

**CASE NO. 21061**

**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

**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, EDDY COUNTY, NEW MEXICO.**

**Case No. 21061**

**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 an associate landman for two years and a landman for a year. 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 9 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 Wolfcamp formation 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 240.00-acre horizontal spacing unit in the Wolfcamp formation comprised of the S2S2 of Section 25 and the S2SE of Section 26, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to the Foxhole 25-26 W0PO Federal Com #1H. There are no depth severances in the Wolfcamp Formation.

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

EXHIBIT

1



- (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 Eddy 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 Eddy 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

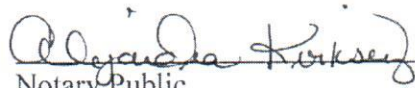
STATE OF TEXAS                                 )  
  ) ss.  
COUNTY OF MIDLAND                         )

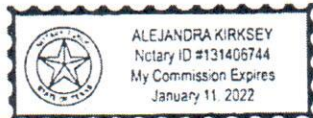
Adriana Salgado, being duly sworn upon his oath, deposes and states that: She is a landman for Mewbourne Oil Company; she is authorized to make this verification on its behalf; she has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of her knowledge,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

  
\_\_\_\_\_  
Adriana Salgado

SUBSCRIBED AND SWORN TO before me this 6<sup>st</sup> day of December, 2019 by Adriana Salgado.

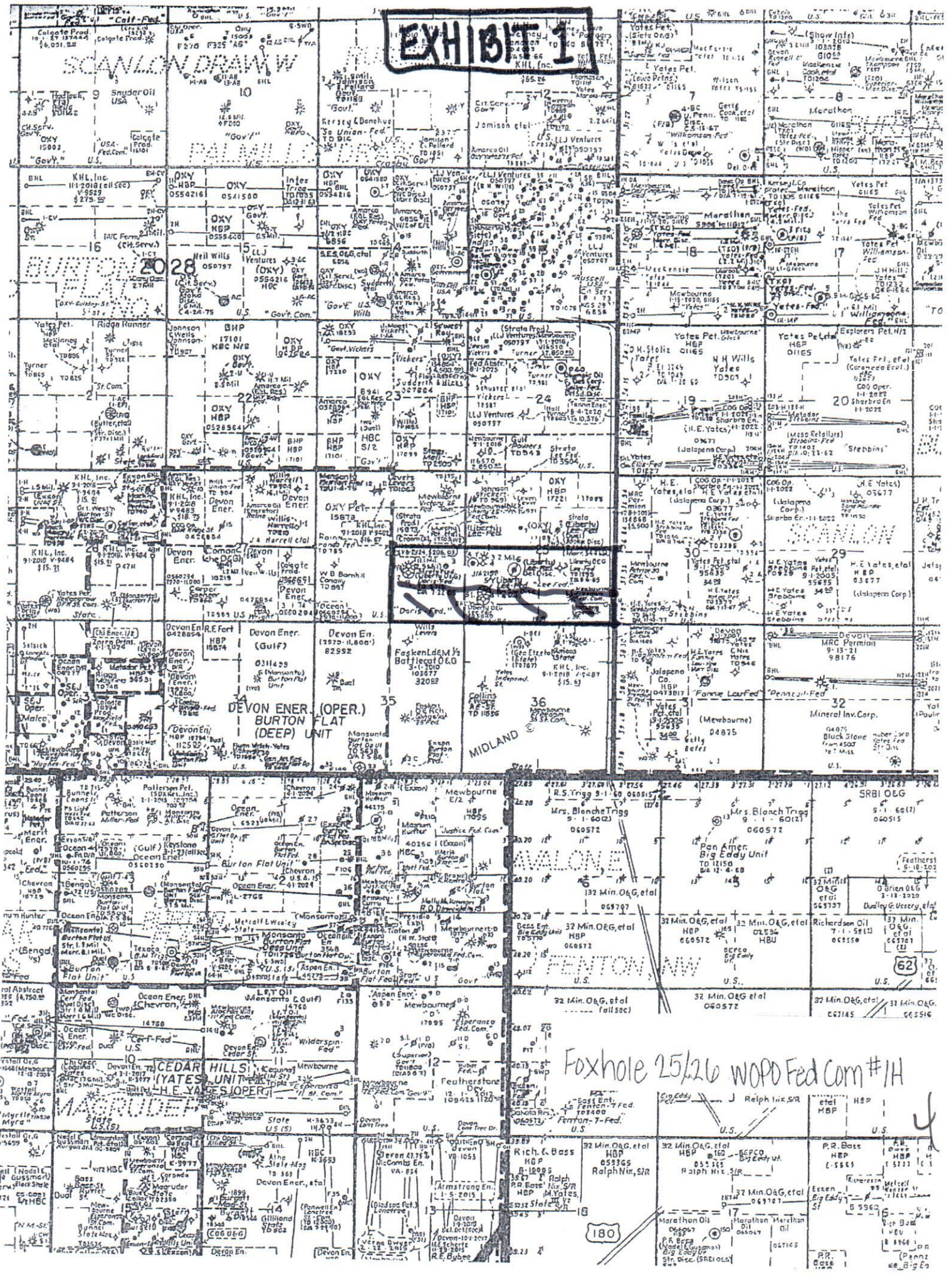
My Commission Expires: 

  
\_\_\_\_\_  
Notary Public





# EXHIBIT 1





District I  
1625 N. Finch Dr., Hobbs, NM 88240  
Phone: (505) 393-6161 Fax: (505) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (505) 748-1283 Fax: (505) 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code 98315	<sup>3</sup> Pool Name Burton Flat Upper Wolfcamp East Oil
<sup>4</sup> Property Code	<sup>5</sup> Property Name FOXHOLE 25/26 WOPO FED COM	<sup>6</sup> Well Number 1H
<sup>7</sup> GRID NO.	<sup>8</sup> Operator Name MEWBOURNE OIL COMPANY	<sup>9</sup> Elevation 3234'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	25	20S	28E		2130	SOUTH	380	EAST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	26	20S	28E		660	SOUTH	2552	EAST	EDDY

<sup>12</sup> Dedicated Acres 240	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.

<p><sup>16</sup></p> <p>CORNER DATA NAD 83 GRID - NM EAST</p> <p>A: FOUND BRASS CAP "1942" N: 559229.0 - E: 595632.4</p> <p>B: FOUND BRASS CAP "1942" N: 561880.5 - E: 595649.8</p> <p>C: FOUND BRASS CAP "1942" N: 564532.1 - E: 595667.9</p> <p>D: FOUND BRASS CAP "1942" N: 564538.3 - E: 598321.6</p> <p>E: FOUND BRASS CAP "1942" N: 564544.5 - E: 600975.5</p> <p>F: FOUND BRASS CAP "1942" N: 564550.8 - E: 603638.9</p> <p>G: CALCULATED CORNER N: 564557.4 - E: 606301.5</p> <p>H: 1" PIPE N: 561904.2 - E: 606275.4</p> <p>I: 1/2" REBAR N: 559255.8 - E: 606249.5</p> <p>J: FOUND BRASS CAP "1942" N: 559246.2 - E: 603591.0</p> <p>K: FOUND BRASS CAP "1942" N: 559240.0 - E: 600933.9</p> <p>L: FOUND BRASS CAP "1942" N: 559235.4 - E: 598282.6</p> <p>M: FOUND BRASS CAP "1942" N: 561893.4 - E: 600953.9</p> <p>GEODETIC DATA NAD 83 GRID - NM EAST</p> <p>SURFACE LOCATION N: 561383.8 - E: 605890.4</p> <p>BOTTOM HOLE N: 559895.3 - E: 598387.5</p> <p>LAT: 32.5431270° N LONG: 104.1238461° W</p> <p>LAT: 32.5390739° N LONG: 104.1482029° W</p>	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>07-17-2019 Date of Survey</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>19680 Certificate Number</p> <p>RRC-Job No: LS19070728</p>
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## Exhibit 2

TRACT OWNERSHIP  
Foxhole 25/26 W0PO Fed Com #1H + W0-I 14  
S2 of Section 25 & SE of Section 26,  
Township 20 South, Range 28 East  
Eddy County, New Mexico

### Wolfcamp Formation:

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	79.991316%
*Strata Production Company P.O. Box 1030 Roswell, New Mexico 88202-1030	6.439941%
*Murphy Operating Corporation United Bank Plaza, Suite 300 P.O. Box 2648 Roswell, New Mexico 88202-2648	2.596517%
*Murphy Petroleum Corporation P.O. Box 1030 Roswell, New Mexico 88202-1030	1.875000%
Worrall Investment Corporation P.O. Box 1834 Roswell, New Mexico 88202-1834	1.875000%
Hutchings Oil Company P.O. Box 1216 Albuquerque, New Mexico 87103-1216	1.250000%
*Scott Brothers Trust c/o Sharon Scott P.O. Box 1834 Roswell, New Mexico 88202-1834	1.250000%
Prospector LLC P.O. Box 429 Roswell, New Mexico 88202	1.062500%



Featherstone Development Corporation P.O. Box 429 Roswell, New Mexico 88202	1.000000%
*Robin L. Morgan 135 Cottonwood Road Artesia, New Mexico 88210	0.625000%
*Mitchell Exploration Inc. 6212 Homestead Blvd. Midland, Texas 79707	0.625000%
Big Three Energy Group P.O. Box 429 Roswell, New Mexico 88202	0.562500%
Parrot Head Properties, LLC P.O. Box 429 Roswell, New Mexico 88202	0.500000%
Zorro Partners 616 Texas Street Fort Worth, Texas 76102-4612	0.173613%
Javelina Partners 616 Texas Street Fort Worth, Texas 76102-4612	0.173613%
Total	100.00000%

