180-0242	\$241,00
Vater & Other			0180-0145		0180-0245 0180-0248	\$384,00
nspection & Repair Services			0180-0148		0180-0248	\$5,00
lisc. Air & Pumping Services			0180-0154		0180-0254	\$10,00
esting & Flowback Services			0180-0158	\$12,000	0180-0258	\$24,00
Completion / Workover Rig			0180-0164	\$150,000	0180-0260	\$10,50
ransportation			0180-0164		0180-0265	\$15,00
Velding, Construction & Maint. Ser	vices		0180-0168		0180-0268	\$15,00
Contract Services & Supervision			0180-0170		0180-0270	\$57,10
Directional Services	Includes Vertical Control		0180-0175	\$357,000	0180-0280	£10.00
iquipment Rental Vell / Lease Legal			0180-0180		0180-0280	\$10,00
Vell / Lease Insurance		X	0180-0185		0180-0285	
ntangible Supplies			0180-0188		0180-0288	\$1,00
amages			0180-0190	\$10,000	0180-0290	\$1,00
Pipeline Interconnect, ROW Easem	ients		0180-0192	\$97 200	0180-0292 0180-0295	\$10,00 \$36,00
Overhead Fixed Rate			0180-0196		0180-0296	\$20,00
Contingencies 5	5% (TCP) 5% (CC)		0180-0199	\$129,400	0180-0299	\$223,60
		TOTAL		\$2,716,600		\$4,696,20
	ANGIBLE COSTS 0181		0404 0700			
Casing (19.1" – 30") Casing (10.1" – 19.0")	795' - 13 3/8" 54.5# J-55 ST&C @ \$58.73/ft		0181-0793	\$49,900		
Casing (8.1" – 10.0")	4880' - 9 5/8" 40# HCL80 LT&C @ \$49.46/ft		0181-0795	\$257,800		
Casing (6.1" – 8.0")	9860' - 7" 29# HPP110 BT&C @ \$36.92/ft		0181-0796	\$388,800		
Casing (4.1" – 6.0")	10890' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ 3	\$20.31/ft			0181-0797	\$236,20
Tubing Drilling Head	9630' - 2 7/8" 6.5# L-80 IPC Tbg @ \$11.25/ft		0181-0860	\$35,000	0181-0798	\$115,70
ubing Head & Upper Section				00,000	0181-0870	\$30,00
Iorizontal Completion Tools	Completion Liner Hanger				0181-0871	\$70,00
Subsurface Equip. & Artificial Lift			1		0181-0880	\$25,00
Pumping Unit Systems Service Pumps	(1/4) TP/CP/Circ pump				0181-0885	\$8,00
Storage Tanks	(1/4) 8 OT/ 6 WT/ 1 GB				0181-0890	\$120,30
missions Control Equipment	(1/4) 2VRT's/VRU/Flare/ 3KO's		- in		0181-0892	\$74,00
Separation / Treating Equipment	(1/4) 4 H sep/ 4 V sep/ HHT/ VHT				0181-0895	\$74,00
utomation Metering Equipment	Automation/fiber/meters (2) 1.4 mi SWDL & 1.3 mi 6 in GL/Facility gas	work			0181-0898	\$41,50
ing Ding & Valves Cathoring	(2) 1.4 III SVUL & 1.3 III O II GL/FACIILY UAS	WUIK			0181-0906	\$183,30
ine Pipe & Valves - Gathering						
ine Pipe & Valves - Gathering ittings / Valves & Accessories Cathodic Protection	Flowline/parts				0181-0908	
ittings / Valves & Accessories athodic Protection lectrical Installation					0181-0909	
ittings / Valves & Accessories Cathodic Protection Electrical Installation Equipment Installation	Flowline/parts	work			0181-0909 0181-0910	\$82,30
ittings / Valves & Accessories Cathodic Protection Electrical Installation Equipment Installation		s work			0181-0909	\$82,30
ittings / Valves & Accessories	Flowline/parts				0181-0909 0181-0910 0181-0920	\$82,30 \$55,80
