

CASE NO. 21644

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 (Josh Anderson)
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. 21644

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 13 and the N/2 of Section 14, Township 23 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the N/2 of Section 13 and the N/2 of Section 14, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the Airboss 13/14 W0AD Fed. Comm. Well No. 1H to a depth sufficient to test the Wolfcamp formation, with a first take point in the NE/4NE/4 of 13 and a last take point in the NW/4NW/4 of Section 14. The N/2 of Section 13 and the N/2 of Section 14 will be dedicated to the well.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2 of Section 13 and the N/2 of Section 14 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

EXHIBIT **1**

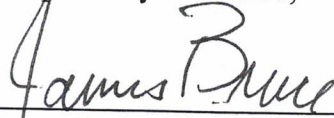
formation underlying the N/2 of Section 13 and the N/2 of Section 14, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interest owners in the Wolfcamp formation underlying the N/2 of Section 13 and the N/2 of Section 14 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 N/2 of Section 13 and the N/2 of Section 14;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling, completing, and equipping 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, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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

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 N/2 of Section 13 and the N/2 of Section 14, Township 23 South, Range 26 East, NMPM. The unit will be dedicated to the Airboss 13/14 W0AD Fed. Com. Well No. 1H, with a first take point in the NE/4NE/4 of 13 and a last take point in the NW/4NW/4 of Section 14. Also to be considered will be the cost of drilling, completing, and equipping 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, completing, and equipping the well. The unit is located approximately 6 miles northwest of Otis, New Mexico.

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

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

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

Case No. 21644

SELF-AFFIRMED STATEMENT OF JOSH ANDERSON

Josh Anderson, 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 owners into the Bone Spring 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 (i) are unlocatable, or (ii) have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests to the wells.

(c) A plat outlining the unit being pooled is attached hereto as Attachment A. Mewbourne seeks an order pooling all mineral interests in the Bone Spring formation underlying the following well units:

(a) Case 21644: Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the N/2 of Section 13 and the N/2 of Section 14, Township 23 South, Range 26 East, NMPM. The unit will be dedicated to the Airboss 13/14 W0AD Fed. Com. Well No. 1H, with a first take point in the NE/4NE/4 of 13 and a last take point in the NW/4NW/4 of Section 14.

C-102 for the well are also part of Attachment A.

