

**CASE NO. 21330**

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

**MEWBOURNE OIL COMPANY'S EXHIBIT LIST**

1. Application and Proposed Ad
2. Landman's Affidavit (Carson Cullen)
3. Geologist's Affidavit (Tyler Hill)
4. Notice Affidavit
5. Pooling Checklist

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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

Case No. 21330

**APPLICATION**

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the NW/4 of Section 22 and the W/2 of Section 15, Township 25 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 NW/4 of Section 22 and the W/2 of Section 15, and has the right to drill a well or wells thereon.

2. Applicant proposes to drill the following wells to test the Wolfcamp formation:

(a) The Bonanza 22/15 W0ED Fed. Com. Well No. 1H; and

(b) The Bonanza 22/15 W1ED Fed. Com. Well No. 2H,

These two wells are horizontal wells with first take points in the SW/4NW/4 of 22 and last take points in the NW/4NW/4 of Section 15.

(c) The Bonanza 22/15 W0FC Fed. Com. Well No. 1H; and

(d) The Bonanza 22/15 W1FC Fed. Com. Well No. 2H.

These two wells are horizontal wells with first take points in the SE/4NW/4 of 22 and last take points in the NE/4NW/4 of Section 15.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the NW/4 of Section 22 and the W/2 of Section 15 for the purposes set forth herein.

EXHIBIT 1



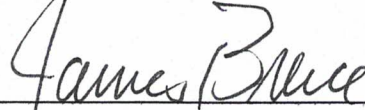
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying the NW/4 of Section 22 and the W/2 of Section 15, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the NW/4 of Section 22 and the W/2 of Section 15 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 NW/4 of Section 22 and the W/2 of Section 15;
- 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, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above a horizontal line.

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

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

Attorney for Mewbourne Oil Company



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 underlying a horizontal spacing unit comprised of the NW/4 of Section 22 and the W/2 of Section 15, Township 25 South, Range 28 East, NMPM. The unit will be dedicated to the Bonanza 22/15 W0ED Fed. Com. Well No. 1H, Bonanza 22/15 W1ED Fed. Com. Well No. 2H, Bonanza 22/15 W0FC Fed. Com. Well No. 1H, and Bonanza 22/15 W1FC Fed. Com. Well No. 2H. The wells have first take points in the S/2NW/4 of Section 22, and last take points in the N/2NW/4 of Section 15. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The hearing will be conducted at 8:15 a.m. on Thursday, July 9, 2020. During the COVID-19 Public Health Emergency, state buildings are currently closed to the public and the hearing may be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to [emnrd@state.nm.us/OCD](mailto:emnrd@state.nm.us/OCD) or see the instructions posted on the Division's website, <http://emnrd.state.nm.us/OCD/announcements.html>. An entry of appearance or pre-hearing statement may be filed with the Division at [ocd.hearings@state.nm.us](mailto:ocd.hearings@state.nm.us). The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, [jamesbruc@aol.com](mailto:jamesbruc@aol.com). The unit is located approximately 7 miles south of Malaga, 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 FOR  
THE PURPOSE OF CONSIDERING:**

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

**Case No. 21330**

**VERIFIED STATEMENT OF CARSON CULLEN**

Carson Cullen being duly sworn upon his 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 been qualified by the Division as an expert petroleum landman.
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 and mineral owners into the Wolfcamp 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 wells but have simply refused to voluntarily commit their interests to the wells. Some interest owners are or may be unlocatable.
  - (c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne seeks an order approving a 480.00-acre horizontal spacing unit in the Wolfcamp formation comprised of W/2 of Section 15 and the NW/4 of Section 22, Township 25 South, Range 28 East, NMPM. Mewbourne further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the unit. The unit will be dedicated to the Bonanza 22-15 W0ED Fed Com #1H. The referenced well is a horizontal well. The Bonanza 22-15 W0ED Fed Com #1H has a first take point in Unit E of Section 22 and a final take point in Unit D of Section 15.
  - (d) There are no depth severances in the Wolfcamp formation.
  - (e) The parties being pooled and their interests are set forth in Attachment B. Their current and correct addresses are also set forth. To find the unlocatable parties we examined

EXHIBIT

**2**

county and government records, and also conducted internet searches including google and drillinginfo.

(f) Attachment C contains a summary of contacts with the interest owners, together with copies of the proposal letters sent to them.

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

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

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

(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 wells.

(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            )

Carson Cullen, being duly sworn upon his oath, deposes and states that: He is a landman 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.

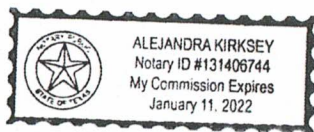


Carson Cullen

SUBSCRIBED AND SWORN TO before me this 19<sup>th</sup> day of January, ~~2020~~ 2021 by Carson Cullen.

My Commission Expires: January 11, 2022

  
Notary Public



**Bonanza 22-15 W0ED Fed Com #1H  
Sections 22 (NW/4) & 15 (W/2), T25S, R28E  
EDDY COUNTY, NM**



EXHIBIT A

## EXHIBIT B

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name					
4 Property Code		5 Property Name <b>BONANZA 22/15 WOED FED COM</b>						6 Well Number <b>1H</b>	
7 OGRID NO.		8 Operator Name <b>MEWBOURNE OIL COMPANY</b>						9 Elevation <b>2976'</b>	
10 Surface Location									
UL or lot no. <b>L</b>	Section <b>22</b>	Township <b>25S</b>	Range <b>28E</b>	Lot Idn	Feet from the <b>2420</b>	North/South line <b>SOUTH</b>	Feet From the <b>1100</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
11 Bottom Hole Location If Different From Surface									
UL or lot no. <b>D</b>	Section <b>15</b>	Township <b>25S</b>	Range <b>28E</b>	Lot Idn	Feet from the <b>330</b>	North/South line <b>NORTH</b>	Feet from the <b>330</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 Order No.			