ittings / Valves & Accessories cathodic Protection lectrical Installation quipment Installation	Flowline/parts	TOTAL		\$731,500	0181-0909 0181-0910 0181-0920	\$82,30 \$55,80 \$1,271,40
ittings / Valves & Accessories athodic Protection lectrical Installation quipment Installation	Flowline/parts (2) 1.4 mi SWDL & 1.3 mi 6 in GL/Facility gas	TOTAL SUBTOTAL		\$3,448,100	0181-0909 0181-0910 0181-0920	\$93,00 \$82,30 \$55,80 \$1,271,40 \$5,967,60
ittings / Valves & Accessories athodic Protection lectrical Installation quipment Installation ipeline Construction	Flowline/parts	TOTAL SUBTOTAL		\$3,448,100	0181-0909 0181-0910 0181-0920	\$82,30 \$55,80 \$1,271,40
ittings / Valves & Accessories athodic Protection lectrical Installation quipment Installation ipeline Construction xtra Expense Insurance	Flowline/parts (2) 1.4 mi SWDL & 1.3 mi 6 in GL/Facility gas TOTAL WE	TOTAL SUBTOTAL LL COST pay my propor		\$3,448,100 \$9,4 e of the premium	0181-0909 0181-0910 0181-0920 181-0920 181-0920 181-0920	\$82,30 \$55,80 \$1,271,40 \$5,967,60
ittings / Valves & Accessories Cathodic Protection Electrical Installation iquipment Installation Pipeline Construction	Flowline/parts (2) 1.4 mi SWDL & 1.3 mi 6 in GL/Facility gas TOTAL WE Dy Operator's Extra Expense Insurance and Extra Expense Insurance covering costs of well	TOTAL SUBTOTAL LL COST pay my propor		\$3,448,100 \$9,4 e of the premium	0181-0909 0181-0910 0181-0920 181-0920 181-0920 181-0920	\$82,30 \$55,80 \$1,271,40 \$5,967,60
ittings / Valves & Accessories Cathodic Protection Cathodic Protection Cathodic Installation Equipment Installation Pipeline Construction Vipeline Construction Image: Stress Insurance	Flowline/parts (2) 1.4 mi SWDL & 1.3 mi 6 in GL/Facility gas (2) 1.4 mi SWDL & 1.3 mi 6 in GL/Facility gas TOTAL WE by Operator's Extra Expense Insurance and Extra Expense Insurance covering costs of wel y own well control insurance policy.	TOTAL SUBTOTAL LL COST pay my propor I control, clean t	up and redrilli	\$3,448,100 \$9,4 e of the premium	0181-0909 0181-0910 0181-0920 181-0920 181-0920 181-0920	\$82,30 \$55,80 \$1,271,40 \$5,967,60
ittings / Valves & Accessories Cathodic Protection Iectrical Installation iquipment Installation Pipeline Construction Vipeline Construction Image: Strate Expense Insurance Image: Strate Expens	Flowline/parts (2) 1.4 mi SWDL & 1.3 mi 6 in GL/Facility gas (2) 1.4 mi SWDL & 1.3 mi 6 in GL/Facility gas TOTAL WE by Operator's Extra Expense Insurance and Extra Expense Insurance covering costs of wel y own well control insurance policy. ng working interest owner elects to be covered by Operatory of the co	TOTAL SUBTOTAL LL COST pay my propor I control, clean to erator's well control	up and redrilli ol insurance.	\$3,448,100 \$9,4 e of the premium ng as estimated i	0181-0909 0181-0910 0181-0920 181-0920 181-0920 181-0920	\$82,30 \$55,80 \$1,271,40 \$5,967,60
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MEWBOURNE OIL COMPANY