\*Total interest being pooled: 13.411458%

**TRACT 1: S2SE of Section 26**

<u>Working Interest Owners</u>	<u>Percentages Owned</u>
MOC	100%
<b>TRACT 2: S2SW of Section 25</b>	
Strata Production Company	38.6397%
Murphy Operating Corporation	15.5791%
Murphy Petroleum Corporation	11.25%
Worrall Investment Corporation	11.25%
Scott Brothers Trust	7.5%
Hutchings Oil Company	7.5%
Mitchell Exploration, Inc.	3.75%
Robin Morgan	3.75%
Zorro Partners	.26042%
Javelina Partners	.26042%
Mewbourne Oil Company	.26046%
<b>TRACT 3: N2SE of Section 25</b>	
Mewbourne Oil Company	90.10416%
Prospector LLC	3.1875%
Featherstone Development Corporation	3.0000%
Big Three Energy Group	1.6875%
Parrot Head Properties, LLC	1.5000%
Javelina Partners	.26042%
Zorro Partners	.26042%

8

# EXHIBIT 3

## Summary of Communications

Foxhole 25/26 W0AB Fed Com #1H

Foxhole 25/26 W0HG Fed Com #1H

Foxhole 25/26 W0IJ Fed Com #1H

Foxhole 25/26 W0PO Fed Com #1H

Company Name: Strata Production Company		
Date:	Communicated with:	Comments/Actions:
9/20/19	Land Manager	Mailed well proposals via certified mail dated 9/20/19.
9/24/19		Certified Mail receipt showed successful delivery at 4:31 PM
10/4/19	Land Manager	Mail JOA proposal via certified mail dated 10/4/19.
10/8/19		Certified Mail receipt showed successful delivery at 5:30 PM
10/11/19	Mitch Krakauskas	Called Mitch to discuss the interpretation of documents governing the lands being drilled on.
10/1/19-10/15/19	Mitch Krakauskas	Emailed Mitch regarding ownership questions and document interpretation.

Company Name: Murphy Petroleum Corporation		
Date:	Communicated with:	Comments/Actions:
9/20/19	Land Manager	Mailed well proposals via certified mail dated 9/20/19.
9/24/19		Certified Mail receipt showed successful delivery at 4:31 PM
10/4/19	Land Manager	Mail JOA proposal via certified mail dated 10/4/19.
10/8/19		Certified Mail receipt showed successful delivery at 11:10 AM
10/14/19	Land Manager	Mailed Letter explaining change in WI numbers via certified mail.
10/22/19		Certified Mail receipt showed successful delivery at 4:35 PM

Company Name: Murphy Operating Corporation		
Date:	Communicated with:	Comments/Actions:
9/20/19	Land Manager	Mailed well proposals via certified mail dated 9/20/19.
9/24/19		Certified Mail receipt showed successful delivery at 4:31 PM
10/4/19	Land Manager	Mail JOA proposal via certified mail dated 10/4/19.
10/10/19		Certified Mail receipt showed successful delivery at 6:25 PM
10/14/19	Land Manager	Mailed Letter explaining change in WI numbers via certified mail.

Company Name: Mark B. Murphy		
Date:	Communicated with:	Comments/Actions:
9/20/19	Land Manager	Mailed well proposals via certified mail dated 9/20/19.
9/24/19		Certified Mail receipt showed successful delivery at 4:31 PM
10/4/19	Land Manager	Mail JOA proposal via certified mail dated 10/4/19.
10/8/19		Certified Mail receipt showed successful delivery at 11:10 AM
10/14/19	Land Manager	Mailed Letter explaining change in WI numbers via certified mail.
10/18/19		Certified Mail receipt showed successful delivery at 5:01 PM
10/11/19-10/15/19	Mitch Krakauskas	I noticed that after my phone conversation with Mitch Krakauskas (from Strata Production Company above), Mark Murphy was Cc'ed on all of our email correspondence regarding ownership questions and document interpretation.

g



Company Name: Scott Brothers Trust		
Date:	Communicated with:	Comments/Actions:
9/20/19	Sharon Scott	Mailed well proposals via certified mail dated 9/20/19.
9/24/19		Certified Mail receipt showed successful delivery at 4:31 PM
10/4/19	Sharon Scott	Mail JOA proposal via certified mail dated 10/4/19.
10/7/19		Certified Mail receipt showed successful delivery at 4:47 PM
10/14/19	Sharon Scott	Mailed Letter explaining change in WI numbers via certified mail.
10/18/19		Certified Mail receipt showed successful delivery at 5:01 PM

Company Name: Robin L. Morgan		
Date:	Communicated with:	Comments/Actions:
9/20/19	Robin L. Morgan	Mailed well proposals via certified mail dated 9/20/19.
10/1/19		Certified Mail receipt showed successful delivery at 1:38 PM
10/4/19	Robin L. Morgan	Mail JOA proposal via certified mail dated 10/4/19.
10/8/19		Certified Mail receipt showed successful delivery at 5:30 PM
10/14/19	Robin L. Morgan	Mailed Letter explaining change in WI numbers via certified mail.
10/18/19		Certified Mail receipt showed successful delivery at 5:01 PM

Company Name: Mitchell Exploration Inc.		
Date:	Communicated with:	Comments/Actions:
9/20/19	Land Manager	Mailed well proposals via certified mail dated 9/20/19.
9/23/19		Certified Mail receipt showed successful delivery at 8:56 PM
10/4/19	Land Manager	Mail JOA proposal via certified mail dated 10/4/19.
10/15/19		Certified Mail receipt showed designated delivery at 2:05 PM
10/14/19- 10/15/19	Stephen T. Mitchell	Emailed Stephen regarding WI issues.
10/14/19	Land Manager	Mailed Letter explaining change in WI numbers via certified mail.
10/16/19		Certified Mail receipt showed designated delivery at 8:44 PM

# MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

September 20, 2019

Via: Certified Mail

Strata Production Company

P.O. Box 1030

Roswell, New Mexico 88202-1030

Attn: Land Manager

Re: Proposed Horizontal Wolfcamp Wells  
Foxhole 25/26 W0PO Fed Com #1H  
Foxhole 25/26 W0IJ Fed Com #1H  
Foxhole 25/26 W0HG Fed Com #1H  
Foxhole 25/26 W0AB Fed Com #1H  
All of Section 25, T20S-R28E  
E/2 of Section 26, T20S-R28E  
Eddy County, New Mexico

Dear Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 960.00 acre Working Interest Unit ("WIU") covering all of the above captioned Section 25 and the E/2 of the above captioned Section 26, as to depths below the base of the Bone Spring formation to the base of the Wolfcamp formation for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. Mewbourne hereby proposes to drill and operate the following horizontal Wolfcamp wells:

1. Foxhole 25/26 W0PO Fed Com #1H located at a surface location 1500' FSL & 205' FEL of Section 25, with a bottom hole location 660' FSL & 2540' FEL of Section 26, of the above captioned lands. We anticipate drilling to an approximate total vertical depth of 9,215' and plan to continue drilling horizontally to the proposed bottom hole location at an approximate total measured depth of 17,035'.
2. Foxhole 25/26 W0IJ Fed Com #1H located at a surface location 1530' FSL & 205' FEL of Section 25, with a bottom hole location 1980' FSL & 2540' FEL of Section 26, of the above captioned lands. We anticipate drilling to an approximate total vertical depth of 9,200' and plan to continue drilling horizontally to the proposed bottom hole location at an approximate total measured depth of 17,020'.
3. Foxhole 25/26 W0HG Fed Com #1H located at a surface location 1430' FNL & 205' FEL of Section 25, with a bottom hole location 1980' FNL & 2540' FEL of Section 26, of the above captioned lands. We anticipate drilling to an approximate total vertical depth of 9,175' and plan to continue drilling horizontally to the proposed bottom hole location at an approximate total measured depth of 16,995'.
4. Foxhole 25/26 W0AB Fed Com #1H located at a surface location 1400' FNL & 205' FEL of Section 25, with a bottom hole location 660' FNL & 2540' FEL of Section 26, of the above captioned lands. We anticipate drilling to an approximate total vertical depth of 9,160' and plan to continue drilling horizontally to the proposed bottom hole location at an approximate total measured depth of 16,980'.

11

Regarding the above, enclosed for your further handling and information is a copy of our Authorization For Expenditure ("AFE") for each of the above wells. Please indicate your participation election by having the AFE executed and returned to my attention at the above address within thirty (30) days of receipt hereof. Our proposed Operating Agreement, which will shortly follow the well proposal, will have COPAS rates of \$8,000/month while drilling, \$800/month for a producing well, and will have 100%/300%/300% Non-Consent Penalties included.

Feel free to contact me at (432) 682-3715 or via email at [asalgado@mewbourne.com](mailto:asalgado@mewbourne.com) if you have any questions or concerns. I look forward to hearing from you.