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

		<p><b>GEODETIC DATA</b> NAD 83 GRID - NM EAST</p> <p><b>SURFACE LOCATION</b> N: 405621.2 - E: 619712.1 LAT: 32.1148789° N LONG: 104.0801864° W</p> <p><b>BOTTOM HOLE</b> N: 413467.1 - E: 618926.6 LAT: 32.1364516° N LONG: 104.0826648° W</p> <p><b>CORNER DATA</b> NAD 83 GRID - NM EAST</p> <p>A: FOUND BRASS CAP "1940" N: 403208.9 - E: 618594.4</p> <p>B: FOUND BRASS CAP "1940" N: 405833.5 - E: 618613.9</p> <p>C: FOUND BRASS CAP "1940" N: 408458.4 - E: 618634.5</p> <p>D: FOUND BRASS CAP "1940" N: 413796.1 - E: 618594.1</p> <p>E: FOUND BRASS CAP "1940" N: 413803.6 - E: 621266.8</p> <p>F: FOUND BRASS CAP "1940" N: 413807.6 - E: 623928.9</p> <p>G: FOUND BRASS CAP "1940" N: 411147.1 - E: 623938.2</p> <p>H: FOUND BRASS CAP "1940" N: 408486.9 - E: 623947.7</p> <p>I: FOUND BRASS CAP "1940" N: 405835.8 - E: 623950.2</p> <p>J: FOUND BRASS CAP "1940" N: 403175.6 - E: 623953.6</p> <p>K: FOUND BRASS CAP "1940" N: 403192.4 - E: 621190.3</p> <p>L: FOUND BRASS CAP "1940" N: 408487.0 - E: 621296.9</p>	<p><b>17 OPERATOR CERTIFICATION</b> 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><b>18 SURVEYOR CERTIFICATION</b> 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><b>08-22-2019</b> Date of Survey</p> <p>Signature and Seal of Professional Surveyor: </p> <p><b>19680</b> Certificate Number</p>			

RRC-Job No: LS19080841



EXHIBIT C

**TRACT OWNERSHIP**  
**Bonanza 22-15 W0ED Fed Com #1H**  
**Section 22 (NW/4) & 15 (W/2), T25S, R28E**  
**Eddy County, New Mexico**

**Section 22 (NW/4) & Section 15 (W/2) :**  
**Wolfcamp formation:**

	<u>% Leasehold Interest</u>
Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	78.333333%
*Chevron U.S.A. Inc. P.O. Box 2100 Houston, Texas 77252	8.333333%
OXY USA WTP Limited Partnership 5 Greenway Plaza, Suite 110 Houston, Texas 77046	6.666667%
McCombs Exploration, LLC 755 East Mulberry Ave., Suite 600 San Antonio, Texas 78212	6.666667%
	<hr/> 100.000000%

**\*Total interest being pooled: 8.333333%**

ATTACHMENT

**B**

Exhibit C

**Summary of Communications**  
**Bonanza 22-15 W0ED Fed Com #1H**

Chevron U.S.A. Inc.

- 1) 1/29/2020 – Well proposals and AFE's are sent via email and certified mail to Kristen Hunter.
- 2) 1/29/2020 – Responded to email about potential Joint Operating Agreements covering the subject acreage.
- 3) 7/30/2020 – Emailed Kaitlyn Griffin about pooling Chevrons interest and what Chevron intended to do with the Bonanza acreage.
- 4) 8/19/2020 – Emailed Kaitlyn Griffin with a trade proposal and tract information.
- 5) 10/19/2020 –Emailed Kaitlyn Griffin asking for an update on Chevrons intentions within the acreage.
- 6) 10/26/2020 - Emailed Kaitlyn Griffin asking for an update on Chevrons intentions within the acreage.
- 7) 11/10/2020 - Emailed Kaitlyn Griffin asking for an update on Chevrons intentions within the acreage.

ATTACHMENT C

# MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

January 28, 2020

Via Electronic Mail

Chevron U.S.A. Inc.  
6301 Deauville Blvd  
Midland, TX 79706  
Attn: Kristen Hunter

Re: Bonanza 22/15 W0ED Fed Com #1H  
2420' FSL & 1100' FWL, Section 22 (SL)  
330' FNL & 330' FWL, Section 15 (BHL)  
NW/4 of Section 22, T25S, R28E  
W/2 of Section 15, T25S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 480-acre Working Interest Unit ("WIU") covering all of the above captioned acreage in Sections 22 & 15 for oil and gas production. Our title shows that Chevron U.S.A. Inc. ("Chevron") owns 25% interest in the NW/4 of Section 15 (40.00 net acres). Accordingly, Chevron would own 8.3333333% working interest in the proposed WIU (25% interest X 160.00 gross acres = 40.00 net acres; 40.00 net acres/ 480.00 unit acres = 8.3333333% interest in the WIU).

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the referenced well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 9,519 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a total measured depth (TMD) of approximately 17,087 feet. The NW/4 Section 22 & the W/2 of Section 15 will be dedicated to the well as the proration unit.

Regarding the above enclosed for your further handling is our AFE dated January 27, 2020 for the above referenced proposed well. In the event Chevron elects to participate in the proposed WIU and well, please execute the enclosed AFE and return to me within thirty (30) days. Our Operating Agreement to follow.

Should you have any questions regarding the above, please email me at [ccullen@mewbourne.com](mailto:ccullen@mewbourne.com) or call me at (432) 682-3715.