	RE			
	•	DOG 26		
	ounty: Lea			ST: NM
Sec. 26 Blk: Survey: TWP: 23S	RNG: 34	E Prop. TVE	10862	TMD: 20960
INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105		0180-0205	\$35,00
_ocation / Restoration	0180-0106		0180-0206	\$50,00
Daywork / Turnkey / Footage Drilling 24 days drlg / 3 days comp @ \$23000/d	0180-0110	\$589,500		\$73,70
Fuel 1700 gal/day @ \$4.7/gal	0180-0114	\$204,800	0180-0214	\$609,30
Alternate Fuels Mud, Chemical & Additives	0180-0115	\$70.000	0180-0215 0180-0220	
Mud, Specialized	0180-0120	\$130,000		
Horizontal Drillout Services	0100-0121	\$100,000	0180-0221	\$200,00
Stimulation Toe Preparation			0180-0223	\$50,00
Cementing	0180-0125	\$120,000		\$50,00
Logging & Wireline Services	0180-0130	\$34,000	0180-0230	\$560,80
Casing / Tubing / Snubbing Services	0180-0134	\$25,000	0180-0234	\$13,00
Mud Logging	0180-0137	\$15,000		
Stimulation 79 Stg 24.8 MM gal / 24.8 MM lb			0180-0241	\$2,603,20
Stimulation Rentals & Other		Ac	0180-0242	\$284,000
Nater & Other	0180-0145		0180-0245	\$469,40
Bits	0180-0148		0180-0248 0180-0250	\$F.00
Inspection & Repair Services Misc. Air & Pumping Services	0180-0150	φ50,000	0180-0250	\$5,00 \$10,00
Testing & Flowback Services	0180-0154	\$12 000	0180-0254	\$10,000
Completion / Workover Rig	0100-0100	ψ12,000	0180-0258	\$24,000
Rig Mobilization	0180-0164	\$150,000	3130-0200	φ10,500
Transportation	0180-0165		0180-0265	\$15,000
Welding, Construction & Maint. Services	0180-0168		0180-0268	\$15,000
Contract Services & Supervision	0180-0170	\$135,700		\$57,100
Directional Services Includes Vertical Control	0180-0175	\$357,000		
Equipment Rental	0180-0180	\$160,200	0180-0280	\$10,00
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185		0180-0285	
Intangible Supplies	0180-0188		0180-0288	\$1,00
Damages	0180-0190	\$10,000	0180-0290	\$1,00
Pipeline Interconnect, ROW Easements	0180-0192		0180-0292	\$10,000
Company Supervision	0180-0195		0180-0295	\$36,000
Overhead Fixed Rate	0180-0196	1	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)	0180-0199		0180-0299	\$260,600
TOTAL	1	\$2,716,700		\$5,473,600
TANGIBLE COSTS 0181		-		
Casing (19.1" – 30")	0181-0793	\$49,900		
Casing (10.1" - 19.0") 795' - 13 3/8" 54.5# J-55 ST&C @ \$58.73/ft Casing (8.1" - 10.0") 4880' - 9 5/8" 40# HCL80 LT&C @ \$49.46/ft	0181-0794	\$49,900 \$257,800		
Casing (6.1" – 8.0") 10290' - 7" 29# HPP110 BT&C @ \$36.92/ft	0181-0796	\$405,700		
Casing (4.1" – 6.0") 10870' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$20.31/ft		\$100,100	0181-0797	\$235,800
Tubing 10060' - 2 7/8" 6.5# L-80 IPC Tbg @ \$11.25/ft			0181-0798	\$120,900
Drilling Head	0181-0860	\$35,000		
Tubing Head & Upper Section			0181-0870	\$30,00
Horizontal Completion Tools Completion Liner Hanger			0181-0871	\$70,000
Subsurface Equip. & Artificial Lift			0181-0880	\$25,00
Pumping Unit Systems			0181-0885	12000-020
Service Pumps (1/4) TP/CP/Circ pump			0181-0886	\$8,00
Storage Tanks (1/4) 8 OT/ 6 WT/ 1 GB			0181-0890	\$120,30
Emissions Control Equipment (1/4) 2VRT's/VRU/Flare/ 3KO's	╂────┼		0181-0892	\$74,00
Separation / Treating Equipment (1/4) 4 H sep/ 4 V sep/ HHT/ VHT			0181-0895	\$74,00
Automation Metering Equipment Automation/fiber/meters	╢───┼-		0181-0898	\$41,50 \$62,30
Line Pipe & Valves - Gathering (2) 1.4 mi SWDL & 1.3 mi 6 in GL/Facility gas work			0181-0900	\$183,30
Fittings / Valves & Accessories Flowline/parts Cathodic Protection			0181-0908	φ100,00
Electrical Installation	╢───┼		0181-0908	\$93,00
Equipment Installation			0181-0910	\$82,30
Pipeline Construction (2) 1.4 mi SWDL & 1.3 mi 6 in GL/Facility gas work			0181-0920	\$55,80
TOTAL		\$748,400		\$1,276,20
SUBTOTAL		\$3,465,100		\$6,749,80
TOTAL WELL COST		\$10 3	214,900	
Extra Expense Insurance		φ10,2	.14,500	
I elect to be covered by Operator's Extra Expense Insurance and pay my proportional operator has secured Extra Expense Insurance covering costs of well control, clean	rtionate share	of the premiun	1. in Line Item ()180-0185.
		o de seamated		
l elect to purchase my own well control insurance policy.				
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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 Prepared by: Landon Stallings Date	3/17/2022	_		
I elect to purchase my own well control insurance policy. f neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control	3/17/2022	-		
I elect to purchase my own well control insurance policy. f neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control Prepared by: Landon Stallings Date	3/17/2022	_		