Sincerely,

**MEWBOURNE OIL COMPANY**



Adriana Jimenez-Salgado  
Landman





**EXHIBIT 4****MEWBOURNE OIL COMPANY****AUTHORIZATION FOR EXPENDITURE**

Well Name: Foxhole 25/26 W0PO Fed Com #1H Prospect: Wolfcamp  
Location: SL: 1500' FSL & 205' FEL(25); BHL: 660' FSL & 2540' FEL (26) County: Eddy ST: NM  
Sec. 25/26 Blk:      Survey:      TWP: 20S RNG: 28E Prop. TVD: 9215 TMD: 17035

**INTANGIBLE COSTS 0180**

	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$125,000	0180-0205	\$25,000
Location / Restoration	0180-0106	\$200,000	0180-0206	\$30,000
Daywork / Turnkey / Footage Drilling 26 days drlg / 3 days comp @ \$21500/d	0180-0110	\$598,000	0180-0210	\$68,900
Fuel 1700 gal/day @ 2.74/gal	0180-0114	\$149,300	0180-0214	\$300,000
Mud, Chemical & Additives	0180-0120	\$200,000	0180-0220	
Horizontal Drillout Services			0180-0222	\$220,000
Cementing	0180-0125	\$100,000	0180-0225	\$30,000
Logging & Wireline Services	0180-0130	\$2,500	0180-0230	\$205,000
Casing / Tubing / Snubbing Service	0180-0134	\$20,000	0180-0234	\$90,000
Mud Logging	0180-0137	\$30,000		
Stimulation 39 Stg 15.0 MM gal / 15.0 MM lb			0180-0241	\$1,550,000
Stimulation Rentals & Other			0180-0242	\$200,000
Water & Other	0180-0145	\$60,000	0180-0245	\$450,000
Bits	0180-0148	\$138,880	0180-0248	\$8,000
Inspection & Repair Services	0180-0150	\$40,000	0180-0250	\$5,000
Misc. Air & Pumping Services	0180-0154		0180-0254	\$10,000
Testing & Flowback Services	0180-0158	\$15,000	0180-0258	\$30,000
Completion / Workover Rig			0180-0260	\$10,500
Rig Mobilization	0180-0164	\$150,000		
Transportation	0180-0165	\$30,000	0180-0265	\$20,000
Welding Services	0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision	0180-0170	\$42,000	0180-0270	\$28,500
Directional Services Includes Vertical Control	0180-0175	\$241,500		
Equipment Rental	0180-0180	\$215,300	0180-0280	\$30,000
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$5,300	0180-0285	
Intangible Supplies	0180-0188	\$8,000	0180-0288	\$10,000
Damages	0180-0190	\$10,000	0180-0290	
ROW & Easements	0180-0192		0180-0292	\$5,000
Pipeline Interconnect			0180-0293	
Company Supervision	0180-0195	\$134,400	0180-0295	\$91,200
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment	0180-0198		0180-0298	
Contingencies 2% (TCP) 2% (CC)	0180-0199	\$51,100	0180-0299	\$69,000
<b>TOTAL</b>		<b>\$2,606,280</b>		<b>\$3,521,100</b>

**TANGIBLE COSTS 0181**

Casing (19.1" - 30") 400' - 20" 94# J-55 BT&C @ \$75.20/ft	0181-0793	\$32,200		
Casing (10.1" - 19.0") 1200' - 13 3/8" 54.5# J-55 ST&C @ \$41.74/ft	0181-0794	\$53,500		
Casing (8.1" - 10.0") 3200' - 9 5/8" 40# L80 LT&C @ \$34.73/ft	0181-0795	\$118,700		
Casing (6.1" - 8.0") 9480' - 7" 29# HCP-110 LT&C @ \$23.84/ft	0181-0796	\$241,400		
Casing (4.1" - 6.0") 8100' - 4 1/2" 13.5# P-110 BPN @ \$12.16/ft			0181-0797	\$105,200
Tubing 8640' - 2 7/8" 6.5# L-80 EUE 8rd @ \$5.38/ft			0181-0798	\$49,700
Drilling Head	0181-0860	\$40,000		
Tubing Head & Upper Section			0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger			0181-0871	\$70,000
Sucker Rods			0181-0875	
Subsurface Equipment			0181-0880	\$10,000
Artificial Lift Systems Gas Lift Valves & Packer			0181-0884	\$15,000
Pumping Unit			0181-0885	
Surface Pumps & Prime Movers VRU/SWD Pump/Circ Pump			0181-0886	\$30,000
Tanks - Oil 2 - 750 bbl			0181-0890	\$38,000
Tanks - Water 2 - 750 bbl coated			0181-0891	\$48,000
Separation / Treating Equipment 30"x10"x1k# 3 ph/36"x15"x1k#			0181-0895	\$85,000
Heater Treaters, Line Heaters 8"x20"x75# HT			0181-0897	\$27,000
Metering Equipment			0181-0898	\$14,000
Line Pipe & Valves - Gathering			0181-0900	\$50,000
Fittings / Valves & Accessories			0181-0906	\$80,000
Cathodic Protection			0181-0908	\$60,000
Electrical Installation			0181-0909	\$100,000
Equipment Installation			0181-0910	\$70,000
Pipeline Construction			0181-0920	\$50,000
<b>TOTAL</b>		<b>\$485,800</b>		<b>\$931,900</b>
<b>SUBTOTAL</b>		<b>\$3,092,080</b>		<b>\$4,453,000</b>
<b>TOTAL WELL COST</b>				<b>\$7,545,080</b>

**Extra Expense Insurance**

- ☐ I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.  
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.
- ☐ I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Prepared by: T. Cude Date: 7/3/2019

Company Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_

Joint Owner Name: \_\_\_\_\_ Signature: \_\_\_\_\_

File: Foxhole 25-26 W0PO Fed Com #1H AEC .docx

13



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

APPLICATION OF MEWBOURNE OIL COMPANY  
FOR A NON-STANDARD OIL SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

Case Nos. 24058-  
21061

VERIFIED STATEMENT OF CHARLES CROSBY

COUNTY OF MIDLAND                    )  
  ) ss.  
STATE OF TEXAS                        )

Charles Crosby, 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 Top of the Wolfcamp formation. It shows that structure dips gently to the east-southeast. It also shows a line of cross-section.
  - (b) Attachment B is a gross sand isopach of the Wolfcamp Y SD, the test zone for the Foxhole 25-26 area. It shows that the sand across the well unit has a uniform thickness of approximately 60-80 feet.
  - (c) Attachment C is a west-east cross section. The well logs on the cross-section give a representative sample of the Wolfcamp Sand formation in this area. The target zone for the well is the Wolfcamp Y 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-quarter section in the unit will contribute more or less equally to production.
  - (c) There is no faulting or other geologic impediment on the area which will affect the drilling of the subject well.

EXHIBIT 2

5. Attachment D contains information from other wells drilled in this area. Production for wells with similar completions and similar time online seems to show a preference for laydown orientation, and the completed wells in the area (recent completions) are apparently commercial.

6. Attachment E is the Survey Calculation Report for the proposed wells. The producing interval of the proposed wells will be orthodox.

A handwritten signature in dark ink, consisting of a large 'C' followed by a stylized 'S' and a horizontal line extending to the right.

---

Charles Crosby



VERIFICATION

STATE OF TEXAS                                 )  
  ) ss.  
COUNTY OF MIDLAND                         )

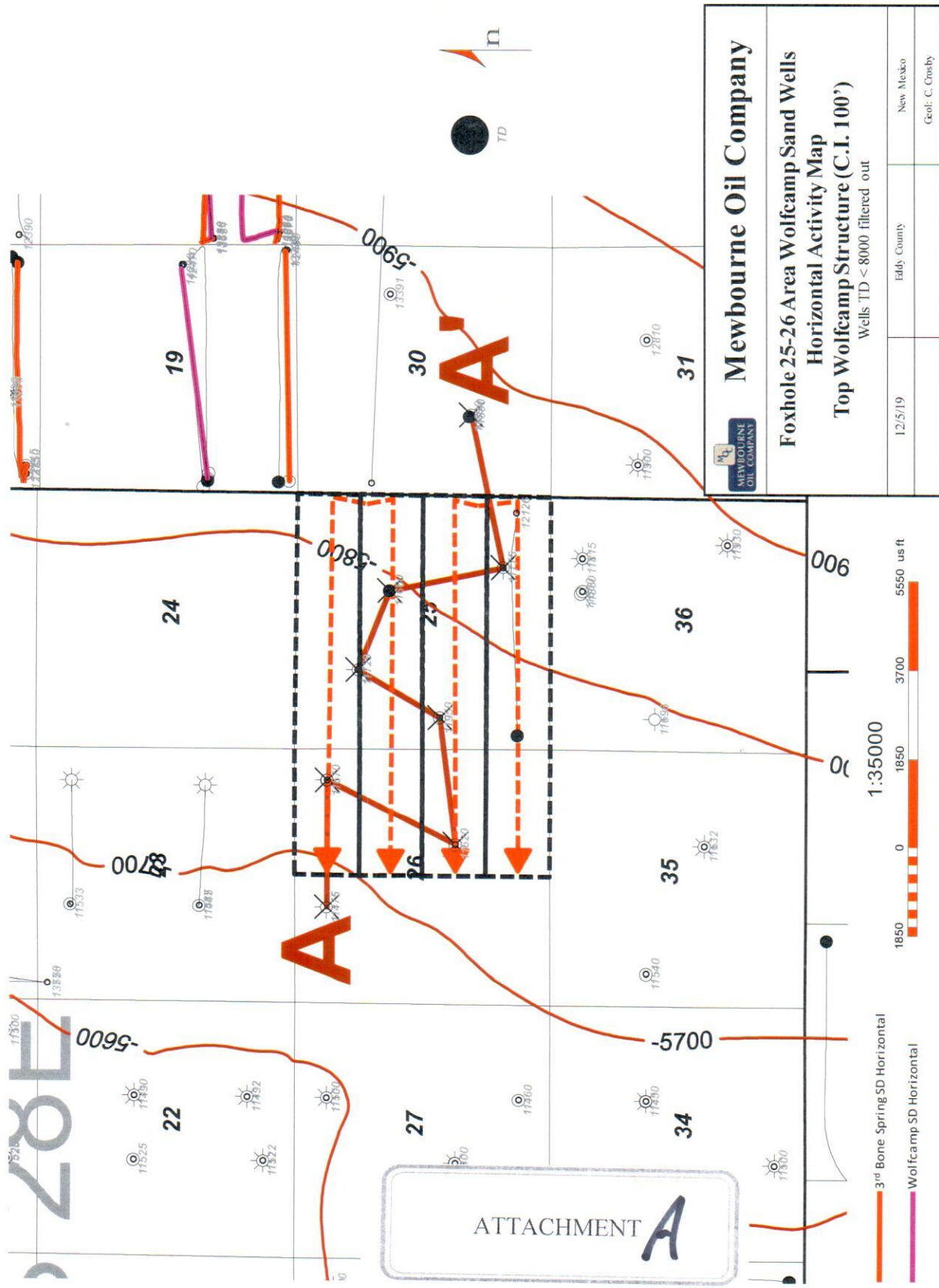
Charles Crosby, being duly sworn upon his oath, deposes and states that: He is a geologist for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge,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

  
\_\_\_\_\_  
Charles Crosby

SUBSCRIBED AND SWORN TO before me this 6<sup>th</sup> day of December, 2019 by Charles Crosby.