Very truly yours,

**MEWBOURNE OIL COMPANY**

Carson Cullen  
Landman



**MEWBOURNE OIL COMPANY**  
AUTHORIZATION FOR EXPENDITURE

Well Name: <b>BONANZA 22/15 W0ED FED COM #1H</b>		Prospect: <b>BONANZA 22/15</b>	
Location: <b>SL: 2420 FSL &amp; 1100 FWL (22); BHL: 330 FNL &amp; 330 FWL (15)</b>		County: <b>Eddy</b>	ST: <b>NM</b>
Sec: <b>22</b>	BLK: <b></b>	Survey: <b></b>	TWP: <b>25S</b> RNG: <b>28E</b> Prop. TVD: <b>9519</b> TMD: <b>17087</b>

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$70,000	0180-0205	\$40,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$30,000
Daywork / Turnkey / Footage Drilling    22 days drlg / 4 days comp @ \$21500/d		0180-0110	\$505,200	0180-0210	\$91,800
Fuel    1700 gal/day @ \$2.74/gal		0180-0114	\$109,400	0180-0214	\$320,000
Mud, Chemical & Additives		0180-0120	\$200,000	0180-0220	
Horizontal Drillout Services				0180-0222	\$200,000
Cementing		0180-0125	\$100,000	0180-0225	\$30,000
Logging & Wireline Services		0180-0130	\$2,500	0180-0230	\$350,000
Casing / Tubing / Snubbing Service		0180-0134	\$20,000	0180-0234	\$90,000
Mud Logging		0180-0137	\$30,000		
Stimulation    45 Stg 18.5 MM gal / 18.5 MM lb				0180-0241	\$1,437,000
Stimulation Rentals & Other				0180-0242	\$200,000
Water & Other		0180-0145	\$40,000	0180-0245	\$350,000
Bits		0180-0148	\$111,100	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	\$30,000
Welding Services		0180-0168	\$5,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$40,500	0180-0270	\$30,000
Directional Services    Includes Vertical Control		0180-0175	\$250,000		
Equipment Rental		0180-0180	\$215,200	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,300	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$10,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
ROW & Easements		0180-0192		0180-0292	\$5,000
Pipeline Interconnect				0180-0293	
Company Supervision		0180-0195	\$129,600	0180-0295	\$96,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Well Abandonment		0180-0198		0180-0298	
Contingencies    2% (TCP)    2% (CC)		0180-0199	\$46,400	0180-0299	\$69,000
<b>TOTAL</b>			<b>\$2,367,200</b>		<b>\$3,517,300</b>

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")    500' - 13 3/8" 54.5# J-55 ST&C @ \$34.83/ft		0181-0794	\$18,600		
Casing (8.1" - 10.0")    2440' - 9 5/8" 40# HCL80 LT&C @ \$27.39/ft		0181-0795	\$71,400		
Casing (6.1" - 8.0")    9700' - 7" 29# HCP-110 LT&C @ \$22.62/ft		0181-0796	\$234,300		
Casing (4.1" - 6.0")    7565' - 4 1/2" 13.5# HCP-110 LT&C @ \$12.16/ft				0181-0797	\$98,200
Tubing    9174' - 2 7/8" 6.5# EUE tbg @ \$4.6/ft				0181-0798	\$45,100
Drilling Head		0181-0860	\$40,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools    Completion Liner Hanger				0181-0871	\$75,000
Sucker Rods				0181-0875	
Subsurface Equipment    Packer				0181-0880	\$10,000
Artificial Lift Systems    Gas Lift Valves				0181-0884	\$15,000
Pumping Unit				0181-0885	
Surface Pumps & Prime Movers    1/2 VRU/SWD TP/HTB				0181-0886	\$50,000
Tanks - Oil    1/2 of 6 - 750 bbl				0181-0890	\$65,000
Tanks - Water    1/2 of 5 - 750 bbl coated				0181-0891	\$58,000
Separation / Treating Equipment    1/2(GB,VRT/Flare) / 30"x10"x1k 3 ph/36"x15"x1k# Hor 3				0181-0895	\$110,000
Heater Treaters, Line Heaters    8"x20"x75# HT				0181-0897	\$28,000
Metering Equipment				0181-0898	\$15,000
Line Pipe & Valves - Gathering    (1/2) 2000' 12" poly water line				0181-0900	\$35,000
Fittings / Valves & Accessories				0181-0906	\$135,000
Cathodic Protection				0181-0908	\$57,500
Electrical Installation    Includes automation				0181-0909	\$75,000
Equipment Installation				0181-0910	\$75,000
Pipeline Construction    (1/2) 2000' 12" poly water line				0181-0920	\$35,000
<b>TOTAL</b>			<b>\$364,300</b>		<b>\$1,011,800</b>
<b>SUBTOTAL</b>			<b>\$2,731,500</b>		<b>\$4,529,100</b>

<b>TOTAL WELL COST</b>		<b>\$7,260,600</b>
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☐ 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: <u>H. Buckley</u>	Date: <u>1/27/2019</u>
Company Approval: <u>M. Whittier</u>	Date: <u>1/27/2019</u>
Joint Owner Interest: _____ Amount: _____	Signature: _____
Joint Owner Name: _____	

ATTACHMENT D

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. 21330

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 parallel to strike. It also shows a line of cross-section, A-A'.
  - (b) Attachment B is a north-south 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 Upper Wolfcamp Shale, and these zones are 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 3

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

6. Attachment D is the Survey Calculation Report for wells: Bonanza 22/15 W0FC Fed Com 1H, Bonanza 22/15 W1FC Fed Com 2H, Bonanza 22/15 W0ED Fed Com 1H, and Bonanza 22/15 W1ED Fed Com 2H. The producing interval of the proposed well will be orthodox. The Pool code is Purple Sage Wolfcamp (98220).

