

**CASE NO. 21057**

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

**EXHIBITS**

1. Landman's Affidavit
2. Geologist's Affidavit
3. Affidavit of Notice
4. Affidavit of Publication
5. Pooling Checklist
6. Application and Proposed Ad
7. Prior Pooling Order

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

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

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

**Case No. 21057**

**SELF-AFFIRMED STATEMENT OF TYLER JOLLY**

COUNTY OF MIDLAND    )  
  ) ss.  
STATE OF TEXAS         )

Tyler Jolly deposes and states:

1. I am a landman for Mewbourne Oil Company ("Mewbourne"), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.

2. Pursuant to Division Rules, the following information is submitted in support of the compulsory pooling application:

(a) The purpose of this application is to force pool working interest owners into the 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 since October 2018 regarding the proposed wells, but have simply failed or refused to voluntarily commit their interests to the well.

(c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne seeks an order approving pooling of all mineral interests in the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool) in a horizontal spacing unit comprised of the S/2 of Section 15 and the S/2 of Section 16, Township 22 South, Range 27 East, NMPM.

(d) There is no depth severance in the Wolfcamp formation.

(e) This acreage was originally pooled in Case No. 20581 by Order No. R-20739. The pooling order is included in these exhibits. That order pooled the subject acreage for the following wells, which were to be drilled from west to east:

EXHIBIT /



- (i) The Mighty Ducks 16/15 W0PM State Com. Well No. 1H, with a first take point in the SW/4SW/4 of Section 16 and a final take point in the SE/4E/4 of Section 15; and
  - (ii) The Mighty Ducks 16/15 W0LI State Com. Well No. 2H, with a first take point in the NW/4SW/4 of 16 and a final take point in the NE/4SE/4 of Section 15.
- (f) Due to surface use issues (the surface locations were in or near the city of Carlsbad), Mewbourne decided to move the surface locations to Section 15 and drill east to west, as follows:
- (i) Mighty Ducks 15/16 W0IL St. Com. No. 2H. Changed name from Mighty Ducks 16/15 W0LI St Com #2H. Original location not acceptable due to land issues. Met w/RRC surveying & staked location @ 1340' FSL & 205' FEL, Sec 15, T22S, R27E, Eddy Co., NM. Landowner requested location moved due to farmland. **Re-staked location @ 350' FSL & 270' FEL, Sec 15, T22S, R27E, Eddy Co., NM.** (Elevation @ 3085'). Pad is 400' x 690'. Battery will be to the W. Road enters SW corner of location from CR 703. Will need SUA. Lat: 32.38661068 N, Long: -104.16960241 W NAD 83. (BPS/JES)
  - (ii) Mighty Ducks 15/16 W0PM St. Com. No. 1H. Changed name from Mighty Ducks 16/15 W0PM St Com #1H. Original location not acceptable due to land issues. Met w/RRC surveying & staked location @ 1310' FSL & 205' FEL, Sec 15, T22S, R27E, Eddy Co., NM. Landowner requested location moved due to farmland. **Re-staked location @ 350' FSL & 240' FEL, Sec 15, T22S, R27E, Eddy Co., NM.** (Elevation @ 3085'). Pad is 400' x 690'. Battery will be to the W. Road enters SW of location from CR 703. Will need SUA. Lat: 32.38661187 N, Long: -104.16950534 W NAD 83. (BPS/JES)
- (g) The parties being pooled and their interests are set forth in Attachment B. Their current and correct addresses are also set forth. All interest owners are locatable.
- (h) The landman's affidavit submitted in Case No. 20581 contains a summary of contacts with the locatable interest owners, together with copies of the proposal letters and e-mails with them. The interest owners have all been informed of the new surface locations.
- (i) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well, or to locate the interest owners.
- (j) Mewbourne has the right to pool the overriding royalty owners in the well unit.

(k) The landman's affidavit submitted in Case No. 20581 contains the Authorizations for Expenditure for the proposed well. Those estimates remain valid. The estimated cost of the wells 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 of Eddy County.

(l) 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 area of Eddy County. They are also the rates set forth in the Joint Operating Agreement for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

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

(n) Mewbourne requests that it be designated operator of the well.

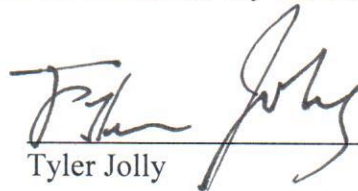
(o) The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.

(p) The geology submitted in Case No. 20581 has not changed. A copy of the geologist's affidavit is included in the exhibit package.