My Commission Expires January 1, 2022

  
\_\_\_\_\_  
Notary Public



**Mewbourne Oil Company**

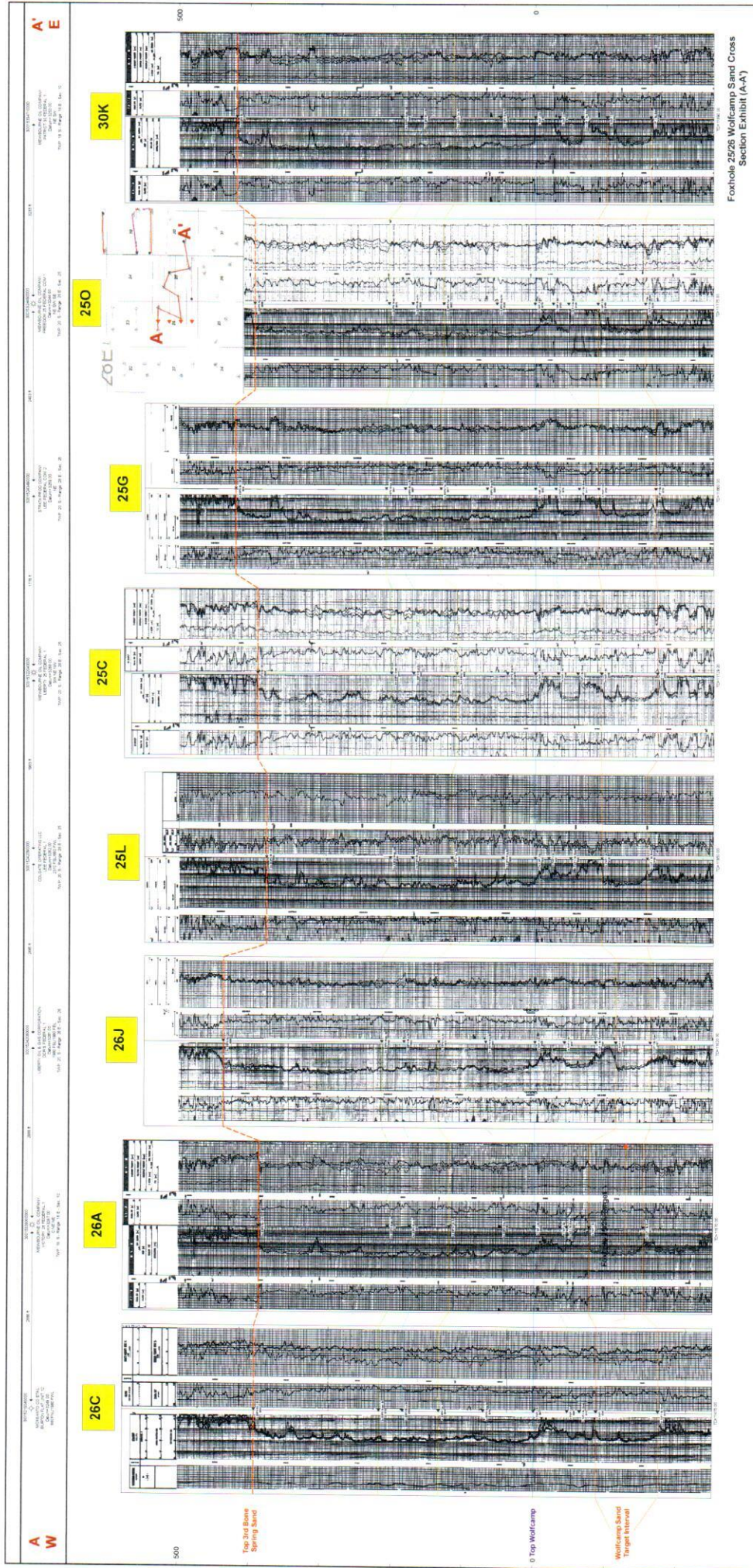
**Foxhole 25-26 Area Wolfcamp Sand Wells  
Horizontal Activity Map  
Top Wolfcamp Structure (C.I. 100')**  
Wells TD < 8000 filtered out

12/5/19	Eddy County	New Mexico
Geol. C. Crosby		







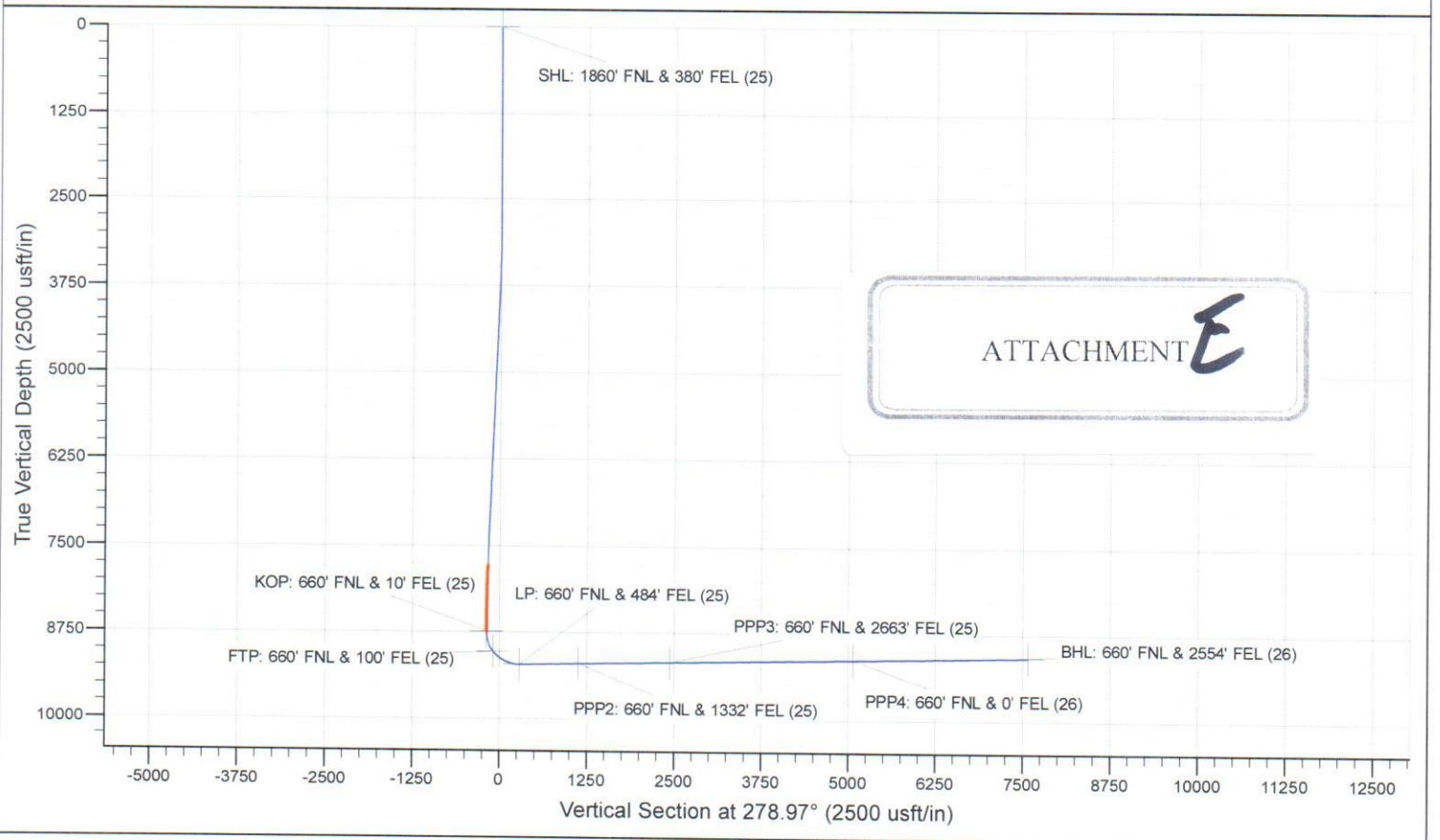
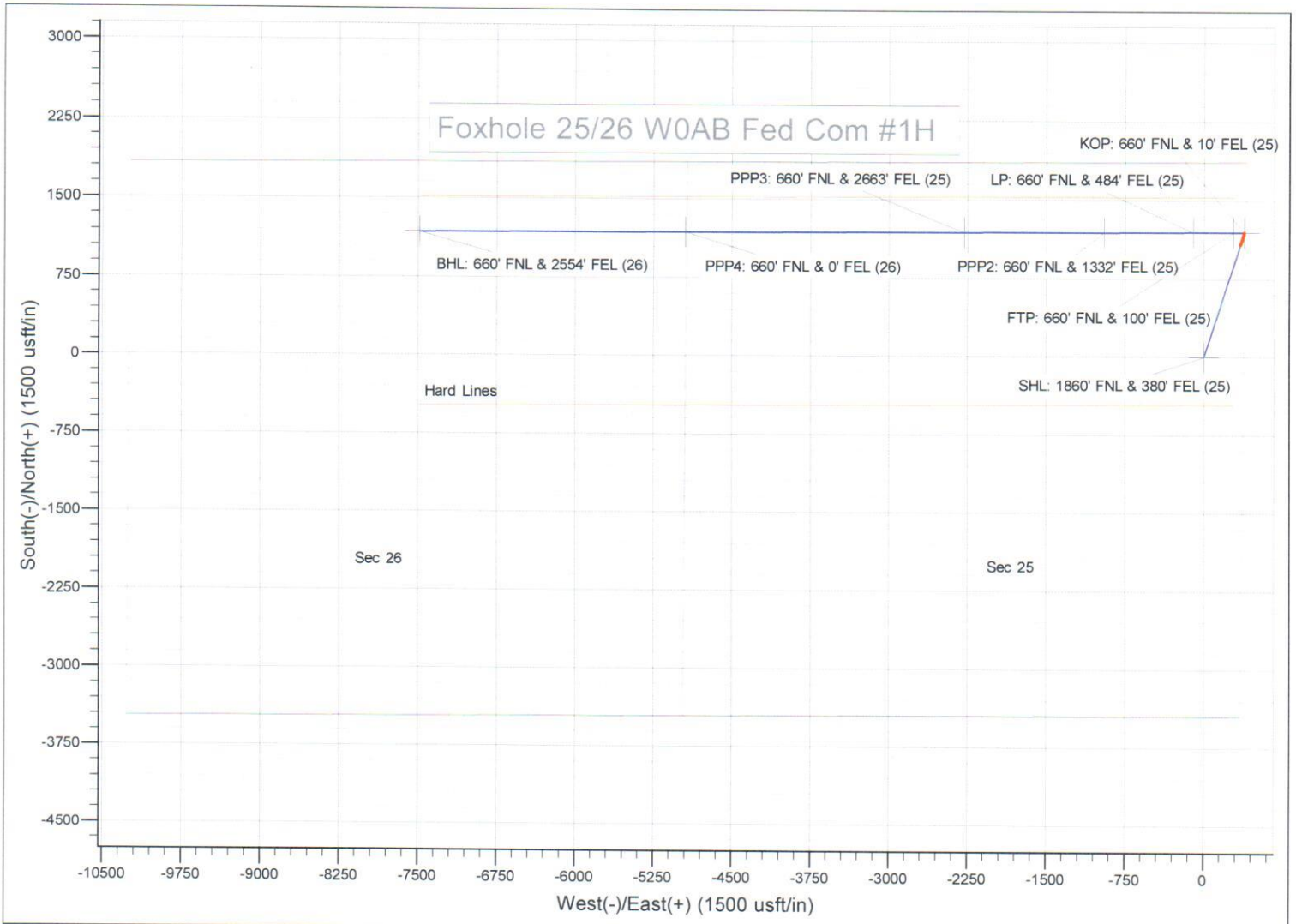