EXHIBIT

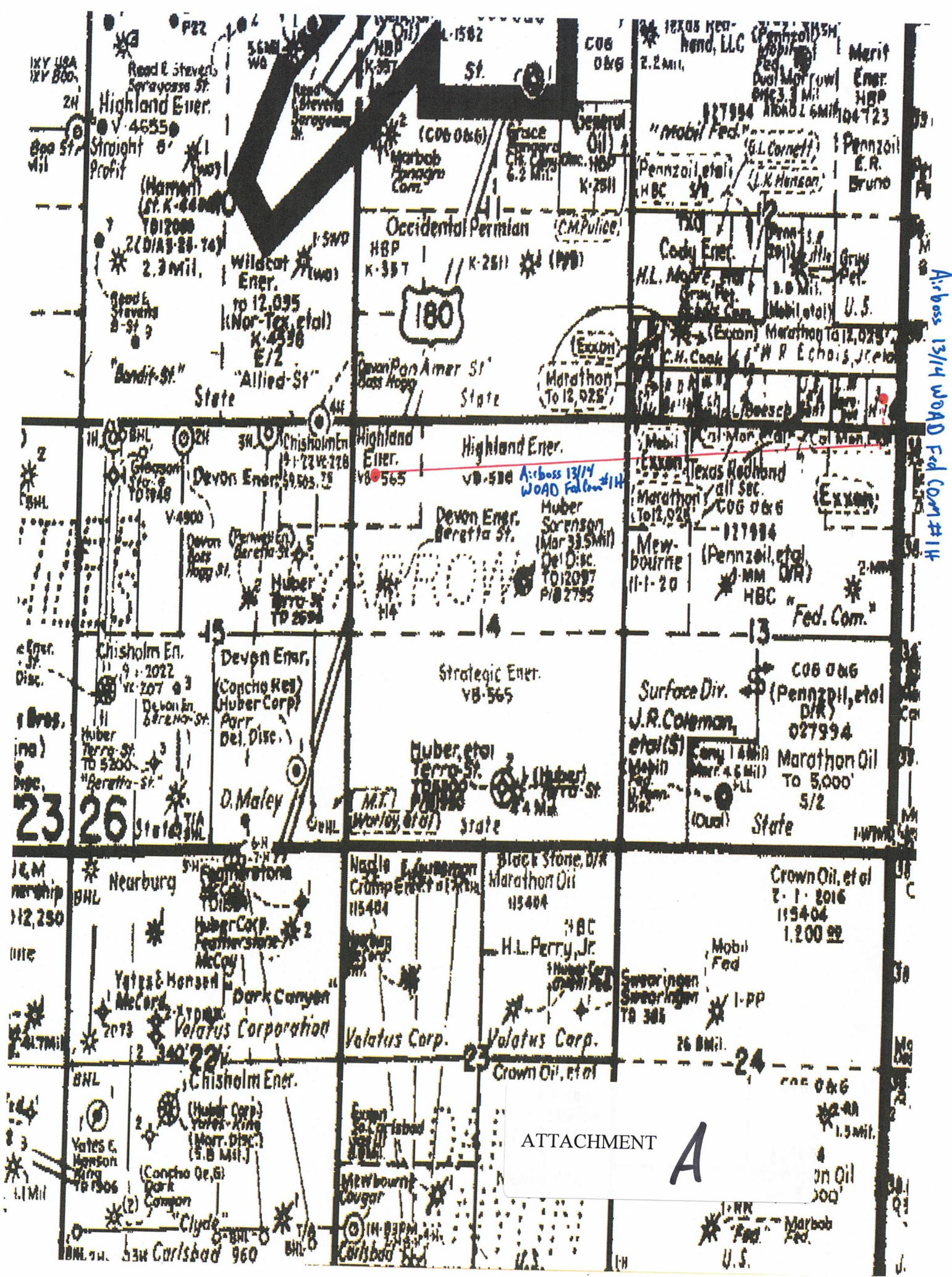
2

- (d) The parties being pooled are set forth in Attachment B.
- (e) In order to locate the interest owners Mewbourne examined the county records, performed internet searches, checked telephone records, made calls to family members, and searched Accurint and Whitepages.
- (f) Attachment C is a summary of communications and a sample copy of the proposal letter sent to the interest owners.
- (g) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well, or to locate the owners.
- (h) Mewbourne has the right to pool the overriding royalty owners in the well unit.
- (i) Attachment D contains the Authorizations for Expenditure for the proposed wells. The estimated costs of the wells set forth therein are fair and reasonable, and 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) Mewbourne requests that it be designated operator of the wells.
- (m) The attachments to this affidavit were prepared by me, or compiled from company business records.
- (n) The granting of this application is in the interests of conservation and the prevention of waste.

3. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 2 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


Josh Anderson



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

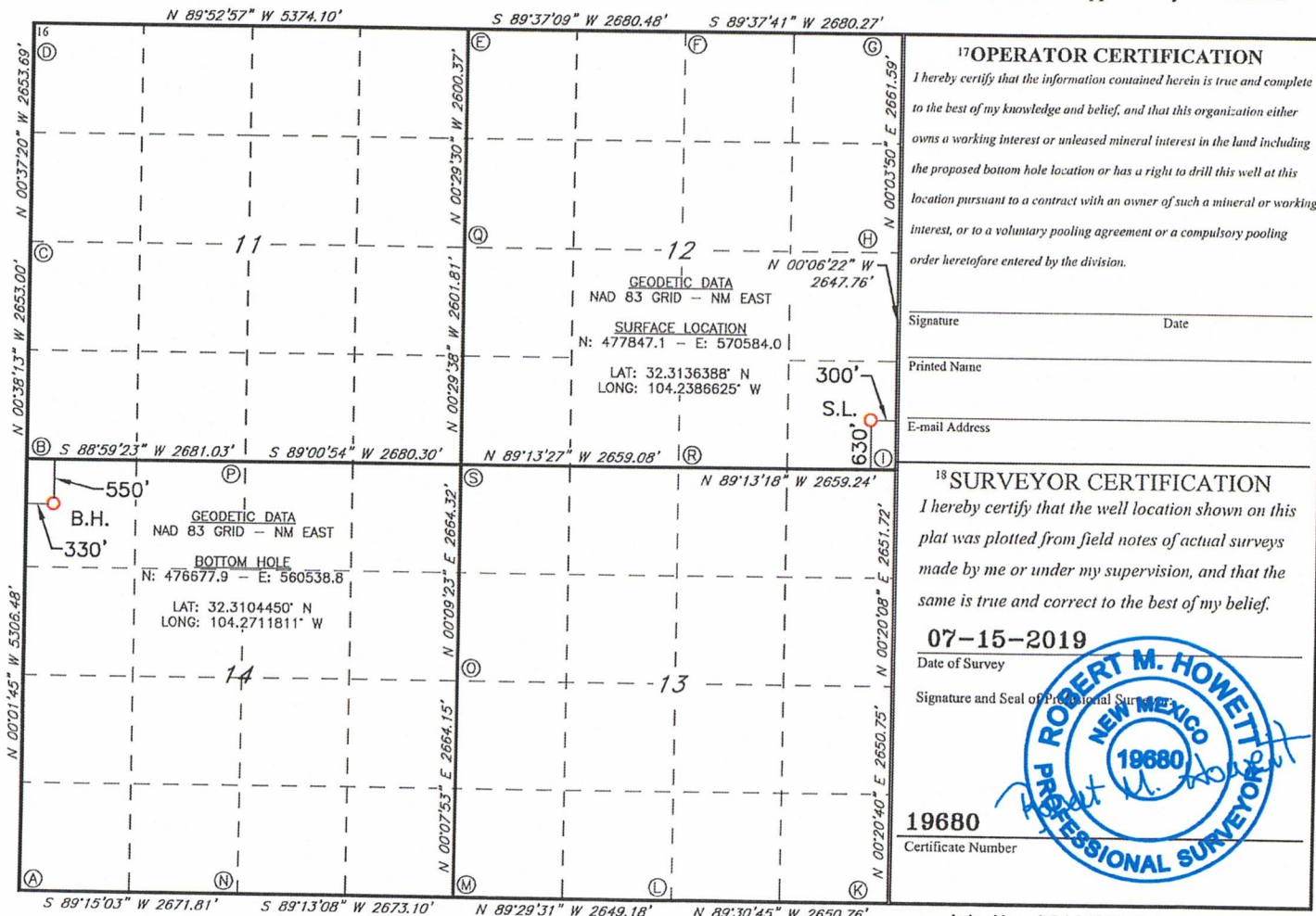
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name AIRBOSS 13/14 WOAD FED COM						⁶ Well Number 1H	
⁷ OGRID NO.		⁸ Operator Name MEWBOURNE OIL COMPANY						⁹ Elevation 3225	
¹⁰ Surface Location									
UL or lot no. P	Section 12	Township 23S	Range 26E	Lot Idn	Feet from the 600	North/South line SOUTH	Feet From the 300	East/West line EAST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. L	Section 14	Township 23S	Range 26E	Lot Idn	Feet from the 550	North/South line NORTH	Feet from the 330	East/West line WEST	County EDDY
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.