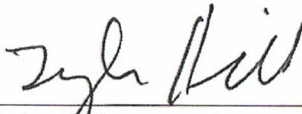
  
Tyler Hill



VERIFICATION

STATE OF TEXAS                    )  
  ) ss.  
COUNTY OF MIDLAND            )

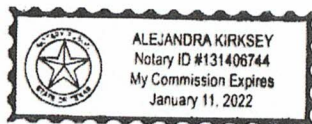
Tyler Hill, being duly sworn upon his oath, deposes and states that: He is a geologist for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge,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

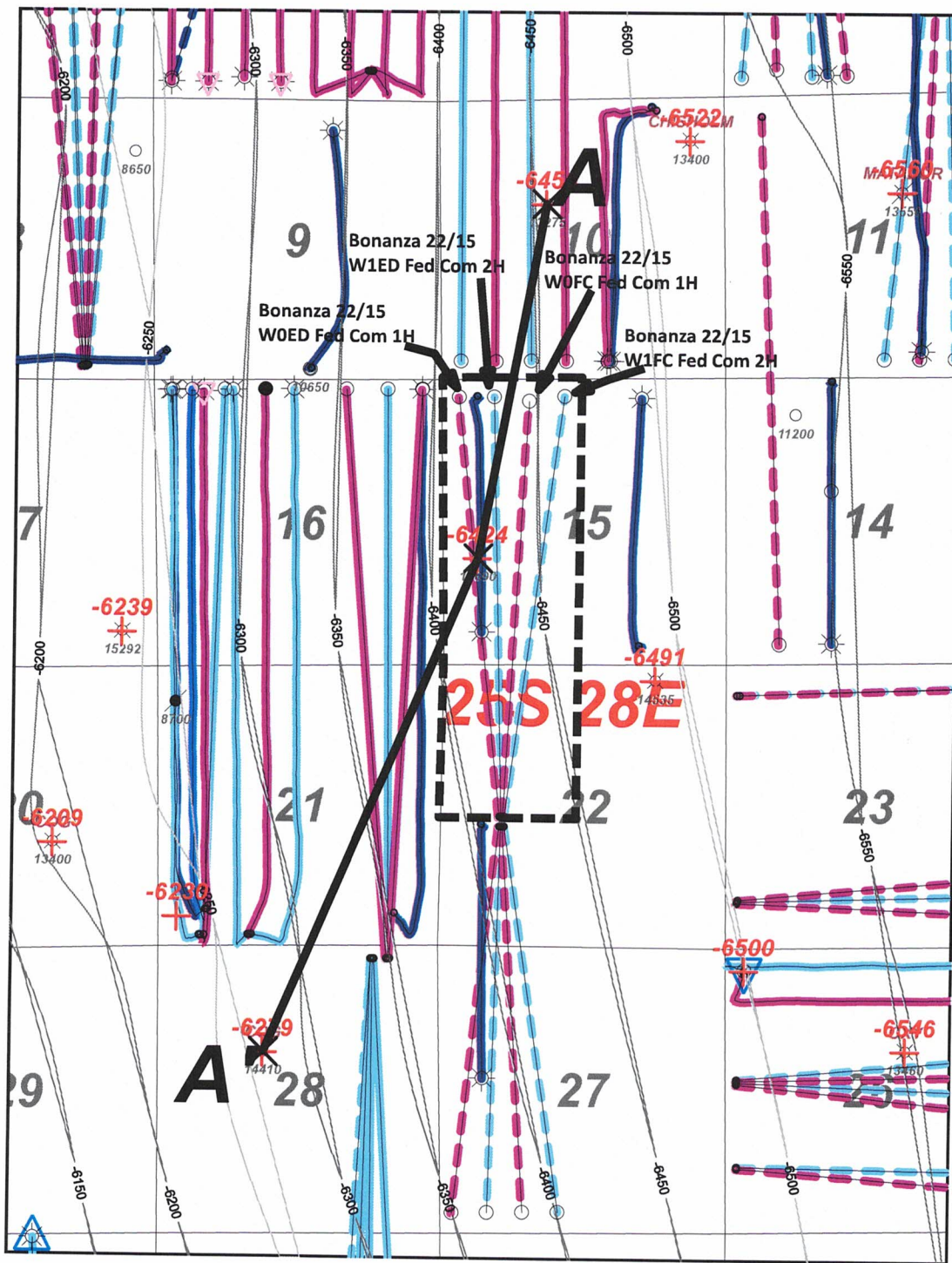
  
\_\_\_\_\_  
Tyler Hill

SUBSCRIBED AND SWORN TO before me this 29th day of June, 2020 by Tyler Hill.