District 1 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

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

AMENDED REPORT

		V	ELL L	OCATIO	N AND AC	REAGE DEDIC	CATION PLA	T			
1	¹ API Number 2Pool Code 2200 Antelope Ridge; Bone S							Spring			
4Property Co	e ⁵ Property Name MAD DOG 26/35 B1DM STATE COM								⁶ Well Number 1 H		
70GRID NO. 8 Operator Name MEWBOURNE OIL COMPANY								⁹ Elevation 3413'			
					¹⁰ Surface	Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West	line County		
D	26	23S	34E		205	NORTH	1240	WEST	Г LEA		
			п]	Bottom H	ole Location	n If Different Fr	om Surface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West	line County		
М	35	23S	34E		100	SOUTH	660	WEST	Г LEA		
¹² Dedicated Acres 320	3 I3 Joint	or Infill 14 (Consolidation	Code 15 (Order No.				I		

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.



Hearing Date: June 2, 2022 Case No. 22807

Released to Imaging: 5/31/2022 11:20:12 AM

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

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

AMENDED REPORT

1	¹ API Number 2Pool Code 2200 Antelope Ridge; Bone Sprin							g	
⁴ Property Co	de		М	AD DOG	⁵ Property Name D DOG 26/35 B2DM STATE COM				
7OGRID	NO.			MEWE	^{8 Operator N} BOURNE OI	lame L COMPANY			⁹ Elevation 3414'
					¹⁰ Surface	Location			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
D	26	23S	34E		205	NORTH	1200	WEST	LEA
			11	Bottom H	ole Location	If Different Fre	om Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
М	35	23S	34E		100	SOUTH	330	WEST	LEA
² Dedicated Acres 320	13 Joint	or Infill 14 (Consolidation	Code 15 C	order No.				

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.



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

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

AMENDED REPORT

		W	/ELL LO	OCATIO	N AND ACI	REAGE DEDIC	CATION PLA	Т		
1	API Number			² Pool Code 2200	Antelo	^{3 Pool Name} Antelope Ridge; Bone Spring				
⁴ Property Co	MAD DOG 26/35 H3DM STATE COM									Well Number 1H
Product of the second secon								Elevation 3414'		
_					¹⁰ Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/We	est line	County
D	26	23S	34E		205	NORTH	1220	WE	ST	LEA
			11]	Bottom H	lole Location	If Different Fre	om Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County
M	35	23S	34E		100	SOUTH	660	WE	ST	LEA
¹² Dedicated Acres 320	s 13 Joint	or Infill 14 (Consolidation	Code 15 (Drder No.					

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.



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

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

Case No. 22806

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

Case No. 22807

SELF-AFFIRMED STATEMENT OF JORDAN CARRELL

Jordan Carrell 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 geological plats are attached hereto:

(a) Attachment B-1 is a regional map showing the southern half of Lea County and where the Mad Dog 26/35 drilling units are located.