Job No: LS19070756

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
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State of New Mexico
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Form C-102
Revised August 1, 2011
Submit one copy to appropriate
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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.

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1943"
N: 471916.4 - E: 560211.3

B: FOUND BRASS CAP "1943"
N: 477221.9 - E: 560208.6

C: FOUND BRASS CAP "1943"
N: 479874.3 - E: 560179.1

D: FOUND BRASS CAP "1943"
N: 482527.3 - E: 560150.3

E: FOUND BRASS CAP "1943"
N: 482516.3 - E: 565523.4

F: FOUND BRASS CAP "1943"
N: 482534.1 - E: 568203.4

G: FOUND BRASS CAP "1943"
N: 482551.5 - E: 570883.1

H: FOUND BRASS CAP "1943"
N: 479890.4 - E: 570880.1

I: FOUND BRASS CAP "1943"
N: 477243.2 - E: 570885.0

J: FOUND BRASS CAP "1943"
N: 474592.0 - E: 570869.5

K: FOUND BRASS CAP "1943"
N: 471941.7 - E: 570853.5

L: FOUND BRASS CAP "1943"
N: 471964.3 - E: 568203.4

M: FOUND BRASS CAP "1943"
N: 471987.8 - E: 565554.8

N: FOUND BRASS CAP "1943"
N: 471951.3 - E: 562882.4

O: FOUND BRASS CAP "1943"
N: 474651.4 - E: 565560.9

P: FOUND BRASS CAP "1943"
N: 477269.2 - E: 562888.7

Q: FOUND BRASS CAP "1943"
N: 479916.5 - E: 565545.7

R: FOUND BRASS CAP "1943"
N: 477279.3 - E: 568226.5

S: FOUND BRASS CAP "1943"
N: 477315.3 - E: 565568.1

¹⁷ OPERATOR CERTIFICATION

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.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸ SURVEYOR CERTIFICATION

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.

07-15-2019

Date of Survey _____

Signature and Seal of Professional Surveyor _____

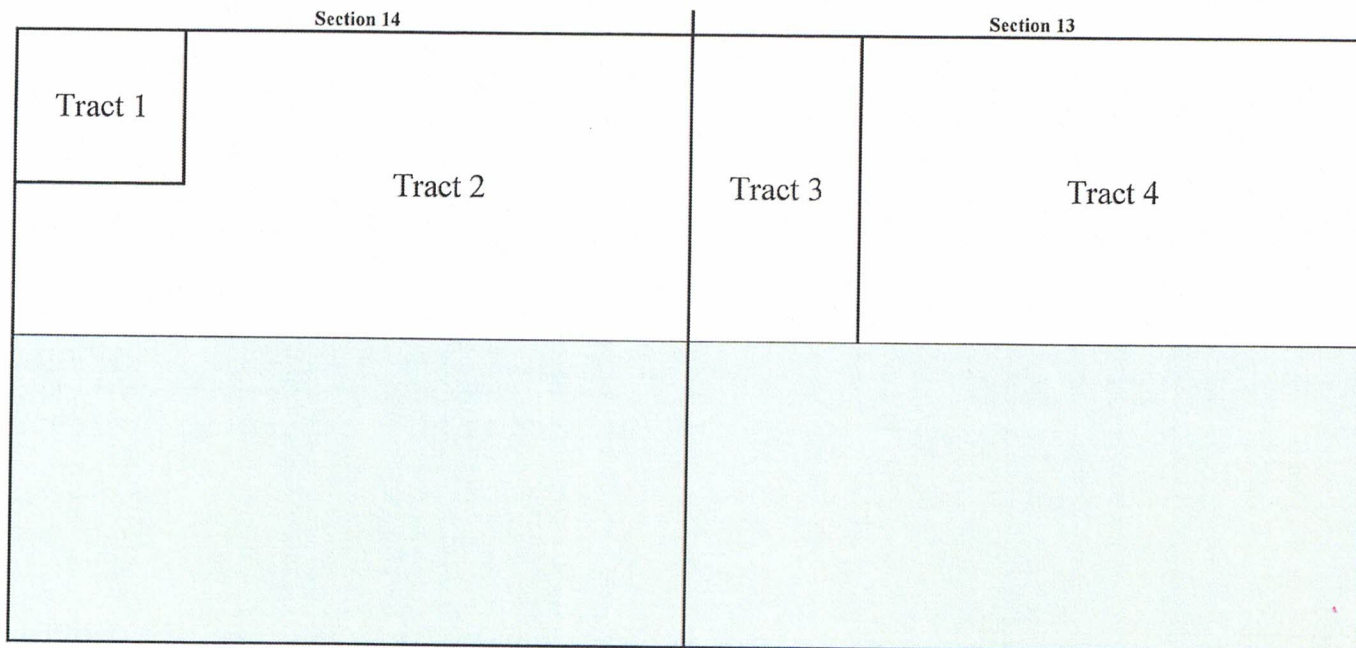
19680
Certificate Number



Job No: LS19070756

Section Plat
Airboss 13/14 W0AD Fed Com #1H
N/2 of Section 13 & N/2 of Section 14