My Commission Expires: January 11, 2022

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





**A**  
ATTACHMENT

- Horizontal Activity
- Wolfcamp Sand
  - Wolfcamp A Shale
  - Wolfcamp D Shale

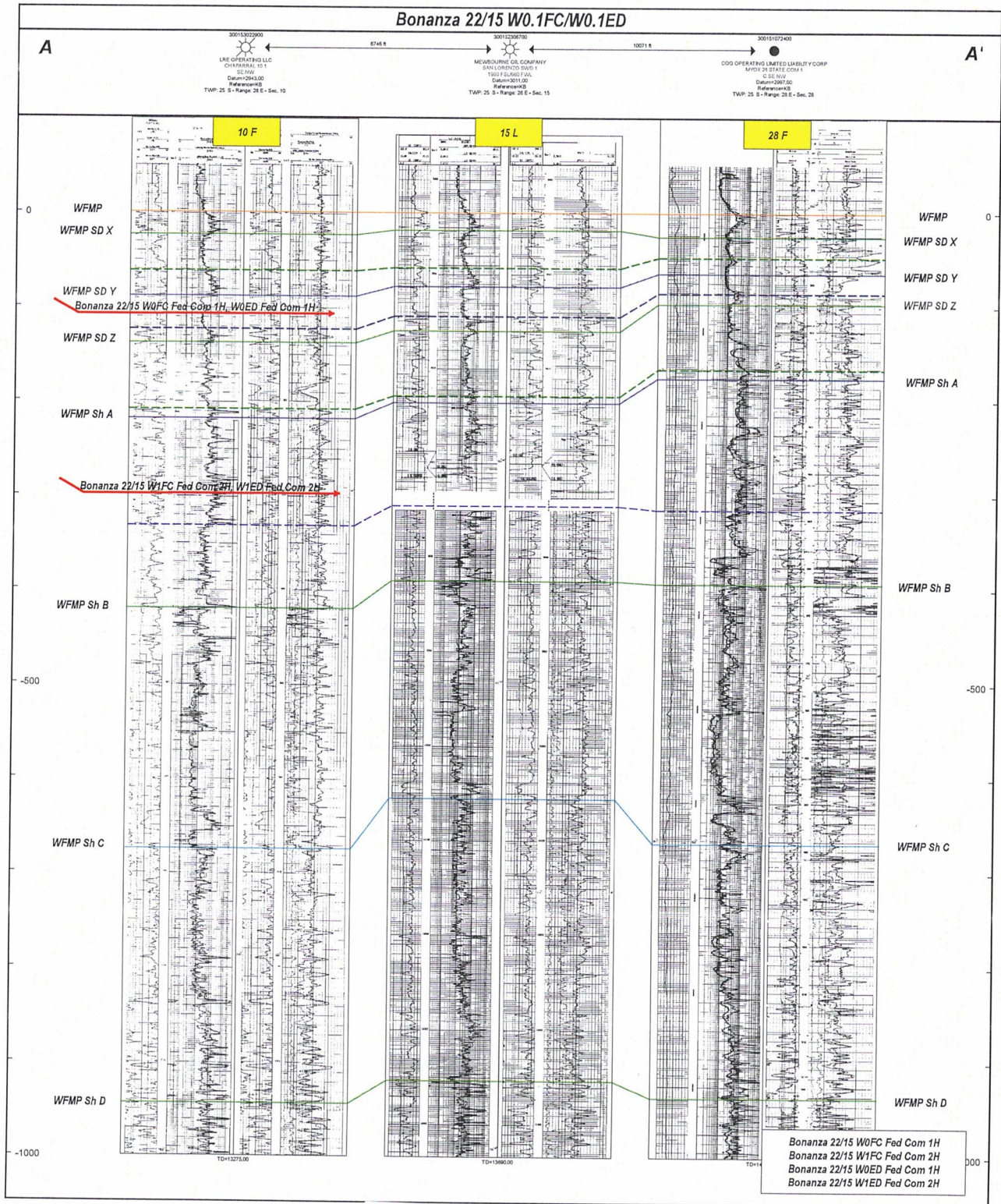


1 inch = 3000 feet



MOC Mewbourne Oil Company		
Bonanza 22/15 W0FC Fed Com 1H Bonanza 22/15 W1FC Fed Com 2H Bonanza 22/15 W0ED Fed Com 1H Bonanza 22/15 W1ED Fed Com 2H Structure top WFMP (C.I. 50')		
Author: T. Hill	County: Eddy	Date: 29 June, 2020
Scale: 1.0"=3000'		