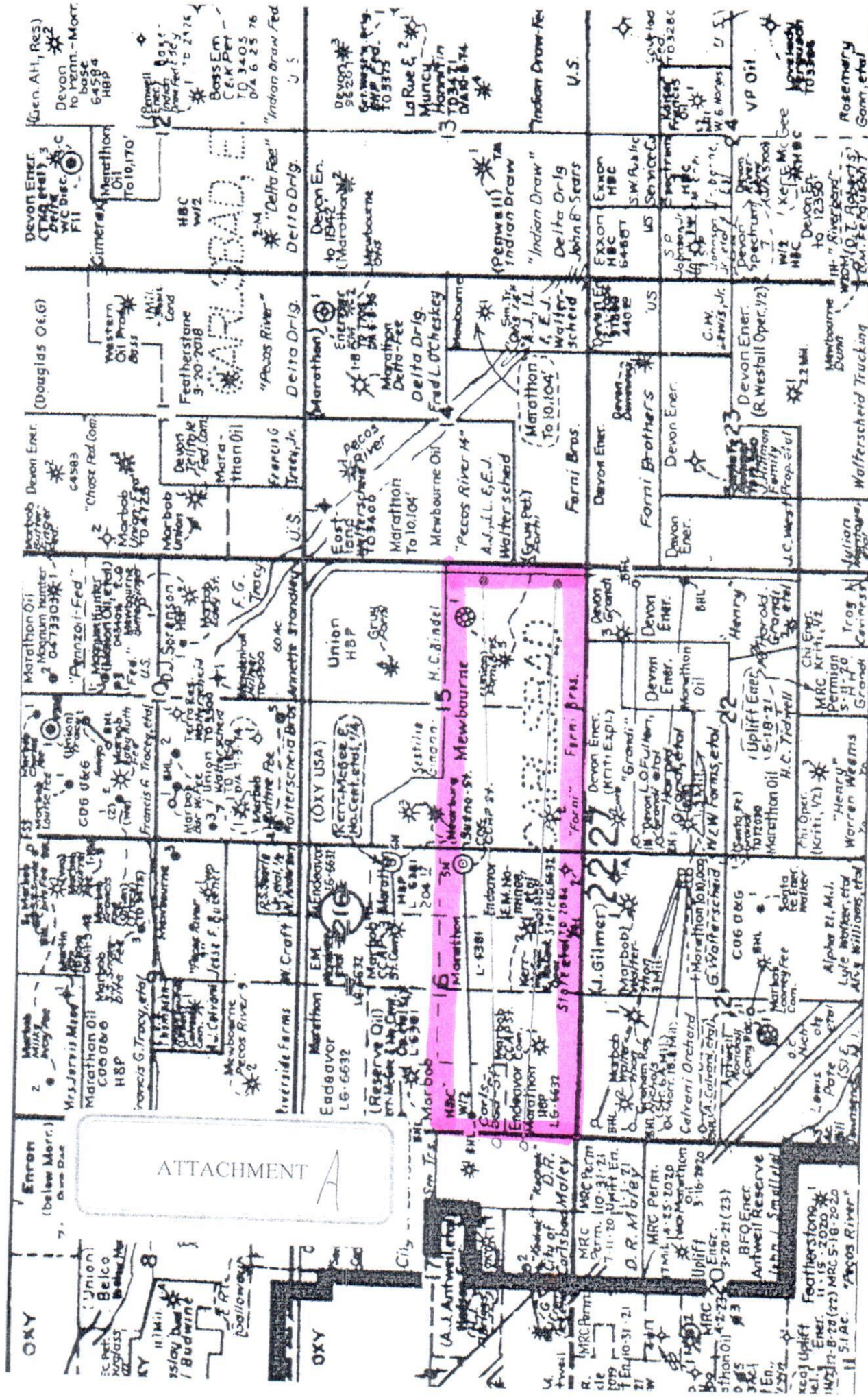
(q) The granting of this application is in the interests of conservation and the prevention of waste.

3. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 2/5/2020

  
Tyler Jolly







TRACT OWNERSHIP  
Mighty Ducks 16/15 W0MP State Com #1H  
Mighty Ducks 16/15 W0LI State Com #2H  
Section 16 (S/2), T22S, R27E  
Section 15 (S/2), T22S, R27E  
Eddy County, New Mexico

Sections 16: S/2, Section 15: S/2:  
Wolfcamp formation:

	<u>% Leaschold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	31.991700%
*COG Operating LLC 600 W. Illinois Ave. Midland, Texas 79701	44.568476%
*Chisholm Energy Operating, LLC 801 Cherry Street, Suite 1200-Unit 20 Fort Worth, Texas 76102	10.937500%
*OXY USA WTP LP 5 Greenway Plaza, Suite 110 Houston, Texas 77046	8.824218%
*Devon Energy Production Company, L.P. 333 W. Sheridan Ave. Oklahoma City, OK 73102	2.343750%
*Concho Oil & Gas LLC 600 W. Illinois Ave. Midland, Texas 79701	<u>1.334356%</u> 100.000000%

\* Total interest being pooled: 68.008300%

ATTACHMENT B

5



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

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

Case No. 20581

VERIFIED STATEMENT OF TYLER HILL

COUNTY OF MIDLAND                    )  
  ) ss.  
STATE OF TEXAS                        )

Tyler Hill, being duly sworn upon his oath, deposes and states:

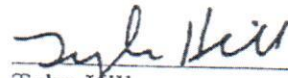
1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in this case. I have been qualified by the Division as an expert petroleum geologist.
3. The following geological plats are attached hereto:
  - (a) Attachment A is a structure map of the Wolfcamp formation, mapped on the top of the correlative Wolfcamp marker. It shows that structure dips to the east, and that the planned wellbores would drill perpendicular to strike. It also shows a line of cross-section, A-A'.
  - (b) Attachment B is a west-east cross section. The well logs on the cross-section give a representative sample of the Wolfcamp formation in this area. The target zone for the wells is the Upper Wolfcamp Sand, and that zone is continuous across the well unit.
4. I conclude from the maps that:
  - (a) The horizontal spacing unit is justified from a geologic standpoint.
  - (b) Each quarter section in the unit will contribute more or less equally to production.
  - (c) There is no faulting or other geologic impediment in the area which will affect the drilling of the subject wells.

EXHIBIT

2

5. Attachment C contains information from other wells drilled in the immediate area. There are numerous upper Wolfcamp sand wells, and the preferred orientation is for laydown units. The completed wells in the area are commercial.

6. Attachment D is the Survey Calculation Report for wells: Mighty Ducks 16/15 WOMP State Com #1H, and the Mighty Ducks 16/15 WOLI State Com #2H. The producing interval of the proposed well will be orthodox. The Pool code is Purple Sage Wolfcamp (98220).

  
Tyler Hill



VERIFICATION

STATE OF TEXAS

COUNTY OF MIDLAND

)  
) ss.  
)

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

*Tyler Hill*

Tyler Hill

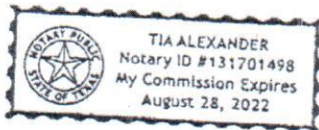
SUBSCRIBED AND SWORN TO before me this 7 day of June, 2019 by Tyler Hill.