T23S-R26E, Eddy County, NM



Tract 1: NW/4NW/4 of Section 14 - State Lease VB-565

Mewbourne Oil Company
The Allar Company
Strategic Energy Income Fund IV, LP
Highland (Texas) Energy Company

Tract 4: E/2NW/4 & NE/4 of Section 13 - Federal Lease NM 027994-A

WPX Energy Permian, LLC
Mewbourne Oil Company

Tract 2: NE/4, NE/4NW/4, & S/2NW/4 of Section 14 - State Lease VB-538

Mewbourne Oil Company
The Allar Company
Strategic Energy Income Fund IV, LP
Highland (Texas) Energy Company

Tract 3: W/2NW/4 of Section 13 - Federal Lease NM 027994-D

Mewbourne Oil Company

ATTACHMENT **B**

RECAPITULATION FOR AIRBOSS 13/14 W0AD FED COM #1H

Tract Number	Number of Acres Committeed	Percentage of Interst in Communitized Area
1	40	6.250000%
2	280	43.750000%
3	80	12.500000%
4	240	37.500000%
TOTAL	640	100.000000%

T23S-R26E, Eddy County, NM

Section 14		Section 13	
Tract 1	Tract 2	Tract 3	Tract 4

TRACT OWNERSHIP
N/2 of Section 13 & N/2 of Section 14

Wolfcamp Formation:

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	78.613281%
*WPX Energy Permian, LLC 3500 One Williams Center, Suite 3500 Tulsa, Oklahoma 74172	21.386719%

TOTAL	100.000000%
--------------	--------------------

Total Interest Being Pooled:	21.386719%
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OWNERSHIP BY TRACT

NW/4NW/4 of Section 14

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	100.000000%

TOTAL	100.000000%
--------------	--------------------

NE/4, NE/4NW/4, & S/2NW/4 of Section 14

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	100.000000%

TOTAL	100.000000%
--------------	--------------------

W/2NW/4 of Section 13

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	100.000000%

TOTAL	100.000000%
--------------	--------------------

E/2NW/4 & NE/4 of Section 13

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	42.968750%
WPX Energy Permian, LLC	57.031250%
TOTAL	100.000000%

Summary of Communications
Airboss 13/14 W0AD Fed Com #1H
N/2 of Section 13-T23S-R26E, Eddy County, NM &
N/2 of Section 14-T23S-R26E, Eddy County, NM

WPX Energy Permian, LLC:

2/3/2020: Mailed a Working Interest Unit, Airboss 13/14 W0AD Fed Com #1H Well Proposal, and Joint Operating Agreement to the above listed party.

2/19/2020: Above listed party signed for the certified mailing of the Airboss 13/14 W0AD Fed Com #1H Well Proposal and Joint Operating Agreement.

2/19/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

2/26/2020: Phone correspondence with above listed party regarding Working Interest Unit and Well Proposal.

2/27/2020: Phone correspondence with above listed party regarding Working Interest Unit and Well Proposal.

3/2/2020: Phone correspondence with above listed party regarding Working Interest Unit and Well Proposal.

6/9/2020: Emailed an updated Page for the Airboss 13/14 W0AD Fed Com #1H Working Interest Unit Joint Operating Agreement to the above listed party.

11/11/2020: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

12/8/2020: Mailed an updated AFE for the Airboss 13/14 W0AD Fed Com #1H reflecting decreased estimated costs, to the above listed party.

12/9/2020: Emailed an updated AFE for the Airboss 13/14 W0AD Fed Com #1H reflecting decreased estimated costs, to the above listed party.

12/16/2020: Above listed party signed for the certified mailing of the updated AFE for the Airboss 13/14 W0AD Fed Com #1H reflecting decreased estimated costs.

1/5/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

1/6/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

1/14/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

1/18/2021: Correspondence with above listed party regarding Working Interest Unit and Well Proposal.

Ongoing: Mewbourne is currently negotiating with WPX Energy Permian, LLC to get them to sign the JOA and participate with their interest.

ATTACHMENT 

MEWBOURNE OIL COMPANY
500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

December 8, 2020

Via Certified Mail

WPX Energy Permian, LLC
3500 One Williams Center, Suite 3500
Tulsa, Oklahoma 74172
Attn: Tanner Tepe

Re: Airboss "13/14" W0AD Fed Com No. 1H
600' FSL & 300' FEL (SL) (Sec. 12)
500' FNL & 330' FWL (BHL) (Sec. 14)
Section 13/14, T23S, R26E
Eddy County, New Mexico

To Whom It May Concern:

Due to updated decreased costs, Mewbourne Oil Company ("Mewbourne") would like to replace the previous proposed AFE for the Airboss 13/14 W0AD Fed Com No. 1H sent to you by letter dated February 2, 2020 and replace said proposal with this up dated AFE and proposal for the captioned well.