ATTACHMENT **B**

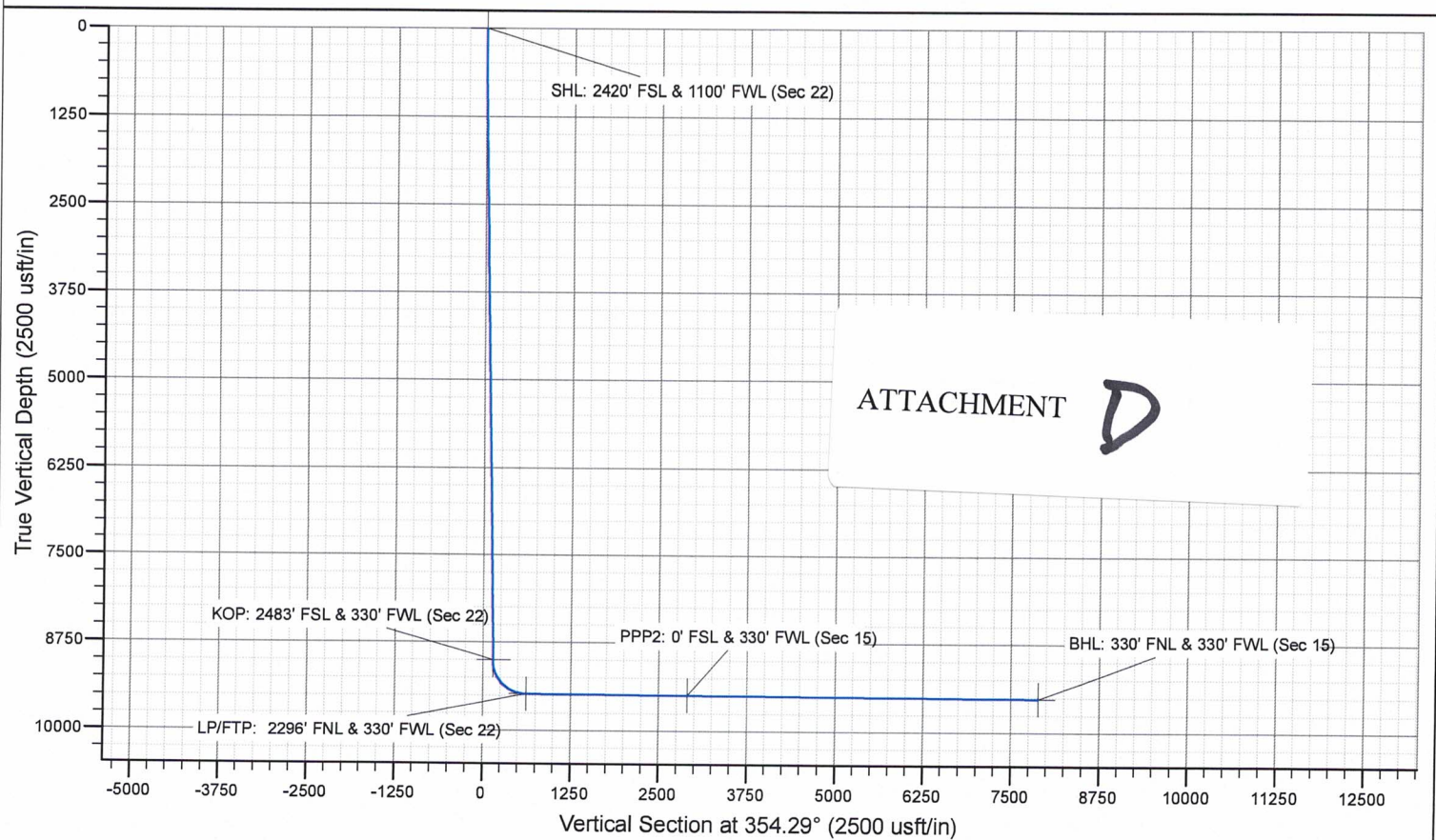
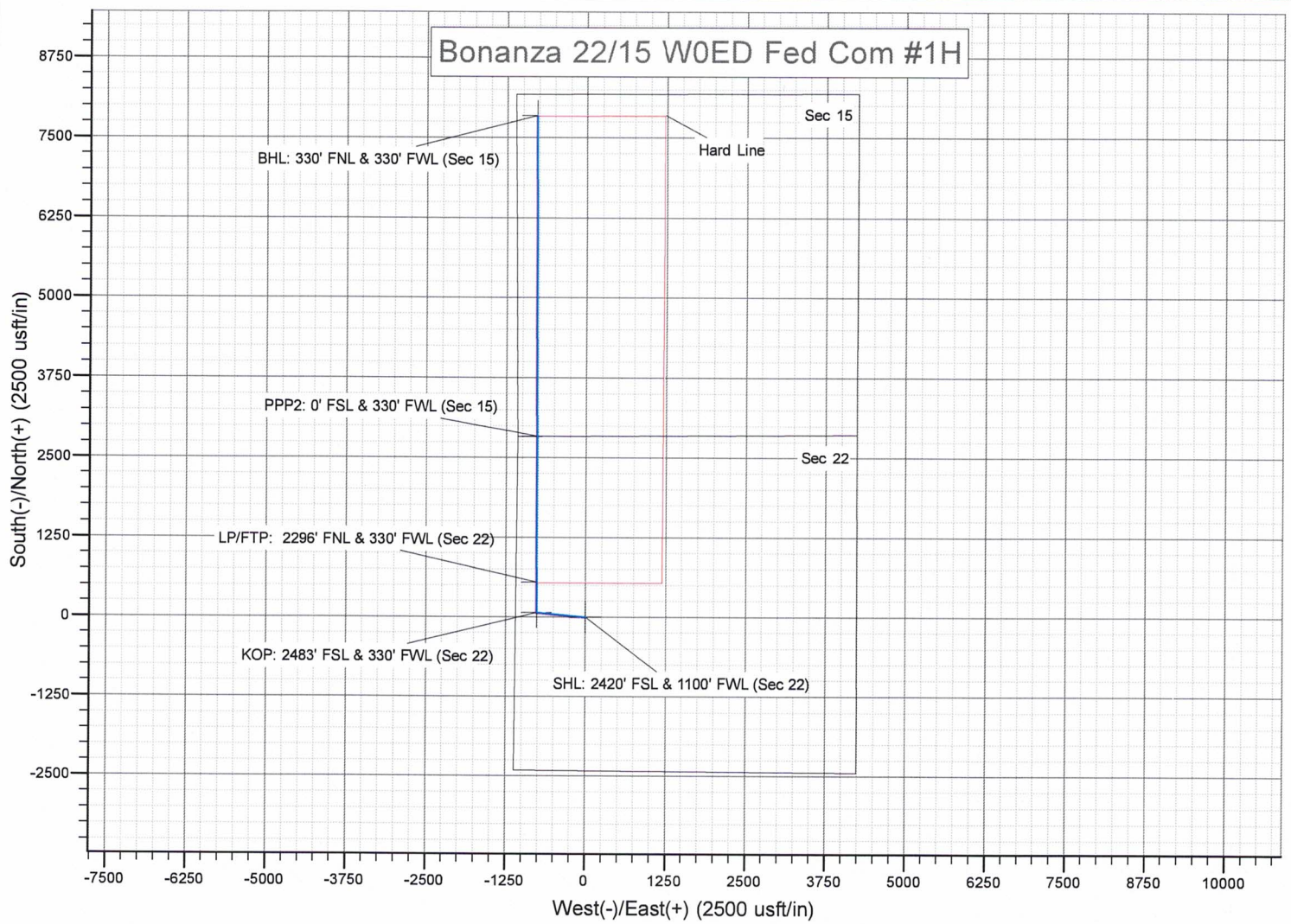