My Commission Expires:

8-28-22

*Tia Alexander*

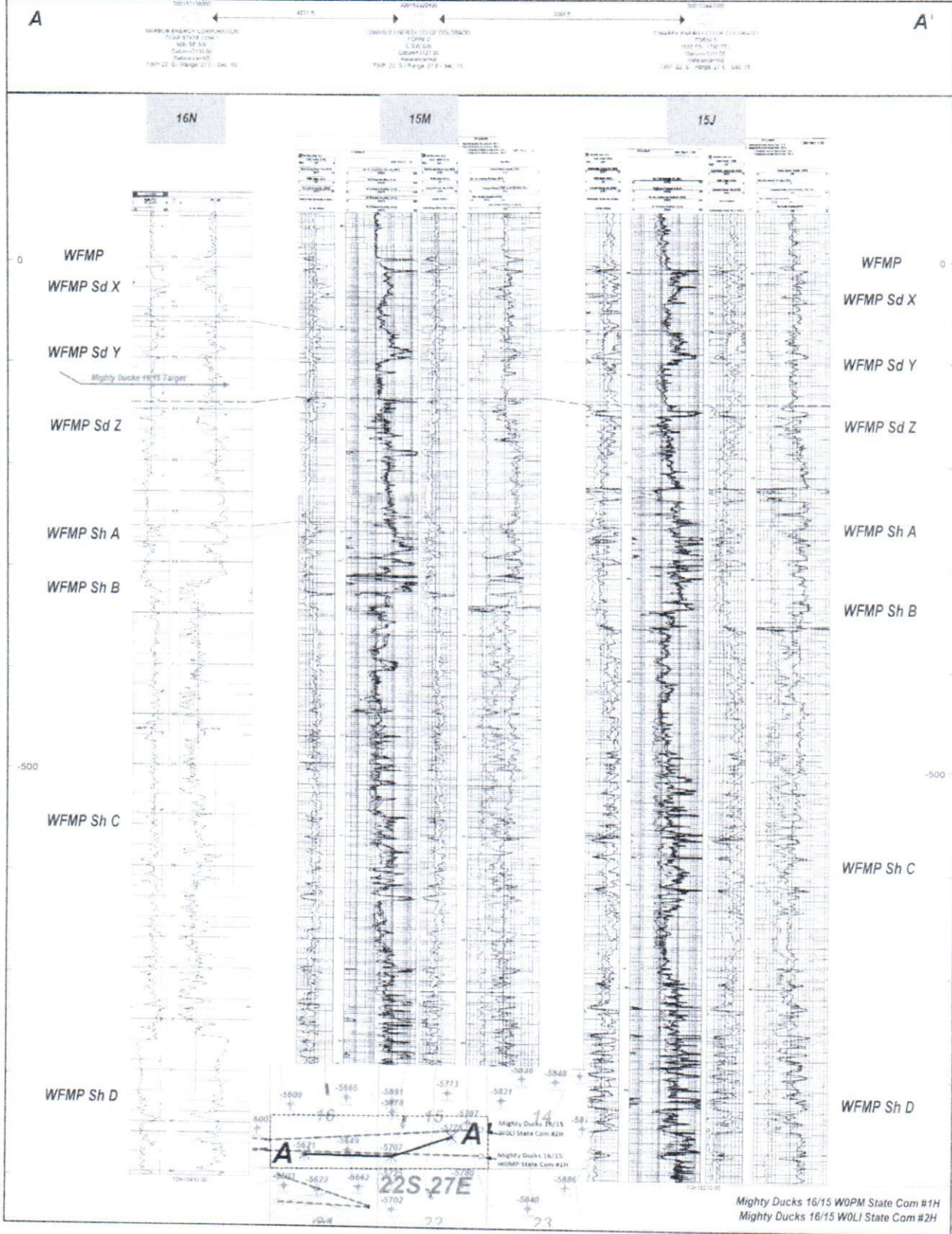
Notary Public







# Mighty Ducks 16/15



ATTACHMENT **B**

5

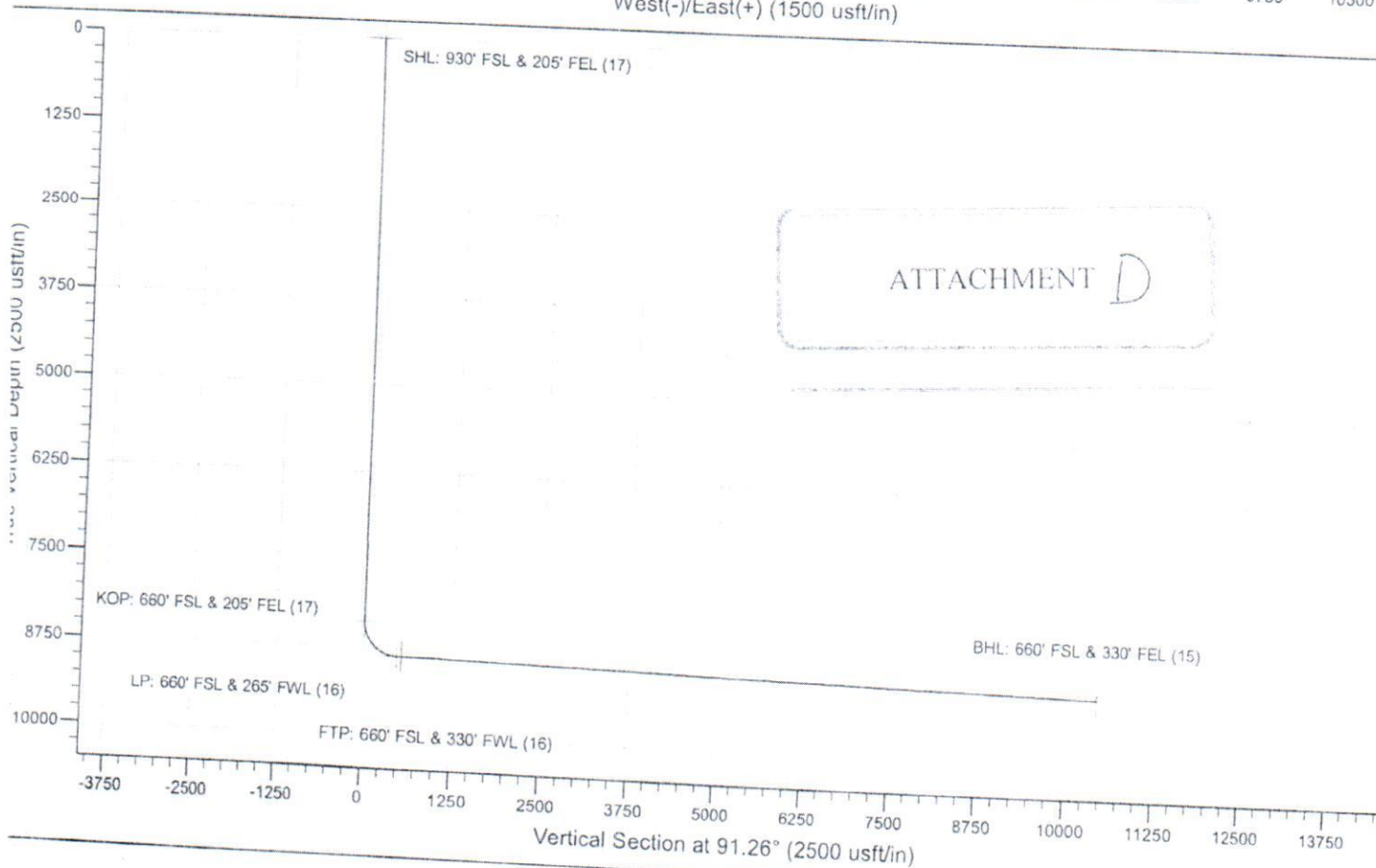
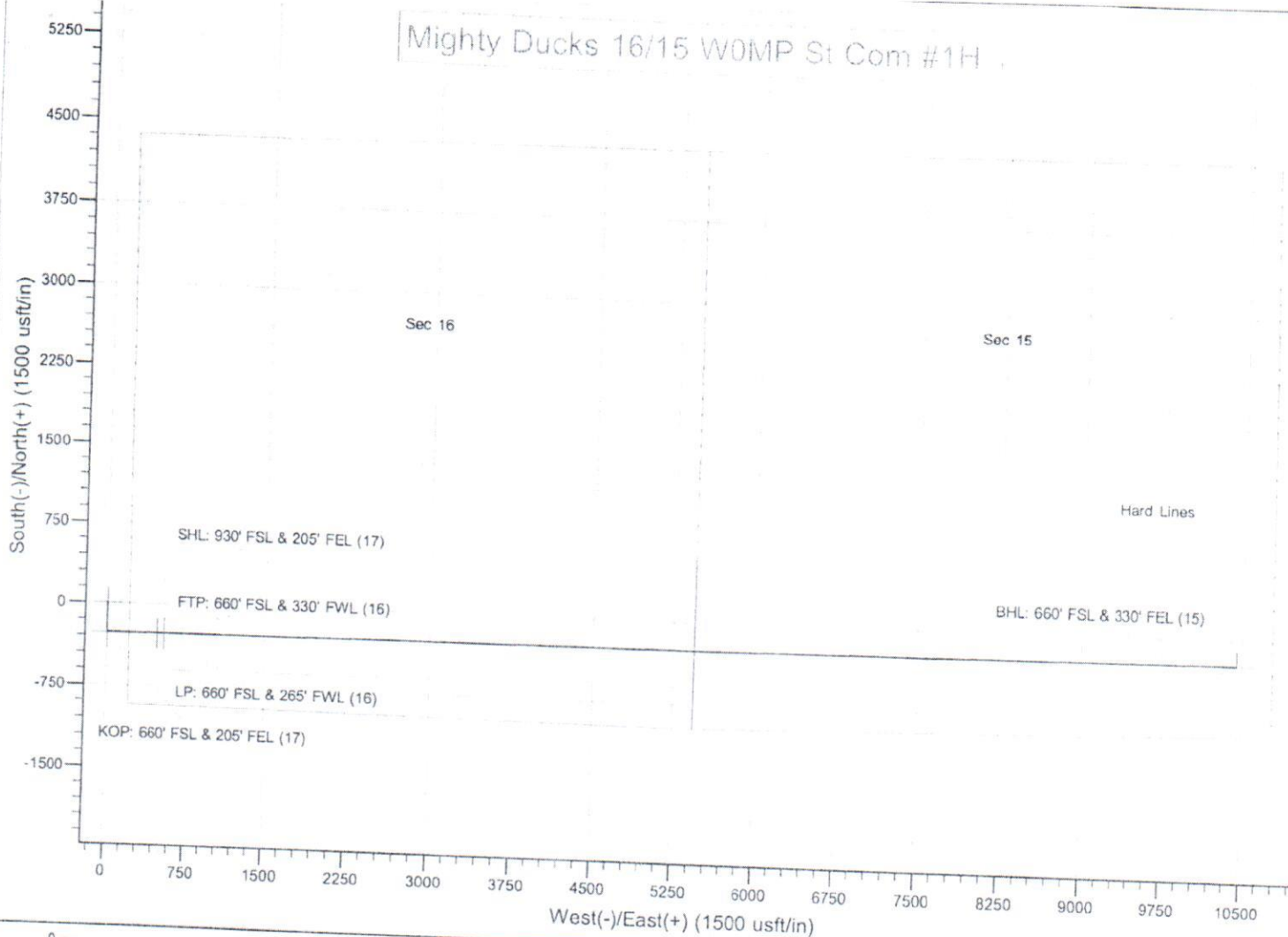
# Mighty Ducks Area Wolfcamp Production Table

API	Well Name	Well Number	Operator	Location	Field	Cum Oil (Mbo)	Cum Gas (Bcf)	Cum Water (Mbw)	First Prod Date	WFMP Zone
300154437400	CYPRESS FEE 23 27 9	2H	MARATHON	9L-9P/23S/27E	PURPLE SAGE	29	0.31	162	5/1/2018	WFMP C Shale
300154404600	CYPRESS	1H	MARATHON	9M-9P/23S/27E	PURPLE SAGE	178	0.41	666	5/1/2017	WFMP Y Sand
300154408200	MICHAEL COLLINS 11 23S 27E RB	208H	MATADOR	11P-11M/23S/27E	PURPLE SAGE	160	0.41	540	9/1/2017	WFMP Y Sand