Mewbourne Oil Company ("Mewbourne") hereby proposes to drill the captioned 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 9,098 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 19,116 feet. The N/2 of the captioned Section 13 and the N/2 of the captioned Section 14 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated November 13, 2020 for the captioned proposed well. In the event your firm elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days. A copy of the proposed Joint Operating Agreement has already been forwarded to you.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman

Josh Anderson

From: webmaster@simplecertifiedmail.com
Sent: Wednesday, December 16, 2020 8:14 AM
To: Josh Anderson
Subject: [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9414836897846417113309 and reference number of Airboss 13/14 was successfully delivered to Tanner Tepe at WPX Energy Permian LLC

This is an "Advisory Notice" from information provided by the United State Postal Service, and may not accurately reflect the delivery status of the item. Please check the Delivery Information Report in SimpleCertifiedMail.com to ensure the item was "Delivered" and not "Returned"

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

Regards,

The Client Services Group-Assistance

SimpleCertifiedMail.com
111 Commonwealth Court, Suite 103
Cary, NC 27511-4447
888-462-1750 ext. 2 | assistance@simplecertifiedmail.com

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MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

February 3, 2020

Via Certified Mail

WPX Energy Permian, LLC
3500 One Williams Center, Suite 3500
Tulsa, Oklahoma 74172
Attn: Tanner Tepe

Re: Airboss "13/14" W0AD Fed Com No. 1H
600' FSL & 300' FEL (SL) (Sec. 12)
440' FNL & 330' FWL (BHL) (Sec. 14)
Section 13/14, T23S, R26E
Eddy County, New Mexico

To Whom It May Concern:

Mewbourne Oil Company ("Mewbourne") hereby proposes to drill the captioned 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 8,885 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 19,085 feet. The N/2 of the captioned Section 13 and the N/2 of the captioned Section 14 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFE dated November 12, 2019 for the captioned proposed well. Also, enclosed is a copy of our proposed Operating Agreement dated February 1, 2020 and an extra set of signature pages. In the event your firm elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson
Landman

Josh Anderson

From: webmaster@simplecertifiedmail.com
Sent: Wednesday, February 19, 2020 11:47 AM
To: Josh Anderson
Subject: [EXT] Document Delivered



Document Delivered

A document with a tracking code of 9402810699945047889075 and reference number of Airboss 13 14 WOAD 1H was successfully delivered to Tanner Tepe at WPX Energy Permian LLC

This is an "Advisory Notice" from information provided by the United State Postal Service, and may not accurately reflect the delivery status of the item. Please check the Delivery Information Report in SimpleCertifiedMail.com to ensure the item was "Delivered" and not "Returned"

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

Regards,

The Client Services Group-Assistance

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

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

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MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name:	AIR BOSS 13/14 W0AD FED COM #1H	Prospect:	STINGER (AIR BOSS 13/14)
Location:	SL: 600 FSL & 300 FEL (12); BHL: 500 FNL & 330 FWL (14)	County:	Eddy
Sec.:	13	Blk:	
Survey:		TWP:	23S
RNG:	26E	Prop. TVD:	9098
TMD:	19116		

INTANGIBLE COSTS 0180			
	CODE	TCP	CC
Regulatory Permits & Surveys	0180-0100	\$8,000	
Location / Road / Site / Preparation	0180-0105	\$50,000	\$35,000
Location / Restoration (1/2) Battery Containment	0180-0106	\$200,000	\$38,000
Daywork / Turnkey / Footage Drilling 22 days drlg / 3 days comp @ \$18550/d	0180-0110	\$435,900	\$59,400
Fuel 1700 gal/day @ \$1.3/gal	0180-0114	\$51,900	\$325,000
Alternate Fuels	0180-0115		
Mud, Chemical & Additives	0180-0120	\$200,000	
Mud - Specialized	0180-0121		
Horizontal Drillout Services			\$200,000
Stimulation Toe Preparation			\$25,000
Cementing	0180-0125	\$100,000	\$30,000
Logging & Wireline Services	0180-0130	\$2,300	\$447,000
Casing / Tubing / Snubbing Services	0180-0134	\$20,000	\$50,000
Mud Logging	0180-0137	\$20,000	
Stimulation 82 Stg 24.7 MM gal/ 24.7 MM lb			\$1,620,000
Stimulation Rentals & Other			\$200,000
Water & Other	0180-0145	\$35,000	\$524,000
Bits	0180-0148	\$74,800	\$5,000
Inspection & Repair Services	0180-0150	\$50,000	\$5,000
Misc. Air & Pumping Services	0180-0154		\$10,000
Testing & Flowback Services	0180-0158	\$12,000	\$24,000
Completion / Workover Rig			\$10,500
Rig Mobilization	0180-0164	\$80,000	
Transportation	0180-0165	\$30,000	\$25,000
Welding, Construction & Maint. Services	0180-0168	\$4,000	\$15,000
Contract Services & Supervision	0180-0170		\$22,000
Directional Services Includes Vertical Control	0180-0175	\$294,500	
Equipment Rental	0180-0180	\$155,500	\$20,000
Well / Lease Legal	0180-0184	\$5,000	
Well / Lease Insurance	0180-0185	\$5,800	
Intangible Supplies	0180-0188	\$8,000	\$1,000
Damages	0180-0190	\$50,000	
Pipeline Interconnect, ROW Easements	0180-0192		
Company Supervision	0180-0195	\$220,800	\$134,400
Overhead Fixed Rate	0180-0196	\$10,000	\$20,000
Contingencies 2% (TCP) 2% (CC)	0180-0199	\$42,500	\$76,900
TOTAL		\$2,166,000	\$3,922,200