**Bonanza Area Upper Wolfcamp Production Data Table**

Well Name	Operator	API	Location	WFMP Comp Date	Cum Oil (mbo)	Cum Gas (bcf)	Cum Water (mbw)	NS/EW	HZ Target
Mad River 133H	Caza	3001543898	13PM/24S/27E	1/2/2017	269	0.5	985	EW	WFMP Sand
Mad River 13 4H	Caza	3001544042	13IU/24S/27E	4/11/2017	266	0.7	932	EW	WFMP Sand
Quien Sabe 801H	COG	3001546125	24A-25P/24S/27E	2/1/2020	134	0.3	362	NS	WFMP Sand
Quien Sabe 802H	COG	3001546127	24A-25P/24S/27E	2/1/2020	118	0.3	362	NS	WFMP Sand
Quien Sabe 803H	COG	3001546128	24B-25O/24S/27E	2/1/2020	103	0.2	361	NS	WFMP Sand
Creedence 21/16 W0ED 2H	Mewbourne	3001544871	21E-16D/24S/28E	11/15/2019	188	0.4	406	NS	WFMP Sand
Creedence 21/16 W1ED 1H	Mewbourne	3001544887	21E-16D/24S/28E	11/15/2019	185	0.4	415	NS	WFMP A
Kansas 21/28 W1LM 1H	Mewbourne	3001545763	21L-28M/24S/28E	11/15/2019	199	0.5	508	NS	WFMP A
Kansas 21/28 W0LM 2H	Mewbourne	3001546016	21L-28M/24S/28E	11/15/2019	198	0.4	505	NS	WFMP Sand
Rusler Breaks 28/23 W0ML 2H	Mewbourne	3001544660	26M-23L/24S/28E	8/8/2019	227	0.5	606	NS	WFMP Sand
Rock Spur 27 W0CN 2H	Mewbourne	3001544064	27CN/24S/28E	6/28/2017	400	1.1	1240	NS	WFMP Sand
Rock Spur 27 W0AP 2H	Mewbourne	3001544093	27AP/24S/28E	8/28/2019	263	0.7	864	NS	WFMP Sand
Chicken Fry 1H	Marathon	3001542882	22AP/24S/28E	9/24/2017	179	0.5	743	NS	WFMP Sand
Kyle 34 5H	Marathon	3001543295	34PA/24S/28E	11/28/2017	291	0.9	958	NS	WFMP Sand
Kyle 34 3H	Marathon	3001543405	34NC/24S/28E	12/12/2017	254	0.7	1148	NS	WFMP Sand
Salt Draw 10 WCA 3H	Chisholm	3001545775	10BO/25S/28E	7/9/2019	107	0.3	385	NS	WFMP Sand
Rick Deckard WXY 18H	Marathon	3001545091	4PA/25S/28E	2/25/2019	112	0.4	NA	NS	WFMP Sand
Rick Deckard WA 14H	Marathon	3001545092	4PA/25S/28E	2/25/2019	110	0.3	NA	NS	WFMP Sand
Rick Deckard WXY 12H	Marathon	3001545090	4OB/25S/28E	2/25/2019	112	0.3	NA	NS	WFMP Sand
Rick Deckard WA 15H	Marathon	3001545093	4OB/25S/28E	2/25/2019	94	0.3	NA	NS	WFMP Sand
Rick Deckard WA 9H	Marathon	3001545345	4CN/25S/28E	7/13/2019	18	0.1	67	NS	WFMP Sand
Rick Deckard WXY 8H	Marathon	3001545348	4CN/25S/28E	7/13/2019	15	0.1	75.0	NS	WFMP Sand
Rick Deckard WA 2H	Marathon	3001545344	4DM/25S/28E	7/13/2019	15	0.1	55	NS	WFMP Sand
Rick Deckard WXY 6H	Marathon	3001545347	4DM/25S/28E	7/13/2019	23	0.1	98	NS	WFMP Sand
Myox 21 31H	COG	3001544000	21M-16D/25S/28E	10/27/2019	137	0.4	654	NS	WFMP A
Myox 21 32H	COG	3001544002	21M-16D/25S/28E	10/27/2019	121	0.3	702	NS	WFMP Sand
Myox 21 33H	COG	3001544006	21M-16D/25S/28E	10/27/2019	150	0.4	752	NS	WFMP A
Myox 21 34H	COG	3001545376	21N-16C/25S/28E	10/27/2019	136	0.4	681	NS	WFMP Sand
Myox 21 35H	COG	3001545373	21N-16C/25S/28E	10/27/2019	138	0.4	758	NS	WFMP A
Myox 31 601H	COG	3001545948	31A-6P/26S/28E	12/28/2019	103	0.3	397	NS	WFMP Sand
Myox 31 602H	COG	3001545949	31A-6P/26S/28E	12/28/2019	117	0.4	381	NS	WFMP Sand
Myox 31 603H	COG	3001545950	31B-6O/26S/28E	12/28/2019	123	0.4	400	NS	WFMP Sand

ATTACHMENT C

# Bonanza 22/15 W0ED 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 No. 21330**

**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: \_\_\_\_\_

2/2/21

  
\_\_\_\_\_  
James Bruce



**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)

June 18, 2020

CERTIFIED MAIL

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling (Case No. 21330), filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, regarding four Wolfcamp wells in the NW/4 of Section 22 and the W/2 of Section 15, Township 25 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