(b) Attachment B-2 is a structure map on the top of the 3^{rd} Bone Spring Sand. It shows that structure dips to the east across the unit. It also shows Bone Spring horizontal wells in the area, and a line of cross-section.

(c) Attachment B-3 is a cross section of the Bone Spring Formation showing the target zones for the Mad Dog 26/35 B1DM State Com 1H, Mad Dog 26/35 B2DM State Com 1H, Mad Dog 26/35 B2CN State Com 1H, and Mad Dog 26/35 H3DM State Com 1H. The B1DM well will target the 1st Bone Spring Formation, the B2DM and B2CN wells will target the 2nd Second Bone Spring Formation, and the H3DM will target the 3rd Bone Spring Formation.

The well logs on the cross-section give a representative sample of the Bone Spring Formation in this area. The target zones are continuous and uniformly thick across the well units.

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. B Submitted by: Mewbourne Oil Company Hearing Date: June 2, 2022 Case No. 22807

4. I conclude from the maps that:

The horizontal spacing units are justified from a geologic standpoint. (a)

(b) The target zones are continuous and of relatively uniform thickness across the well units.

Each quarter-quarter section in the well units will contribute more or less equally (c) to production from the target zone.

There is no faulting or other geologic impediment in the area which will affect (d) drilling of the subject wells.

I understand that this Self-Affirmed Statement will be used as written testimony in 5. these cases. I affirm that my testimony in paragraphs 1 through 4 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: 5-27-2022

Jordan Carrell

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BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico	
Exhibit No. B1	



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Page 36 of 43







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BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. B3 Submitted by: Mewbourne Oil Company Hearing Date: June 2, 2022 Case No. 22807

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

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

CASE NO. 22807

AFFIDAVIT

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

Michael H. Feldewert, attorney in fact and authorized representative of the Applicant herein, being first duly sworn, upon oath, states

1. The above-referenced application and notice of the hearing on this application was sent by certified mail to the affected parties on the date set forth in the letter attached hereto.

2. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

3. 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 24, 2022

4. I caused a notice to be published to all parties subject to these compulsory pooling proceedings on May 17, 2022. An affidavit of publication from the publication's legal clerk with a copy of the notice publication is attached as Exhibit D.

Machal & Felleners

Michael H. Feldewert

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. C Submitted by: Mewbourne Oil Company Hearing Date: June 2, 2022 Case No. 22807 SUBSCRIBED AND SWORN to before me this 31st day of May, 2022 by Michael H.

Feldewert.

Notary Public

My Commission Expires:

Nov. 12,2023

STATE OF NEW MEXICO NOTARY PUBLIC CARLA GARCIA COMMISSION # 1127528 COMMISSION EXPIRES 11/12/2023



Michael H. Feldewert Partner Phone (505) 988-4421 mfeldewert@hollandhart.com

May 13, 2022

VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico: Mad Dog 26/35 B1DM State Com 1H, Mad Dog 26/35 B2DM State Com 1H and Mad Dog 26/35 H3DM State Com 1H wells

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 June 2, 2022, and the status of the hearing can be monitored through the Division's website at <u>http://www.emnrd.state.nm.us/ocd/</u>. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic 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 Adriana Salgado at (432) 682-3715, or at asalgado@mewbourne.com.

Michael H. Feldewert

ATTORNEY FOR MEWBOURNE OIL COMPANY

 18778587_v1

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

Mewbourne - Mad Dog Case Nos. 22806-22807 Postal Delivery Reports

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
						Your item was delivered to the front desk, reception area, or
	Marathon Oil Permian LLC Attn					mail room at 1:47 pm on May 16, 2022 in HOUSTON, TX
9414811898765879359482	Mr. Jeff Broussard	990 Town And Country Blvd	Houston	ТΧ	77024-2217	77024.
	McCombs Energy, Ltd. Attn					Your package will arrive later than expected, but is still on its
9414811898765879359437	Permian Land Manager	755 E Mulberry Ave Ste 600	San Antonio	тх	78212-6013	way. It is currently in transit to the next facility.
	Hanley Petroleum LLC Attn Mr.					Your item was delivered to an individual at the address at
9414811898765879359475	Fred Closuit	2501 Ridgmar Plz	Fort Worth	ТΧ	76116-2689	3:22 pm on May 16, 2022 in FORT WORTH, TX 76116.
	LHAH Properties LLC Attn Mr.					Your item was delivered to an individual at the address at
9414811898765879359512	Fred Closuit	2501 Ridgmar Plz	Fort Worth	ТΧ	76116-2689	3:22 pm on May 16, 2022 in FORT WORTH, TX 76116.