300154437600	CYPRESS FEE 23 27 9	4H	MARATHON	9L-9P/23S/27E	PURPLE SAGE	33	0.10	156	5/1/2018	WFMP Y Sand
300154437700	CYPRESS FEE 23 27 9	5H	MARATHON	9L-9P/23S/27E	PURPLE SAGE	82	0.26	330	3/1/2018	WFMP Y Sand
300154437800	CYPRESS FEE 23 27 9	6H	MARATHON	9L-9P/23S/27E	PURPLE SAGE	24	0.70	594	6/1/2018	WFMP Y Sand
300154438000	CYPRESS FEE 23 27 9	8H	MARATHON	9L-9P/23S/27E	PURPLE SAGE	44	0.24	251	3/1/2018	WFMP Y Sand
300154444300	MICHAEL COLLINS 11 23S 27E RB	203H	MATADOR	11I-11L/23S/27E	PURPLE SAGE	123	0.35	421	2/1/2018	WFMP Y Sand
300154447200	MICHAEL COLLINS 11 23S 27E RB	206H	MATADOR	11I-11E/23S/27E	PURPLE SAGE	114	0.25	405	2/1/2018	WFMP Y Sand
300154454400	WOLFMAN 5 4 WOLF FEDERAL COM	1H	MEWBOURNE	5L-4I/23S/27E	PURPLE SAGE	242	0.46	475	4/1/2018	WFMP Y Sand