ATTACHMENT C

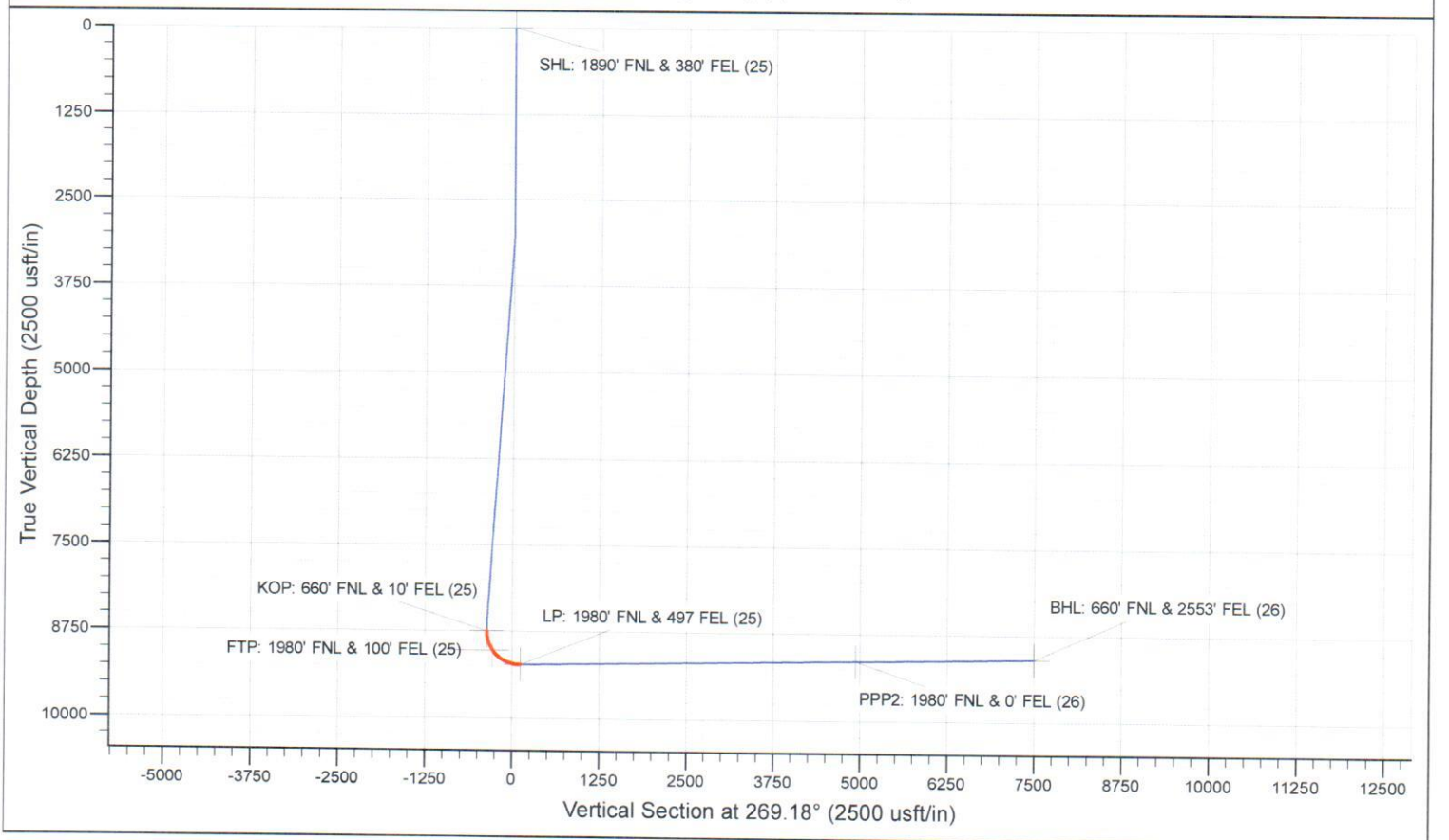
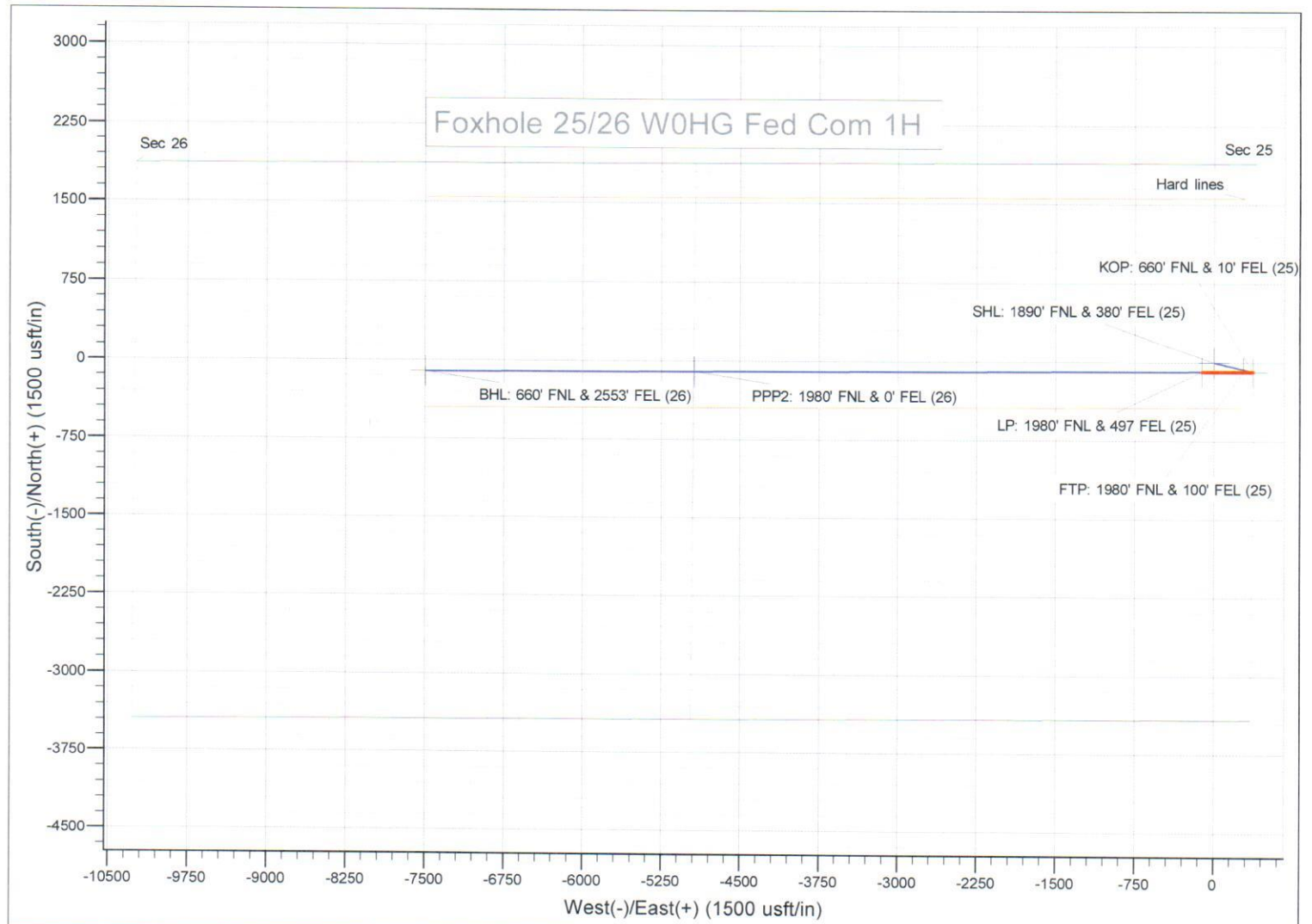
Foxhole Area Production Table									
Well Name	Operator	API	Location	Completion Date	Cum Oil (Mbo)	Cum Gas (Bcf)	Cum Water (Mbw)	NS/EW	Production Zone
Stebbins 20 Federal 134H	Matador	3001544175	20M/20S/29E	11/8/2017	107.8	0.3	359.7	EW	3rd Bone Spring Sand
Stebbins 20 Federal 204H	Matador	3001544177	20M/20S/29E	9/15/2018	103	0.6	162.8	EW	Wolfcamp Sand
Stebbins 20 Federal 133H	Matador	3001544183	20L/20S/29E	7/1/2017	101.4	0.25	347.1	EW	3rd Bone Spring Sand
Stebbins 20 Federal 203H	Matador	3001544184	20L/20S/29E		Pending			EW	Wolfcamp Sand
Stebbins 19 Federal 137H	Matador	3001544187	19P/20S/29E		Pending			EW	3rd Bone Spring Sand
Stebbins 19 Federal Com 203H	Matador	3001544173	19I/20S/29E		Pending			EW	Wolfcamp Sand