TANGIBLE COSTS 0181			
Casing (19.1" - 30")	0181-0793		
Casing (10.1" - 19.0") 525' - 13 3/8" 54.5# J-55 ST&C @ \$32.16/ft	0181-0794	\$18,000	
Casing (8.1" - 10.0") 1885' - 9 5/8" 40# HCL80 LT&C @ \$25.77/ft	0181-0795	\$51,900	
Casing (6.1" - 8.0") 9150' - 7" 29# HCP-110 LT&C @ \$21.47/ft	0181-0796	\$209,800	
Casing (4.1" - 6.0") 10650' - 4 1/2" 13.5# P-110 BPN @ \$11.72/ft			\$133,300
Tubing 8540' - 2 7/8" 6.5# L-80 Tbg @ \$4.54/ft			\$41,400
Drilling Head	0181-0860	\$35,000	
Tubing Head & Upper Section			\$30,000
Horizontal Completion Tools Completion Liner Hanger			\$45,000
Subsurface Equip. & Artificial Lift Packer			\$10,000
Pumping Unit Systems			
Service Pumps (1/2) TP/CP/Circ Pump			\$8,000
Storage Tanks (1/2) 6 - 750 bbl OT/5 - 750 bbl WT/2 - Gun Bbl			\$148,000
Emissions Control Equipment (1/2) VRTs/VRU/Flare/KOs			\$123,000
Separation / Treating Equipment (1/2) 30"x10"x1k# 3ph ver/48"x15"x1k# horix/HT			\$98,000
Automation Metering Equipment			\$63,000
Line Pipe & Valves - Gathering (1/2) 1 mile Gas & Water			\$35,000
Fittings / Valves & Accessories			\$200,000
Cathodic Protection			\$8,000
Electrical Installation			\$125,000
Equipment Installation			\$88,000
Pipeline Construction (1/2) 1 mile Gas & Water			\$75,000
TOTAL		\$314,700	\$1,230,700
SUBTOTAL		\$2,480,700	\$5,152,900

TOTAL WELL COST \$7,633,600

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: Andy Taylor Date: 11/12/2020
Company Approval: *m. white* Date: 11/13/2020

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

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. 21644

VERIFIED STATEMENT OF TYLER HILL

COUNTY OF MIDLAND)
) ss.
STATE OF TEXAS)

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

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

EXHIBIT

3

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

6. Attachment D is the Survey Calculation Report for wells: Airboss 13/14 W0AD Fed Com 1H. 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)

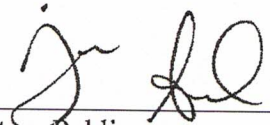
Tyler Hill, being duly sworn upon his oath, deposes and states that: He is a geologist for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge,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



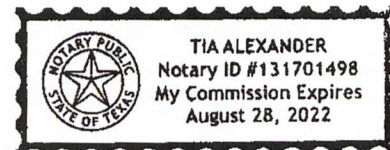
Tyler Hill

SUBSCRIBED AND SWORN TO before me this 25th day of January, 2021 by Tyler Hill.

My Commission Expires: 8-28-22



Notary Public



Airboss 13/14 WOAD Fed Com 1H

A

A'