ATTACHMENT C

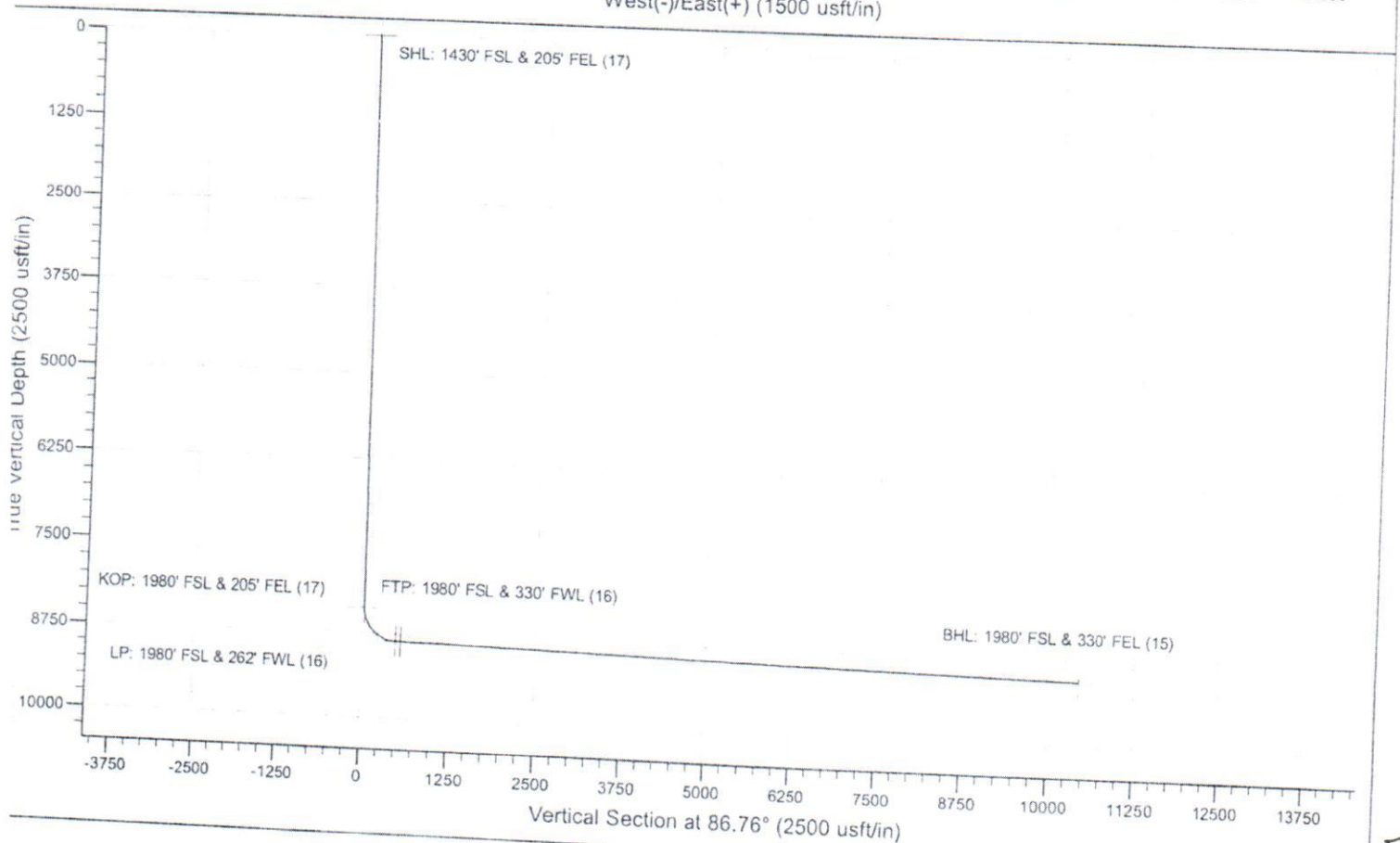
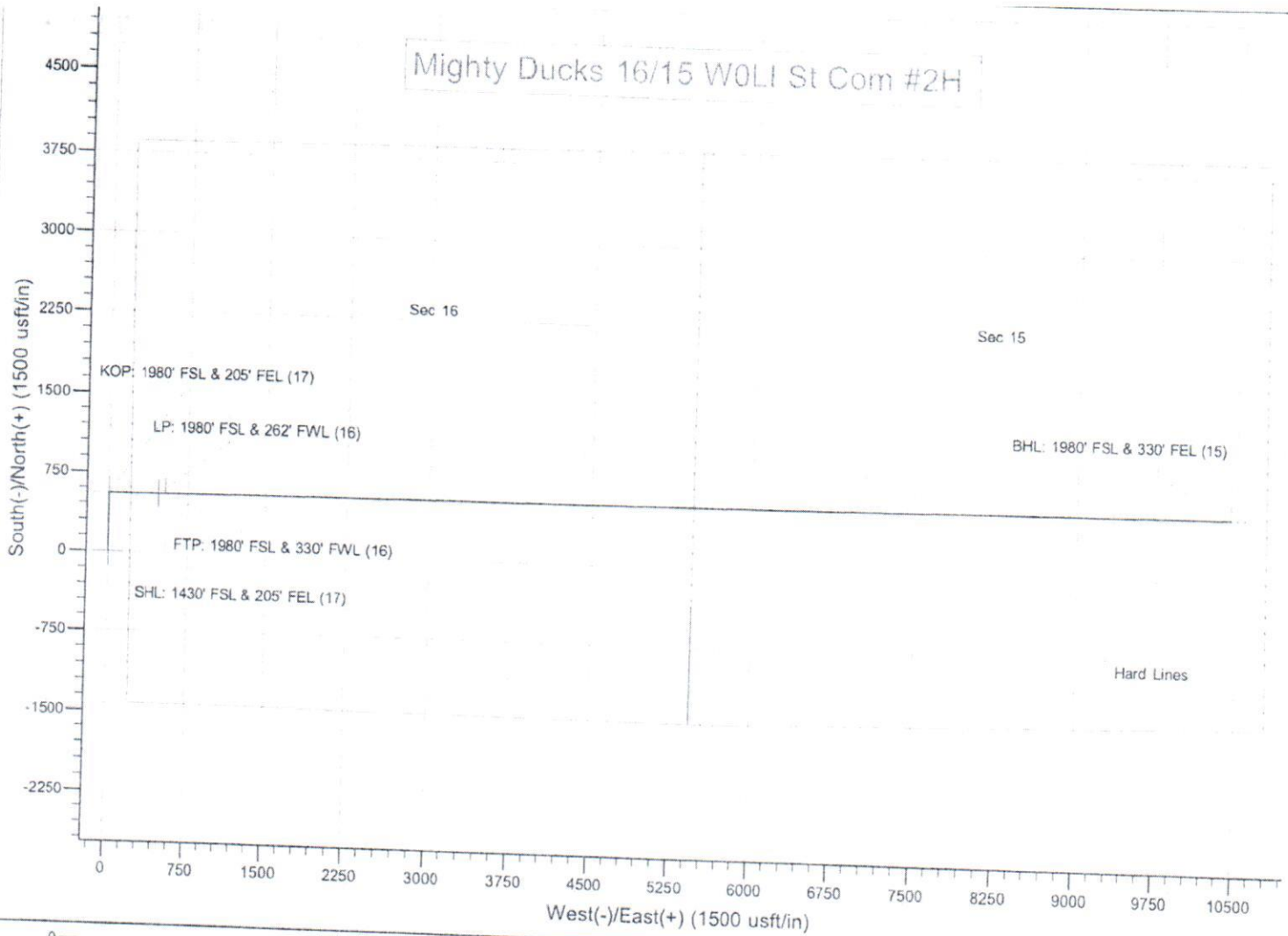