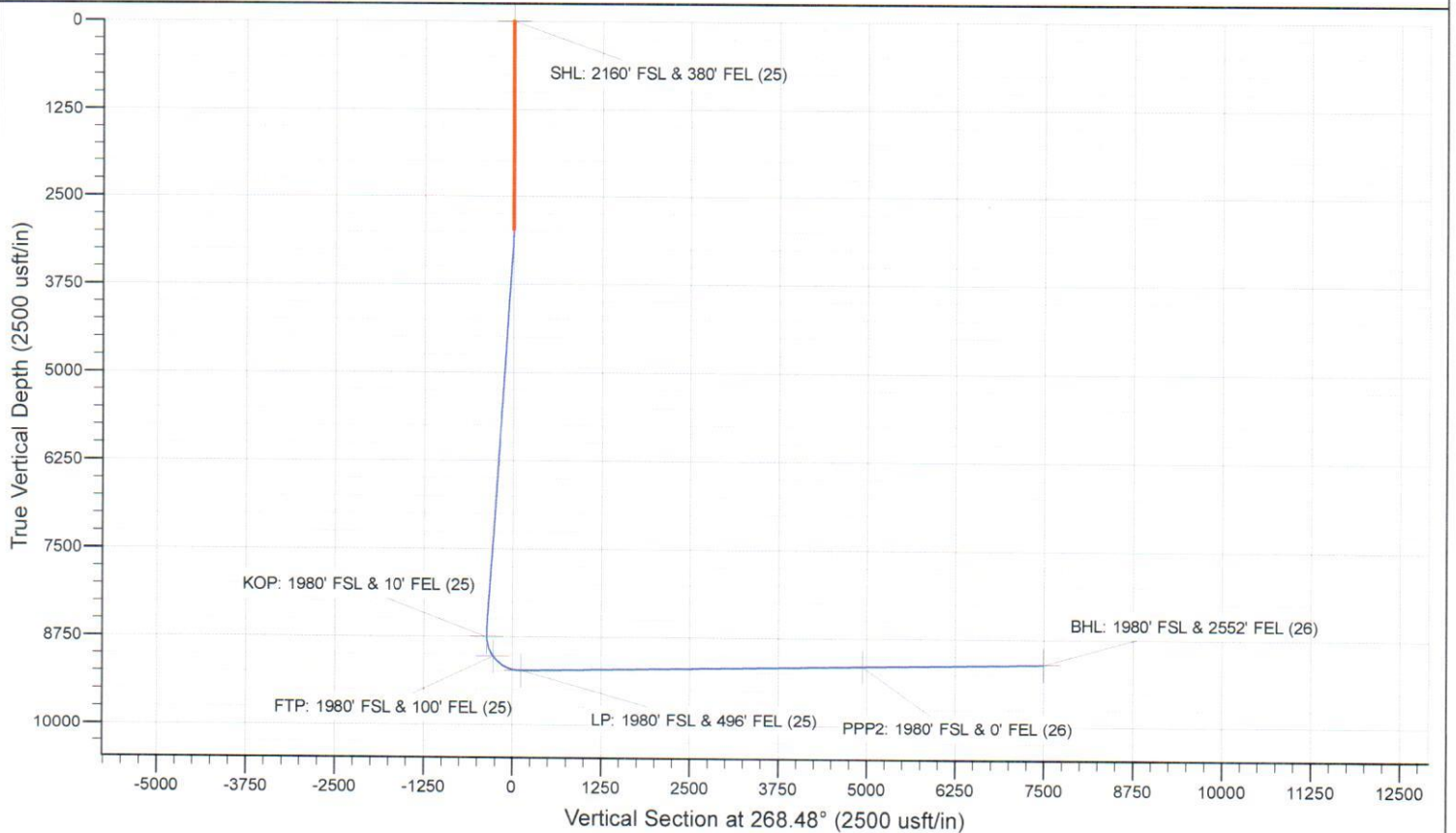






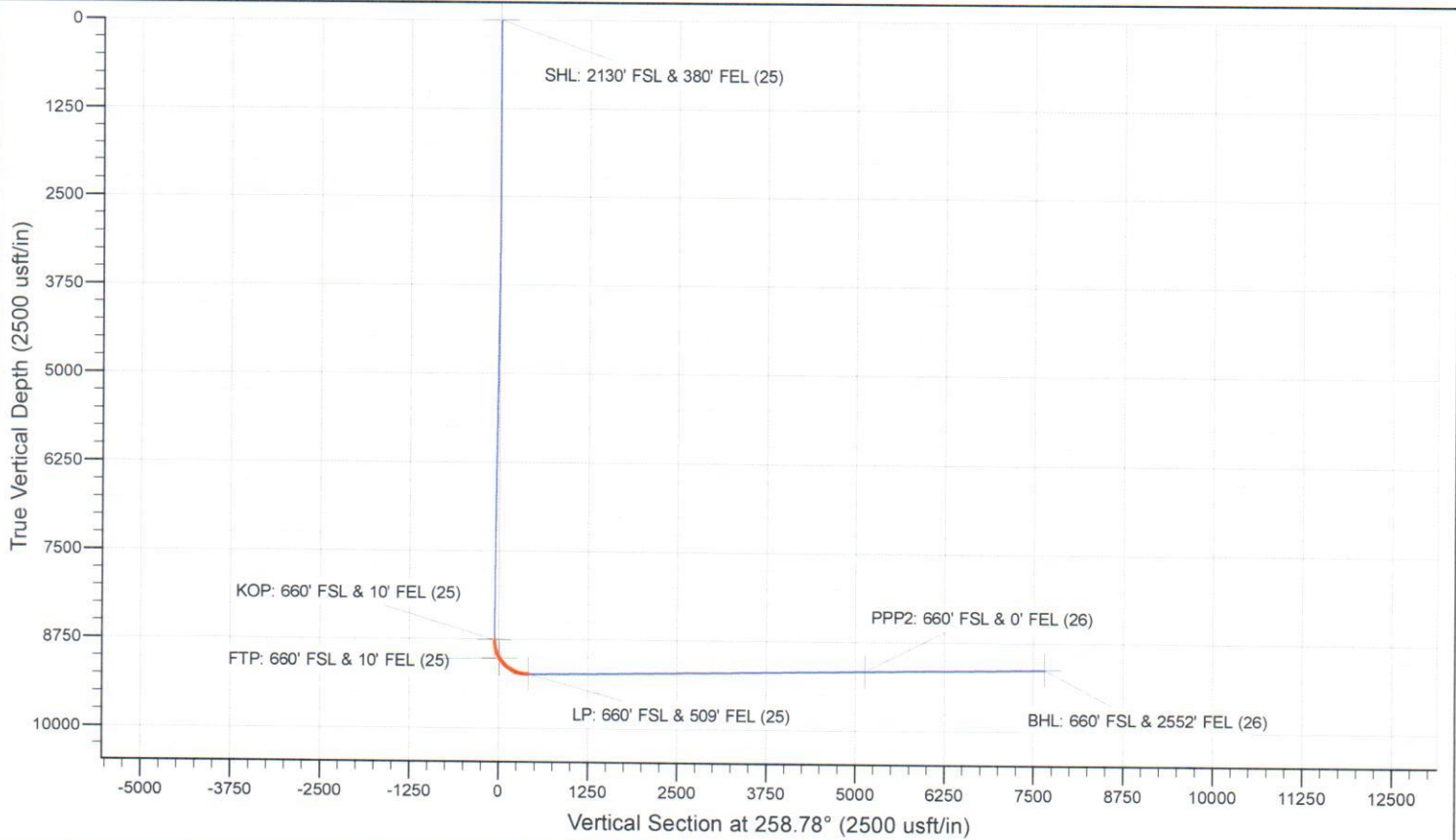
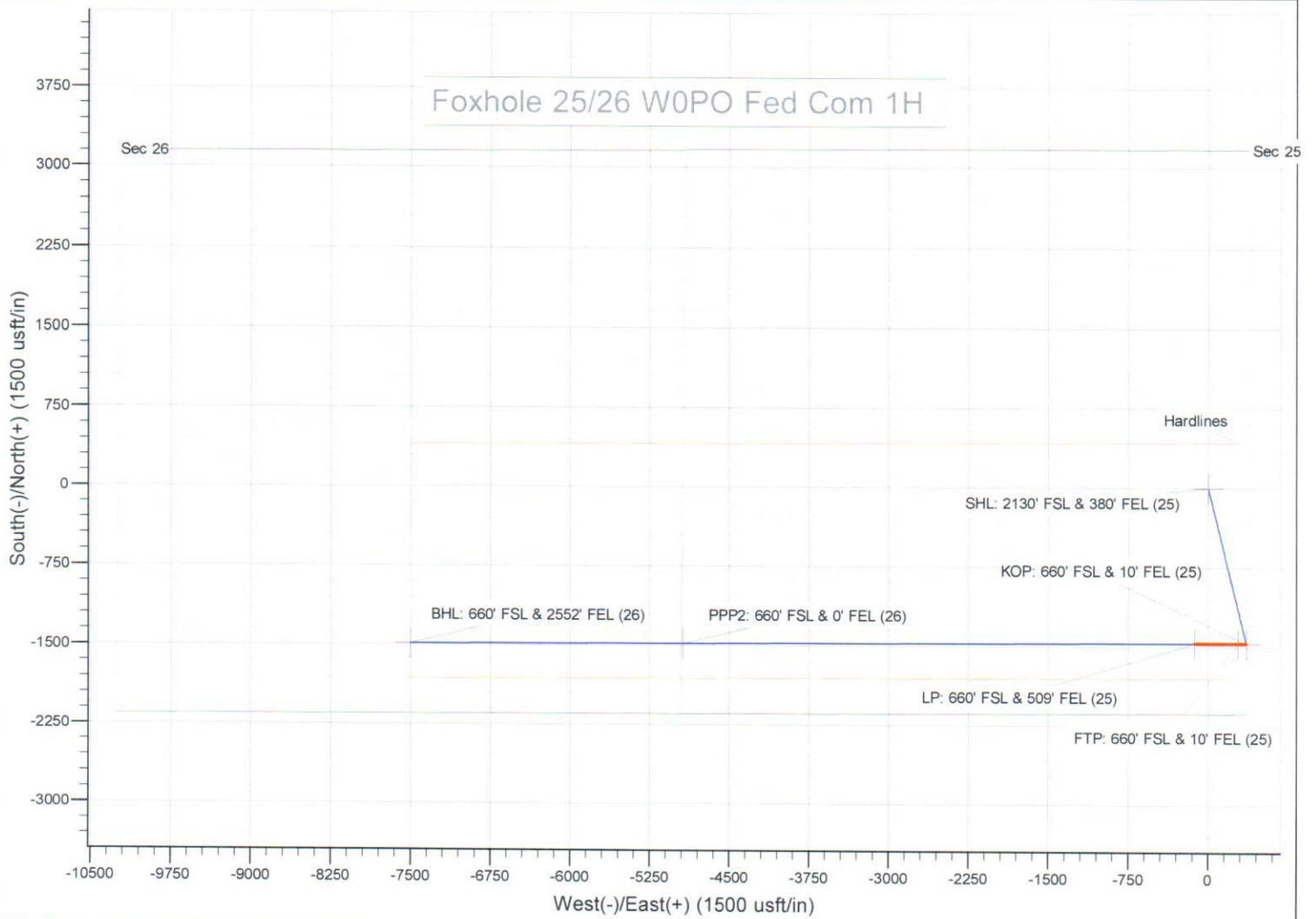
# Foxhole 24/26 W0IJ Fed Com #1H

Sec 25





# Foxhole 25/26 W0PO Fed Com 1H



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 Nos. 21058-21061

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 applications filed herein.
4. Notice of the applications 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

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 15, 2020

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of the following applications filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company seeking orders pooling all mineral interests in the Wolfcamp formation in horizontal spacing units comprised of:

(a) In Case No. 21058, the N/2N/2 of Section 25 and the N/2NE/4 of Section 26, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to the Foxhole 25/26 W0AB Fed. Com. Well No. 1H, a horizontal well with a first take point in the NE/4NE/4 of Section 25 and a last take point in the NW/4NE/4 of Section 26;

(a) In Case No. 21059, the S/2N/2 of Section 25 and the S/2NE/4 of Section 26, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to the Foxhole 25/26 W0HG Fed. Com. Well No. 1H, a horizontal well with a first take point in the SE/4NE/4 of Section 25 and a last take point in the SW/4NE/4 of Section 26;

(a) In Case No. 21060, the N/2S/2 of Section 25 and the N/2SE/4 of Section 26, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to the Foxhole 25/26 W0IJ Fed. Com. Well No. 1H, a horizontal well with a first take point in the NE/4SE/4 of Section 25 and a last take point in the NW/4SE/4 of Section 26; and

(a) In Case No. 21061, the S/2S/2 of Section 25 and the S/2SE/4 of Section 26, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to the Foxhole 25/26 W0PO Fed. Com. Well No. 1H, a horizontal well with a first take point in the SE/4SE/4 of Section 25 and a last take point in the SW/4SE/4 of Section 26.

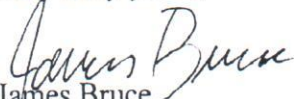
ATTACHMENT

**A**

These matters are 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 applications, 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, 2019. 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. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

  
James Bruce

Attorney for Mewbourne Oil Company



## EXHIBIT A

Strata Production Company  
P.O. Box 1030  
Roswell, New Mexico 88202-1030  
Attn: Land Manager

Murphy Petroleum Corporation  
P.O. Box 1030  
Roswell, New Mexico 88202-1030  
Attn: Land Manager

Murphy Operating Corporation  
United Bank Plaza, Suite 300  
P.O. Box 2648  
Roswell, New Mexico 88202-2648  
Attn: Land Manager

Scott Brothers Trust  
c/o Sharon Scott  
P.O. Box 1834  
Roswell, New Mexico 88202-1834

Robin L Morgan  
135 Cottonwood Road  
Artesia, New Mexico 88210

Mitchell Exploration Inc.  
6212 Homestead Blvd.  
Midland, Texas 79707  
Attn: Land Manager