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Received by OCD: 5/31/2022 11:15:50 AM

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 May 17, 2022 and ending with the issue dated May 17, 2022.

Jass 11

Publisher

Sworn and subscribed to before me this 17th day of May 2022.

Business Manager

My commission expires January 29, 2023 (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

LEGAL	LEGAL	LEGAL
	LEGAL NOTICE May 17, 2022	
	STATE OF NEW MARK	
	AND NATURAL RESOURCE TON DIVISION SANTA FE, N	IEW MEXICO
hold public hearings before COVID-19 Public Health E Division hearings will be co case will be electronic and on Thursday , June 2 , 2 electronic hearing, see the at https://www.emrd.nm Salvidrez, at Marlene.Salv be viewed at https://ocdima individual with a disability v interpreter, or other form co hearing, contact Marlene	Energy Minerals and Natura ("Division") hereby gives no e a hearing examiner on the fi mergency, state buildings are onducted remotely. The public d conducted remotely. The h 022, beginning at 8:15 a.1 instructions posted below. Th n.gov/ocd/hearing-info/ or d idrez@state.nm.us. Docume ge.emnrd.nm.gov/Imaging/D who needs a reader, amplifier of auxiliary aid or service to a Salvidrez at Marlene.Salvidr rk at 1-800-659-1779, no lat	acce that the Division wi ollowing case. During the e closed to the public and hearing for the following earing will be conducted m. To participate in the e docket may be viewed obtained from Marlene nts filed in the case may efault.aspx. If you are ar , qualified sign language attend or participate in a
Persons may view and part	icipate in the hearings through	h the following link:
https://nmemnrd.webex.com b315a668f626e0591 Event number: 2481 803 60 Event password: : 5vuQUiw	n/nmemnrd/onstage/g.php?M	TID=e5d4dc968d44b04f
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hav or c	ATE OF NEW MEXICO TO: named parties and persons ing any right, title, interest claim in the following case and notice to the public.	n an
	s herein refer to the New Me	xico Principal Meridian
To: All interest owners Marathon Oil Permian LLC and LHAH Properties LLC.	subject to pooling proc ; McCombs Energy, Ltd.; Ha	eedings, including: anley Petroleum LLC;
an order pooling all uncon Antelope Ridge; Bone Spring or less, horizontal spacing L rownship 23 South, Range borizontal spacing unit is to be STDM State Com 1H, the M Dog 26/35 H3DM State Com Coation in the NW4NW4 (Un SW4SW4 (Unit M) of Section and completing the wells and osts and charges for supervise on the spacing unit and section	on of Mewbourne Oil Comp Mexico. Applicant in the abov nmitted interests in the Bo Pool (2200)] underlying a sta at East, NMPM, Lea Count inticomprised of the W2W2 34 East, NMPM, Lea Count intilly dedicated to the prop ad Dog 26/35 B2DM State (an 1H wells to be horizontally it D) of Section 26 to a bottoo 35. Also to be considered will 35. Also to be considered will d the allocation of the cost ti sion, the designation of applic 200% charge for risk involved ately 12 miles southwest of E	ne Spring formation andard 320-acre, more of Sections 26 & 35, y, New Mexico. Said posed Mad Dog 26/35 Com 1H and the Mad drilled from a surface m hole location in the l be the cost of drilling hereof, the operating ant as operator of the

67100754

HOLLAND & HART LLC PO BOX 2208 SANTA FE, NM 87504-2208

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BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. D Submitted by: Mewbourne Oil Company Hearing Date: June 2, 2022 Case No. 22807