# Mighty Ducks 16/15 WOMP St Com #1H



ATTACHMENT D

# Mighty Ducks 16/15 WOLI St Com #2H



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

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

Case No. 21057

SELF-AFFIRMED STATEMENT OF NOTICE

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

James Bruce deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Mewbourne Oil Company.
3. Mewbourne Oil Company has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Rules.
6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date:

2/5/20

James Bruce  
James Bruce

EXHIBIT 3



**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

January 16, 2020

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

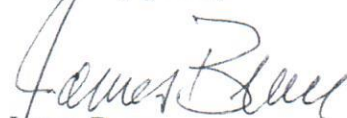
Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, regarding Wolfcamp wells well in the S/2 of Section 15 and the S/2 of Section 16, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, February 6, 2020, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, January 30, 2020. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and his or her attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

ATTACHMENT

A

2

COG Operating LLC  
600 W. Illinois Ave.  
Midland, Texas 79701  
Attn: Brent Sawyer

Concho Oil & Gas LLC  
600 W. Illinois Ave.  
Midland, Texas 79701  
Attn: Brent Sawyer

Chisholm Energy Operating, LLC  
801 Cherry Street, Suite 1200-Unit 20  
Fort Worth, Texas 76102  
Attn: Land Manager

OXY USA WTP LP  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046  
Attn: Land Manager

Devon Energy Production Company, L.P.  
333 W. Sheridan Ave.  
Oklahoma City, Oklahoma 73102  
Attn: Cari Allen

EXHIBIT

A



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 ☐ Return Receipt (electronic) \$
 ☐ Certified Mail Restricted Delivery \$
 ☐ Adult Signature Required \$
 ☐ Adult Signature Restricted Delivery \$

Postmark Here

Total Postage and Fees

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Sent To

Chisholm Energy Operating, LLC

801 Cherry Street, Suite 1200-Unit 20

Fort Worth, Texas 76102

Street and Apt. No., or PO Box No.

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

OXY USA WTP LP

5 Greenway Plaza, Suite 110

Houston, Texas 77046

2. Article Number (Transfer from service label)

9590 9402 4582 8278 6169 28

7019 1640 0000 1700 8897

3. Service Type

☐ Priority Mail Express®  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
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☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

PS Form 3811, July 2015 PSN 7530-02-000-9053

M MD

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☐ Return Receipt (hardcopy) \$
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 ☐ Certified Mail Restricted Delivery \$
 ☐ Adult Signature Required \$
 ☐ Adult Signature Restricted Delivery \$

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Total Postage and Fees

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5 Greenway Plaza, Suite 110

Houston, Texas 77046

Street and Apt. No., or PO Box No.

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

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Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.

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1. Article Addressed to:

Chisholm Energy Operating, LLC

801 Cherry Street, Suite 1200-Unit 20

Fort Worth, Texas 76102

2. Article Number

9590 9402 4582 8278 6169 11

7019 1640 0000 1700 8897

3. Service Type

☐ Priority Mail Express®  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
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☐ Signature Confirmation Restricted Delivery

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PS Form 3811, July 2015 PSN 7530-02-000-9053

M MD

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☐ Priority Mail Express®  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

PS Form 3800, April 2015 PSN 7530-02-000-9047

M MD



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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

COG Operating LLC  
600 W. Illinois Ave.  
Midland, Texas 79701



9590 9402 4582 8278 6168 98

2. Article Number 7019 1640 0000 1700 8927

Insured Mail Restricted Delivery (over \$500)

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

M M D

## COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) 11. Steven Brown C. Date of Delivery 1/23/20
- D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

3. Service Type
- ☐ Adult Signature
  - ☐ Registered Mail™
  - ☐ Registered Mail Restricted Delivery
  - ☒ Certified Mail®
  - ☐ Certified Mail Restricted Delivery
  - ☐ Collect on Delivery
  - ☐ Priority Mail Express®
  - ☐ Signature Confirmation™
  - ☐ Signature Confirmation Restricted Delivery

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Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$
- ☐ Return Receipt (electronic) \$
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- ☐ Adult Signature Required \$
- ☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To COG Operating LLC  
600 W. Illinois Ave.  
Midland, Texas 79701

Street and Apt. No., or PO Box No. Midland, Texas 79701

City, State, ZIP+4®

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Concho Oil & Gas LLC  
600 W. Illinois Ave.  
Midland, Texas 79701



9590 9402 4582 8278 6169 04

2. A 7019 1640 0000 1700 8910

(over \$500)

PS Form 3811, July 2015 PSN 7530-02-000-9053

M M D

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Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$
- ☐ Return Receipt (electronic) \$
- ☐ Certified Mail Restricted Delivery \$
- ☐ Adult Signature Required \$
- ☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To Concho Oil & Gas LLC  
600 W. Illinois Ave.  
Midland, Texas 79701

Street and Apt. No., or PO Box No. Midland, Texas 79701

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Your item was delivered at 8:10 am on January 24, 2020 in OKLAHOMA CITY, OK 73102.