**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:**

Murphy Petroleum Corporation  
P.O. Box 1030  
Roswell, New Mexico 88202-1030



9590 9402 4582 8278 6169 80

**2. Art#**

7019 1640 0000 1700

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

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature** ☒ Agent ☐ Addressee
- B. Received by (Printed Name)** **C. Date of Delivery**
- LUKE RAYON-GARCIA
- D. Is delivery address different from item 1?** ☐ Yes ☐ No
- If YES, enter delivery address below:



- 3. Service Type**
- ☐ Adult Signature
  - ☐ Adult Signature Restricted Delivery
  - ☐ Certified Mail®
  - ☐ Certified Mail Restricted Delivery
  - ☐ Collect on Delivery
  - ☐ Restricted Delivery
  - ☐ Registered Mail™
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  - ☐ Return Receipt for Merchandise
  - ☐ Signature Confirmation™
  - ☐ Signature Confirmation Restricted Delivery
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Domestic Return Receipt

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Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

Certified Mail Fee		Postmark Here	
\$	Extra Services & Fees (check box, add fee as appropriate)	\$	
<input type="checkbox"/>	Return Receipt (hardcopy)	\$	
<input type="checkbox"/>	Return Receipt (electronic)	\$	
<input type="checkbox"/>	Certified Mail Restricted Delivery	\$	
<input type="checkbox"/>	Adult Signature Required	\$	
<input type="checkbox"/>	Adult Signature Restricted Delivery	\$	
\$	Postage	\$	
<b>Total Postage and Fees</b>		\$	
Sent To		Murphy Operating Corporation	
		United Bank Plaza, Suite 100	
		P.O. Box 2648	
Street and Apt. No., or P.O. Box		Roswell, New Mexico 88202-2648	
City, State, ZIP+4®			

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



7019 1640 0000 1700 8835

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Certified Mail Fee

\$

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

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

 Postmark  
 Here

Postage

\$

Total Postage and Fees

\$

Sent To

 Murphy Petroleum Corporation  
 P.O. Box 1030

Street and Apt. No., or P.O. Roswell, New Mexico 88202-1030

City, State, ZIP+4®

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

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7019 1640 0000 1700 8828

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

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

 Postmark  
 Here

Postage

\$

Total Postage and Fees

\$

Sent To

 Strata Production Company  
 P.O. Box 1030

Street and Apt. No., or P.O. Roswell, New Mexico 88202-1030

City, State, ZIP+4®

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

See Reverse for Instructions

7019 1640 0000 1700 8873

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

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

 Postmark  
 Here

Postage

\$

Total Postage and Fees

\$

Sent To

 Mitchell Exploration Inc.  
 6212 Homestead Blvd.