This matter is set for hearing beginning at 8:15 a.m. on Thursday, July 9, 2020. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To participate in the hearings, see the instructions posted below:

The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at [Marlene.Salvidrez@state.nm.us](mailto:Marlene.Salvidrez@state.nm.us). Documents filed in these cases may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. Persons may view and participate in the hearing through the following link:

- (1) Meeting number: 968 329 152, Password: YQe6KZBe3n6,  
<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mb3ddb90721ccc17207709b8c71dc2ac1>;
- (2) Join by video system: Dial [968329152@nmemnrd.webex.com](tel:968329152); you can also dial 173.243.2.68 and enter your meeting number; or
- (3) Join by phone at 1-408-418-9388, Access code: 968 329 152.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, [jamesbruc@aol.com](mailto:jamesbruc@aol.com).

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, July 2, 2020. This statement must be filed with the Division's

ATTACHMENT

A

Santa Fe office at [ocd.hearings@state.nm.us](mailto:ocd.hearings@state.nm.us), and should include: The names of the party and its 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

Chevron U.S.A. Inc.  
6301 Deauville Blvd  
Midland, TX 79706

EOG Resources, Inc.  
5509 Champions Drive  
Midland, TX 79706

OXY USA WTP LP  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046



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:

A. Signature [Signature] ☒ Agent ☐ Addressee

B. Received by (Printed Name) Debra L. Jones C. Date of Delivery 6/20/20

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

Chevron U.S.A. Inc.  
6301 Deaunville Blvd  
Midland, TX 79706

3. Service Type  
☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☒ Certified Mail®  
☐ Return Receipt for Merchandise  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery

Postmark Here

7019 2970 0000 7642 3063

2. Article Number (over \$500)

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

Domestic Return Receipt

M-Bon

U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT  
Domestic Mail Only

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

OFFICIAL USE

Certified Mail Fee \$

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 \$

Postmark Here

Total Postage and Fees \$

Sent To

OXY USA WTP LP  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046

City, State, Zip+4®

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

U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT  
Domestic Mail Only

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

OFFICIAL USE

Certified Mail Fee \$

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 \$

Postmark Here

Total Postage and Fees \$

Sent To

Chevron U.S.A. Inc.  
6301 Deaunville Blvd  
Midland, TX 79706

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 (over \$500)

7019 2970 0000 7642 3063

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

Domestic Return Receipt

M-Bon

COMPLETE THIS SECTION ON DELIVERY

A. Signature [Signature] ☒ Agent ☐ Addressee

B. Received by (Printed Name) Debra L. Jones C. Date of Delivery 6-26-20

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

3. Service Type  
☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☒ Certified Mail®  
☐ Return Receipt for Merchandise  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery

Postmark Here

7019 2970 0000 7642 3063

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:

EOG Resources, Inc.  
5509 Champions Drive  
Midland, TX 79706



9590 9402 5751 0003 3991 32

2. Article Addressed to (Transfer from service label)

7019 2770 0000 7642 3070

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature [Signature] ☒ Agent ☐ Addressee

B. Received by (Printed Name) [Signature] C. Date of Delivery 8-26-20

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

3. Service Type

☐ Adult Signature ☐ Priority Mail Express®

☐ Adult Signature Restricted Delivery ☐ Registered Mail™

☐ Certified Mail® ☐ Registered Mail Restricted Delivery

☐ Certified Mail Restricted Delivery ☐ Return Receipt for Merchandise

☐ Collect on Delivery ☐ Signature Confirmation™

☐ Insured Mail ☐ Restricted Delivery

Domestic Return Receipt

**U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT**

Domestic Mail Only

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

**OFFICIAL USE**

Certified Mail Fee \$

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 \$

Postmark Here

Sent To EOG Resources, Inc.

Street and Apt. No., or PO Box 5509 Champions Drive

City, State, ZIP+4® Midland, TX 79706

See Reverse for Instructions

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

# COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS


Case:	21330
Date:	January 21, 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, Eddy County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Bonanza 22-15 WOED Fed Com #1H
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Entire Wolfcamp formation
Pool Name and Pool Code:	Purple Sage; Wolfcamp/Pool Code 98220
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480 acres
Building Blocks:	
Orientation:	South-North
Description: TRS/County	W/2 §15 and NW/4 §22-25S-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 2-B
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	<p>Bonanza 22-15 WOED Fed Com #1H</p> <p>API No. 30-025-47182</p> <p>SHL: 2420 FSL &amp; 1100 FWL §22</p> <p>BHL: 330 FNL &amp; 330 FWL §15</p> <p>FTP: 2970 FSL &amp; 330 FWL §22</p> <p>LTP: 330 FNL &amp; 330 FWL §15</p> <p>Wolfcamp/TVD 9519 feet/MD 17087 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 2, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2, page 2
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 5
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-B
Pooled Parties (including ownership type)	Exhibit 2-B
Unlocatable Parties to be Pooled	Not applicable
Ownership Depth Severance (including percentage above & below)	None
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners ( <i>i.e.</i> Exhibit A of JOA)	Exhibit 2-B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D
Cost Estimate for Production Facilities	Exhibit 2-D
<b>Geology</b>	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 2-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-C
Well Orientation (with rationale)	Standup/Exhibit 3
Target Formation	Wolfcamp
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	Not Applicable
<b>Forms, Figures and Tables</b>	
C-102	Exhibit 2-A
Tracts	Exhibit 2-A
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B

General Location Map (including basin)	Exhibit 2-A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3-C
Cross Section (including Landing Zone)	Exhibit 3-C
<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>	January 21, 2020