 DeliveredJanuary 24, 2020 at 8:10 am  
Delivered  
OKLAHOMA CITY, OK 73102Get Updates 

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Tracking History

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Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
 Postage \$  
 Total Postage and Fees \$  
 Sent To Devon Energy Production Company, L.P.  
 333 W. Sheridan Ave.  
 Oklahoma City, Oklahoma 73102  
 City, State, ZIP+4®  
 Reverse for Instructions

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
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1. Article Addressed to:

Devon Energy Production Company, L.P.  
333 W. Sheridan Ave.  
Oklahoma City, Oklahoma 73102

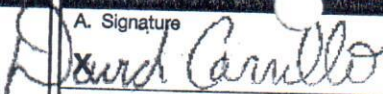
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2. Article Number (Transfer from service label)

7019 1640 0000 1700 8880

## COMPLETE THIS SECTION ON DELIVERY

A. Signature



- ☐
- Agent
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- ☐
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐
- Adult Signature
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- ☐
- Adult Signature Restricted Delivery
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- Certified Mail®
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- Certified Mail Restricted Delivery
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- ☐
- Collect on Delivery
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- Priority Mail Express®
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- Registered Mail™
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- Registered Mail Restricted Delivery
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- Return Receipt for Merchandise
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- Signature Confirmation™
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Domestic Return Receipt 2C

# Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0004016676

This is not an invoice

**JAMES BRUCE ATTORNEY AT LAW**  
POBOX 1056

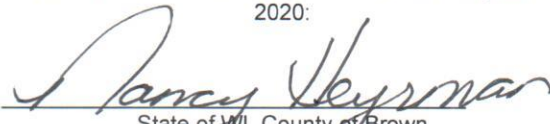
**SANTA FE, NM 87504**

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

**January 23, 2020**

  
\_\_\_\_\_  
Legal Clerk

Subscribed and sworn before me this January 23,  
2020:

  
\_\_\_\_\_  
State of WI, County of Brown  
NOTARY PUBLIC

5.15.23

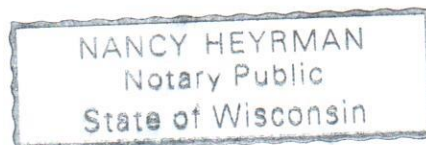
My commission expires

EXHIBIT

4

Ad # 0004016676  
PO #: February 6, 2020  
# of Affidavits 1

**This is not an invoice**





#### NOTICE

To: COG Operating LLC, Concho Oil & Gas LLC, Chisholm Energy Operating LLC, OXY USA WTP LP, and Devon Energy Production Company LP, or your successors or assigns: Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division (Case No. 21057) seeking an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the S/2 of Section 15 and the S/2 of Section 16, Township 22 South, Range 27 East, NMPM. The unit will be dedicated to: (a) the Mighty Ducks 15/16 W01L State Com. Well No. 2H, with a first take point in the NE/4SE/4 of 15 and a final take point in the NW/4SW/4 of Section 16; and (b) the Mighty Ducks 15/16 W0PM State Com. Well No. 1H, with a first take point in the SE/4SE/4 of 15 and a final take point in the SW/4SW/4 of Section 16. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The application is scheduled to be heard at 8:15 a.m. on Thursday, February 6, 2020 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well unit, you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. The unit is located approximately 3 miles north-northwest of Otis, New Mexico.

#4016676, Current-Argus, January 23, 2020

# COMPULSORY POOLING APPLICATION CHECKLIST

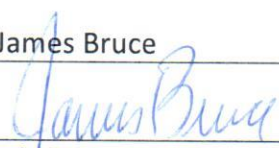
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case:	21057
Date	February 6, 2020
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Mighty Ducks 15/16 W0IL State Com. Well No. 2H and Mighty Ducks W0PM State Com. Well No. 1H
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp formation
Primary Product (Oil or Gas):	Oil & Gas
Pooling this vertical extent:	Entire Wolfcamp formation
Pool Name and Pool Code:	Purple Sage; Wolfcamp Gas/Pool Code 98220
Well Location Setback Rules:	Purple Sage Gas Pool Special Rules, and Horizontal Well Rules
Spacing Unit Size:	Half Sections
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres
Building Blocks:	Half Sections
Orientation:	East to West
Description: TRS/County	S/2 Section 15 and S/2 Section 16, Township 22 South, Range 27 East, NMPM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 1 page 5
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Mighty Ducks 15/16 W0IL State Com. Well No. 2H API No. pending SHL 350 FSL & 270 FEL Sec.15 BHL 1980 FSL & 330 feet FWL Sec. 16 FTP 1980 FSL & 330 feet FEL Sec. 15 LTP 1980 FSL & 330 FWL Sec. 16

EXHIBIT 5



	Mighty Ducks WOPM State Com. Well No. 1H API No. pending SHL 350 FSL & 240 FEL Sec.15 BHL 660 feet FSL & 330 feet FWL Sec. 16 FTP 660 FSL & 330 feet FEL Sec. 15 LTP 660 FSL & 330 FWL Sec. 16
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	Upper Wolfcamp at Approx. 9020 feet TVD and 19470 feet MD
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 1 page 3
Requested Risk Charge	Cost plus 200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit 6
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 4
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit 1 page 4
Tract List (including lease numbers and owners)	
Pooled Parties (including ownership type)	Exhibit 1 page 5
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
<b>Joinder</b>	
Sample Copy of Proposal Letter	<b>Exhibit 1 page 2</b>
List of Interest Owners (i.e. Exhibit A of JOA)	<b>Exhibit 1 page 5</b>
Chronology of Contact with Non-Joined Working Interests	<b>Exhibit 1 page 2</b>
Overhead Rates In Proposal Letter	<b>Exhibit 1 page 2</b>
Cost Estimate to Drill and Complete	<b>Exhibit 1 page 3</b>
Cost Estimate to Equip Well	<b>Exhibit 1 page 3</b>
Cost Estimate for Production Facilities	<b>Exhibit 1 page 3</b>
<b>Geology</b>	
Summary (including special considerations)	Exhibit 2
Spacing Unit Schematic	Exhibit 2 page 4
Gunbarrel/Lateral Trajectory Schematic	Exhibit 2 page 5
Well Orientation (with rationale)	Exhibit 2 page 2
Target Formation	Upper Wolfcamp sand
HSU Cross Section	Exhibit 2 page 5