Street and Apt. No. Midland, Texas 79707

City, State, ZIP+4®

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

See Reverse for Instructions

7019 1640 0000 1700 8866

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

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

 Postmark  
 Here

Postage

\$

Total Postage and Fees

\$

Sent To

 Robin L Morgan  
 135 Cottonwood Road  
 Artesia, New Mexico 88210

 Street and Apt. No., or P.O.  
 City, State, ZIP+4®

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

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☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

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Postage

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Total Postage and Fees

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Sent To

 Scott Brothers Trust  
 c/o Sharon Scott  
 P.O. Box 1834

Street and Apt. No., or P.O. Roswell, New Mexico 88202-1834

City, State, ZIP+4®

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

See Reverse for Instructions



## SENDER: COMPLETE THIS SECTION

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1. Article Addressed to:

Strata Production Company  
P.O. Box 1030  
Roswell, New Mexico 88202-1030



9590 9402 4582 8278 6169 97

2. Article

7019 1640 0000 1700 8828

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent  
☐ Addressee

B. Received by (Printed Name)

LUTER MON-GRACA

C. Date of Delivery

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☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery

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☐ Registered Mail Restricted Delivery  
☐ Return Receipt for Merchandise  
☐ Signature Confirmation™  
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1. Article Addressed to:

Murphy Operating Corporation  
United Bank Plaza, Suite 300  
P.O. Box 2648  
Roswell, New Mexico 88202-2648



9590 9402 4582 8278 6169 73

2. A

7019 1640 0000 1700 8842

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☒ Agent  
☐ Addressee

B. Received by (Printed Name)

BOB J. JEFF

C. Date of Delivery

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



3. Service Type

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☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery

☐ Priority Mail Express®  
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☐ Registered Mail Restricted Delivery  
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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:

Robin L Morgan  
135 Cottonwood Road  
Artesia, New Mexico 88210



9590 9402 4582 8278 6169 59

2.

7019 1640 0000 1700 8866

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent  
☒ Addressee

B. Received by (Printed Name)

Robin Morgan

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  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery

☐ Priority Mail Express®  
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☐ Signature Confirmation Restricted Delivery

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**SENDER: COMPLETE THIS SECTION**

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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:

Scott Brothers Trust  
c/o Sharon Scott  
P.O. Box 1834  
Roswell, New Mexico 88202-1834



9590 9402 4582 8278 6169 66

2. Article Number (Transit)  
7019 1640 0000 1700

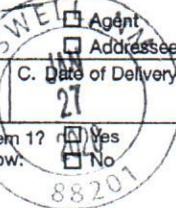
PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

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
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Insured Mail Restricted Delivery (over \$500)

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

M Fox

Domestic Return Receipt

**SENDER: COMPLETE THIS SECTION**

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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:

Mitchell Exploration Inc  
6212 Homestead Blvd.  
Midland, Texas 79707



9590 9402 4582 8278 6169 42

2. Article Number (Transit)  
7019 1640 0000 1700

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

B. Received by (Printed Name)

STEPHEN T. MITCHELL

- ☐ Agent
- ☐ Addressee

C. Date of Delivery

1/27/20

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

1

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

M Fox

Domestic Return Receipt

# Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0004015952

This is not an invoice

JAMES BRUCE ATTORNEY AT LAW  
POBOX 1056

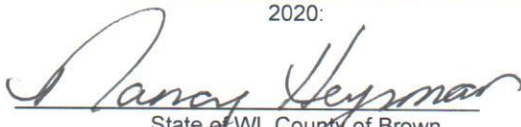
SANTA FE, NM 87504

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

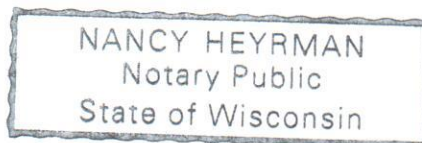
  
Legal Clerk

Subscribed and sworn before me this January 23,  
2020:

  
State of WI, County of Brown  
NOTARY PUBLIC  
5.15.23  
My commission expires

Ad # 0004015952  
PO #: Foxhole  
# of Affidavits 1

This is not an invoice



EXHIBIT

4



### NOTICE

To: Strata Production Company, Murphy Petroleum Corporation, Murphy Operating Corporation, Scott Brothers Trust, Robin L. Morgan, and Mitchell Exploration Inc., or your heirs, devisees, successors, or assigns: Mewbourne Oil Company has filed applications with the New Mexico Oil Conservation Division seeking orders pooling of all mineral interests in the Wolfcamp formation in horizontal spacing units comprised of the following lands in Eddy County, New Mexico:

(a) In Case No. 21058, the N/2N/2 of Section 25 and the N/2NE/4 of Section 26, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to the Foxhole 25/26 W0AB Fed Com. Well No. 1H;

(b) In Case No. 21059, the S/2N/2 of Section 25 and the S/2NE/4 of Section 26, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to the Foxhole 25/26 W0HG Fed Com. Well No. 1H;

(c) In Case No. 21060, the N/2S/2 of Section 25 and the S/2NE/4 of Section 26, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to the Foxhole 25/26 W0IJ Fed Com. Well No. 1H; and

(d) In Case No. 21061, the S/2S/2 of Section 25 and the S/2SE/4 of Section 26, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to the Foxhole 25/26 W0PO Fed Com. Well No. 1H.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs 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 applications are 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 one or more of the well units, you have the right to enter an appearance and participate in the cases. Failure to appear will preclude you from contesting these matters at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. The units are located approximately 11 miles north-northeast of Carlsbad, New Mexico.

#4015952, Current-Argus, January 23, 2020

# COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

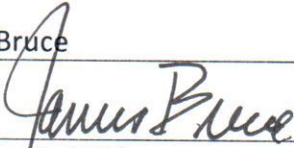
Case:	21061
Date	February 6, 2020
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No. 14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Strata Production Company
Well Family	Foxhole 25/26 W0PO Fed. Com. Well No. 1H
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Wolfcamp formation
Pool Name and Pool Code:	Burton Flat; Upper Wolfcamp, East/Pool Code 98315
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter Section/40 acre
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Vertical
Size (Acres)	240 acres
Building Blocks:	40 acres
Orientation:	East-West
Description: TRS/County	S/2S/2 §25 and S/2SE/4 §26-20S-28E, NMPM, Eddy County
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 pages 6-8
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	<p>Foxhole 25/26 W0POFed. Com. Well No. 1H</p> <p>API No. 30-015-Pending</p> <p>SHL: 2130 FSL &amp; 380 FEL §25</p> <p>BHL: 660 FSL &amp; 2552 FEL §26</p> <p>FTP: 660 FSL &amp; 100 FEL §25</p> <p>LTP: 660 FSL &amp; 2540 FEL §26</p> <p>Upper Wolfcamp/TVD 9215 feet/MD 17035 feet</p>

EXHIBIT

5



Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 1 page 2
Requested Risk Charge	Cost + 200%/Exhibit 1 page 2
<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 pages 6-8
Tract List (including lease numbers and owners)	Exhibit 1 pages 6-8
Pooled Parties (including ownership type)	Exhibit 1 pages 6-8
Unlocatable Parties to be Pooled	Not applicable
Ownership Depth Severance (including percentage above & below)	None
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit 1 page 11
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 1 pages 6-8
Chronology of Contact with Non-Joined Working Interests	Exhibit 1 pages 9-10
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 1 page 13
Cost Estimate to Equip Well	Exhibit 1 page 13
Cost Estimate for Production Facilities	Exhibit 1 page 13
<b>Geology</b>	
Summary (including special considerations)	Exhibit 2
Spacing Unit Schematic	Exhibit 2 Attachment A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 2
Well Orientation (with rationale)	Laydown/Exhibit 2 pages 1-2
Target Formation	Wolfcamp
HSU Cross Section	Exhibit 2
Depth Severance Discussion	Not Applicable
<b>Forms, Figures and Tables</b>	
C-102	Exhibit 1 page 5
Tracts	Exhibit 1 pages 4 and 6-8
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 1 pages 6-9

General Location Map (including basin)	Exhibit 1 page 4
Well Bore Location Map	Exhibit 1 page 5
Structure Contour Map - Subsea Depth	Exhibit 2
Cross Section Location Map (including wells)	Exhibit 2
Cross Section (including Landing Zone)	Exhibit 2
<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>	February 6, 2020



**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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

Case No. 24061

**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/2S/2 of Section 25 and the S/2SE/4 of Section 26, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the S/2S/2 of Section 25 and the S/2SE/4 of Section 26, and has the right to drill a well thereon.
2. Applicant proposes to drill the Foxhole 25/26 W0PO Fed Com. Well No. 1H to a depth sufficient to test the Wolfcamp formation, with a first take point in the SE/4SE/4 of 25 and a final take point in the SW/4SE/4 of Section 26.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2S/2 of Section 25 and the S/2SE/4 of Section 26 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 well or to otherwise commit their interests to the well, 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/2S/2 of Section 25 and the S/2SE/4 of Section 26, pursuant to NMSA 1978 §§70-2-17.

EXHIBIT

6

5. The pooling of all mineral interests in the Wolfcamp formation underlying the S/2S/2 of Section 25 and the S/2SE/4 of Section 26 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/2S/2 of Section 25 and the S/2SE/4 of Section 26;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's 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 well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

**COPY**

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

Attorney for Mewbourne Oil Company



PROPOSED ADVERTISEMENT

Case No. \_\_\_\_\_:

***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/2S/2 of Section 25 and the S/2SE/4 of Section 26, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to the Foxhole 25/26 W0PO Fed Com. Well No. 1H, with a first take point in the SE/4SE/4 of 25 and a final take point in the SW/4SE/4 of Section 26. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10-1/2 miles north-northeast of Carlsbad, New Mexico.