300153115400
CKY USA INC
BERETTA 14 STATE 1
C SW NW
Datum=3315.00
Reference=KB
TWP: 23 S - Range: 26 E - Sec: 14

300153228000
MEIBOURNE OL CO
ECHOLES COM 2
NE SW SW
Datum=3276.00
Reference=KB
TWP: 23 S - Range: 26 E - Sec: 12

300153228000
MARBOB ENERGY CORP
FEDERAL USA COM 2
W2 SE NE
Datum=3244.00
Reference=KB
TWP: 23 S - Range: 26 E - Sec: 13

14E

12M

13E

WFMP
WFMP Sd X

WFMP 0

WFMP Sd X

WFMP Sd Y

WFMP Sd Y

WFMP Sd Z

WFMP Sd Z

WFMP Sh A

WFMP Sh A

WFMP Sh B

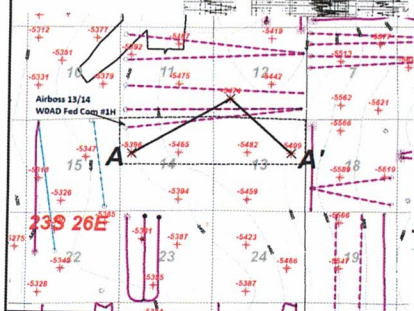
WFMP Sh B

WFMP Sh C

WFMP Sh C

WFMP Sh D

WFMP Sh D



ATTACHMENT

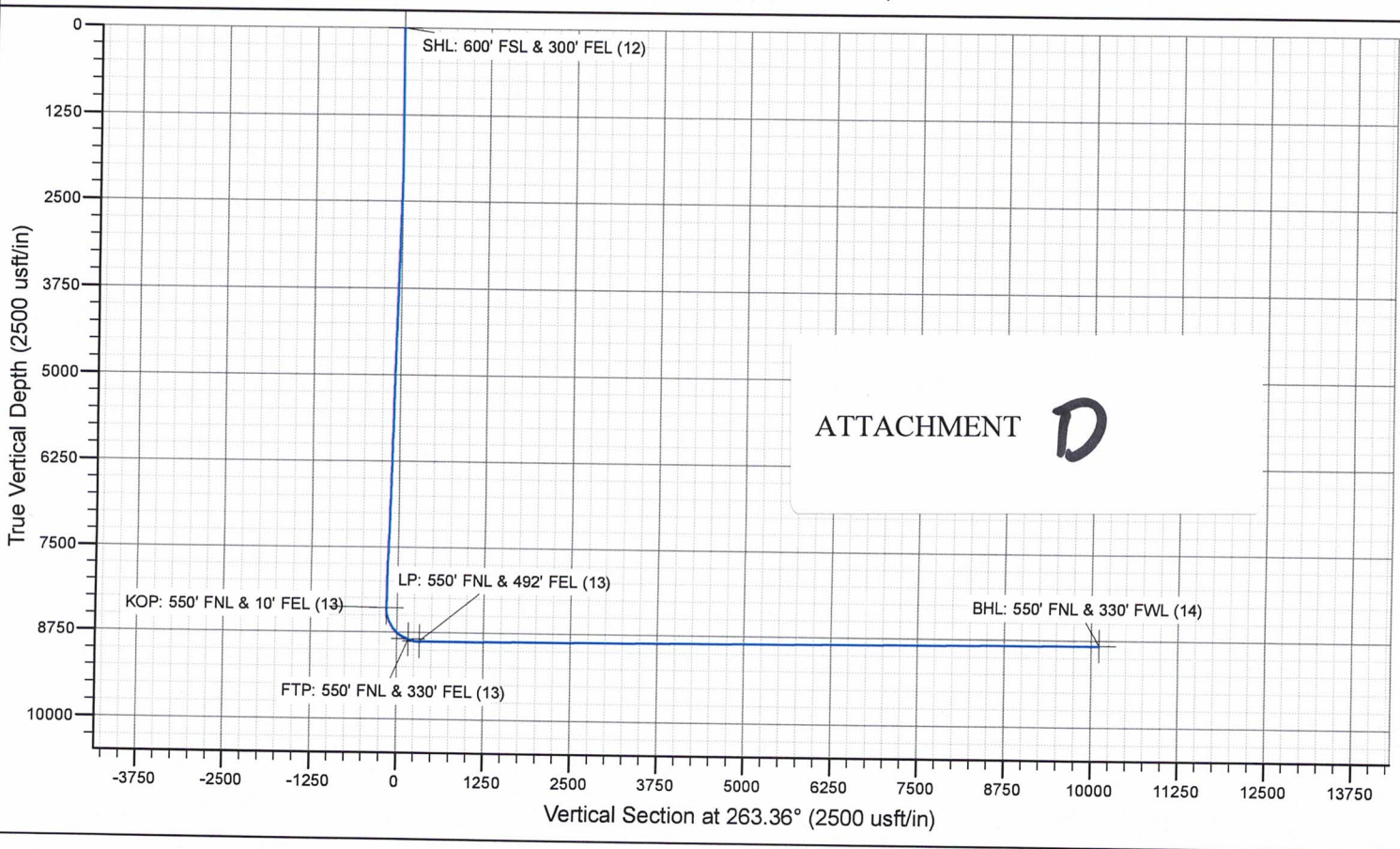
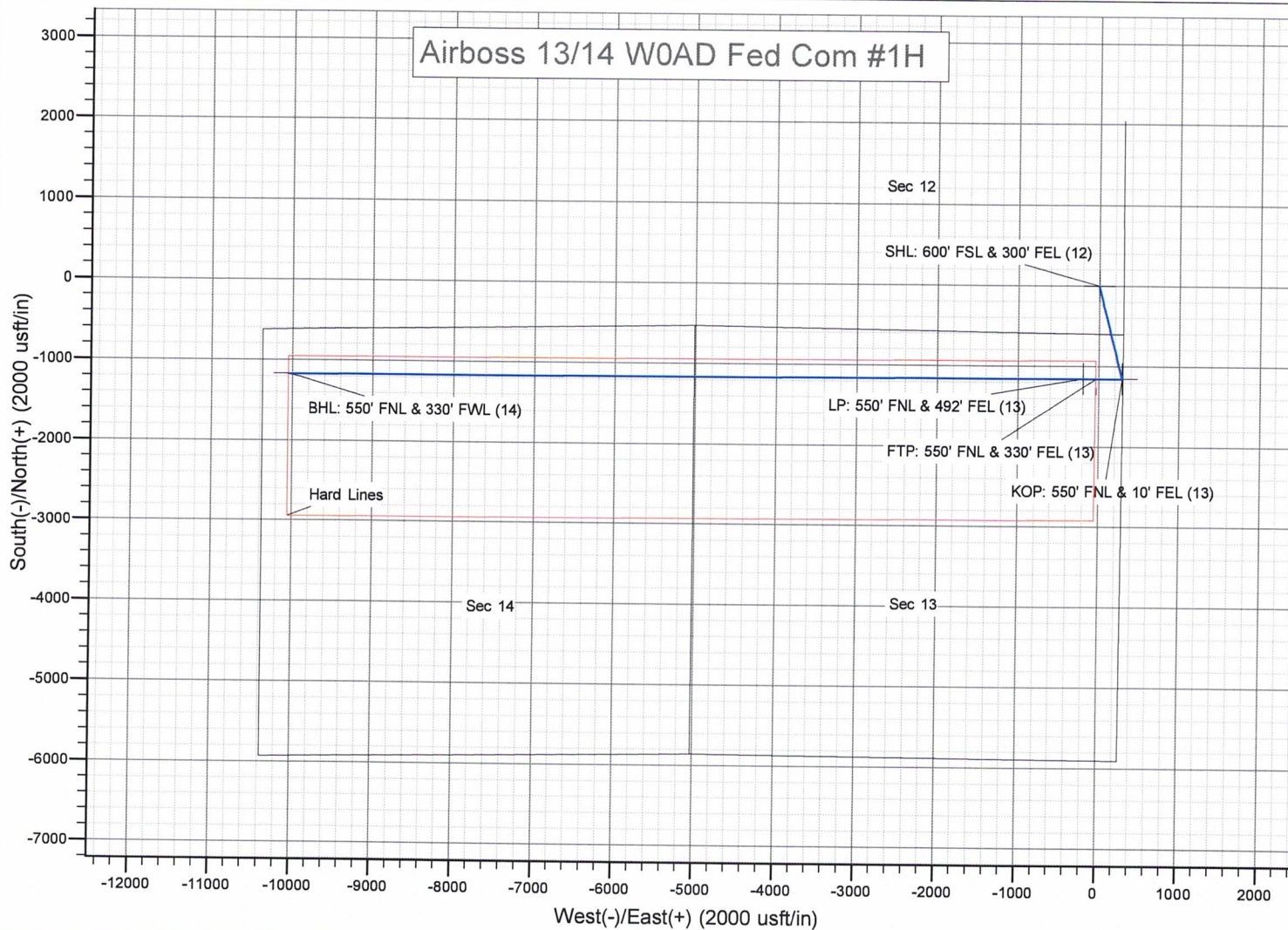
B