Depth Severance Discussion	Not applicable
<b>Forms, Figures and Tables</b>	
C-102	Exhibit 1 page 2 –C-102s not finalized
Tracts	Exhibit 1 page 4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 1 page 5
General Location Map (including basin)	Exhibit 1 page 4
Well Bore Location Map	Exhibit 1 pages 4, 7, and 8
Structure Contour Map - Subsea Depth	Exhibit 2 page 4
Cross Section Location Map (including wells)	Exhibit 2 page 4
Cross Section (including Landing Zone)	Exhibit 2 page 5
<b>Additional Information</b>	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	James Bruce
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	2/5/20



BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 21057

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2 of Section 15 and the S/2 of Section 16, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the S/2 of Section 15 and the S/2 of Section 16, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation:
  - (a) The Mighty Ducks 15/16 W0IL State Com. Well No. 2H, with a first take point in the NE/4SE/4 of Section 15 and a final take point in the NW/4SW/4 of Section 16; and
  - (b) The Mighty Ducks 15/16 W0PM State Com. Well No. 1H, with a first take point in the SE/4SE/4 of 15 and a final take point in the SW/4SW/4 of Section 16.

Applicant will dedicate S/2 of Section 15 and the N/2 of Section 16 to the wells.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2 of Section 15 and the S/2 of Section 16 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to

EXHIBIT

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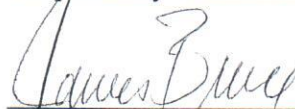
the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying the S/2 of Section 15 and the S/2 of Section 16, pursuant to NMSA 1978 §§70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the S/2 of Section 15 and the S/2 of Section 16 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- A. Pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 15 and the S/2 of Section 16;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



---

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 21057:

*Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.*  
Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the S/2 of Section 15 and the S/2 of Section 16, Township 22 South, Range 27 East, NMPM. The unit will be dedicated to: (a) the Mighty Ducks 15/16 W0IL State Com. Well No. 2H, with a first take point in the NE/4SE/4 of 15 and a final take point in the NW/4SW/4 of Section 16; and (b) the Mighty Ducks 15/16 W0PM State Com. Well No. 1H, with a first take point in the SE/4SE/4 of 15 and a final take point in the SW/4SW/4 of Section 16. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 3 miles north-northwest of Otis, New Mexico.



**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 TO  
CONSIDER:**

**CASE NO. 20581  
ORDER NO. R-20739**

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

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on June 13, 2019, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 31<sup>st</sup> day of July 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

**FINDS THAT**

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) COG Operating LLC entered an appearance. No other party appeared or otherwise opposed the case.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
  - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.

EXHIBIT

7

- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
- (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooled depth interval within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional reasonable charge [see Exhibit "A"] for the risk involved in drilling the Well(s).



**IT IS THEREFORE ORDERED THAT**

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" hereto is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month corresponding to the date of this order, in the year following the date of issuance of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the



Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 30 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

(a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and

(b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit "A") of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs"



reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).

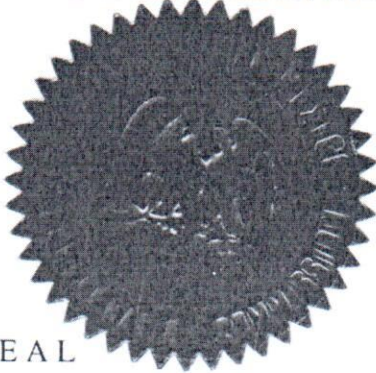
(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "Adrienne Sandoval".

ADRIENNE SANDOVAL  
Director



**Exhibit "A"**

Applicant: Mewbourne Oil Company  
Operator: Mewbourne Oil Company (OGRID 14744)

Spacing Unit: Horizontal Gas  
Building Blocks: half section equivalents  
Unit Size: 640 acres (more or less)  
Orientation of Unit: South to North  
Unit Description:

S/2 of Section 16 and S/2 of Section 15, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico

Pooling this Vertical Extent: Wolfcamp Formation  
Depth Severance? (Yes/No): No

Pool: Purple Sage; Wolfcamp Gas (Pool code 98220)  
Pool Spacing Unit Size: half sections  
Governing Well Setbacks: Purple Sage Pool Rules Govern Setbacks  
Pool Rules: 330-foot.

Proximity Tracts: None Included  
Proximity Defining Well: None

Monthly charge for supervision: While drilling: \$8000 While producing: \$800  
As the charge for risk, 200 percent of reasonable well costs.

**There are 2 Proposed Well(s):**

**Mighty Ducks 16 15 W0MP State Com Well No. 1H, API No. 30-015-46003**

SHL: 930 feet from the South line and 205 feet from the East line,  
(Unit P) of Section 17, Township 22 South, Range 27 East, NMPM.  
BHL: 660 feet from the South line and 330 feet from the East line,  
(Unit P) of Section 15, Township 22 South, Range 27 East, NMPM.

**Mighty Ducks 16 15 W0LI State Com Well No. 2H, API No. 30-015-46004**

SHL: 1430 feet from the South line and 205 feet from the East line,  
(Unit I) of Section 17, Township 22 South, Range 27 East, NMPM.  
BHL: 1980 feet from the South line and 330 feet from the East line,  
(Unit I) of Section 15, Township 22 South, Range 27 East, NMPM.

**All Wells:**

Completion Target: Upper Wolfcamp at approx 9020 feet TVD and 19470 feet MD  
Well Orientation: South to North  
Completion Location expected to be: standard