Airboss 13/14 WOAD Fed Com 1H

Airboss Area Wolfcamp Production Table										
API	Well Name	Well Number	Operator	Location	Field	Cum Oil (Mbo)	Cum Gas (Bcf)	Cum Water (Mbw)	First Prod Date	WFMP Zone
300154437400	CYPRESS FEE 23 27 9	2H	MARATHON	9L-9P/23S/27E	PURPLE SAGE	72	0.87	436	5/1/2018	WFMP C Shale
300154404600	CYPRESS	1H	MARATHON	9M-9P/23S/27E	PURPLE SAGE	221	0.52	881	5/1/2017	WFMP Y Sand
300154408200	MICHAEL COLLINS 11 23S 27E RB	208H	MATADOR	11P-11M/23S/27E	PURPLE SAGE	216	0.75	914	9/1/2017	WFMP Y Sand
300154428200	MCCORD ENTERPRISES 23 WCA	2H	CHISOLM	23M-23D/23S/27E	PURPLE SAGE	70	0.31	400	6/1/2018	WFMP Z Sand
300154428300	MCCORD ENTERPRISES 23 WCA	4H	CHISOLM	23N-23C/23S/27E	PURPLE SAGE	54	0.18	346	6/1/2018	WFMP Z Sand
300154428400	MCCORD ENTERPRISES 23 WCA	3H	CHISOLM	23N-23C/23S/27E	PURPLE SAGE	51	0.18	307	6/1/2018	WFMP Z Sand
300154437600	CYPRESS FEE 23 27 9	4H	MARATHON	9L-9P/23S/27E	PURPLE SAGE	87	0.31	495	5/1/2018	WFMP Y Sand
300154437700	CYPRESS FEE 23 27 9	5H	MARATHON	9L-9I/23S/27E	PURPLE SAGE	125	0.58	626	3/1/2018	WFMP Y Sand
300154437800	CYPRESS FEE 23 27 9	6H	MARATHON	9L-9I/23S/27E	PURPLE SAGE	36	1.70	1405	6/1/2018	WFMP Y Sand
300154438000	CYPRESS FEE 23 27 9	8H	MARATHON	9L-9I/23S/27E	PURPLE SAGE	80	0.40	487	3/1/2018	WFMP Y Sand
300154444300	MICHAEL COLLINS 11 23S 27E RB	203H	MATADOR	11I-11L/23S/27E	PURPLE SAGE	183	0.79	856	2/1/2018	WFMP Y Sand
300154447200	MICHAEL COLLINS 11 23S 27E RB	206H	MATADOR	11I-11E/23S/27E	PURPLE SAGE	184	0.55	833	2/1/2018	WFMP Y Sand
300154454400	WOLFMAN 5 4 WOLI FEDERAL COM	1H	MEWBOURNE	5L-4I/23S/27E	PURPLE SAGE	499	1.04	1167	4/1/2018	WFMP Y Sand
300154362100	SLIDER 18 WOMD FEDERAL COM	1H	MEWBOURNE	18M-18D/23S/27E	PURPLE SAGE	189	0.32	825	8/1/2017	WFMP Y Sand
300154453800	DARK CANYON 15 22 STATE COM WCB	2H	CHISOLM	15D-22E/22S/27E	PURPLE SAGE	89	1.34	470	7/1/2018	WFMP C Shale
300154453900	DARK CANYON 15 22 STATE COM WCA	3H	CHISOLM	15D-22E/22S/27E	PURPLE SAGE	117	0.67	475	7/1/2018	WFMP Y Sand

ATTACHMENT C

Airboss 13/14 W0AD 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. 21644

SELF-AFFIRMED STATEMENT OF NOTICE

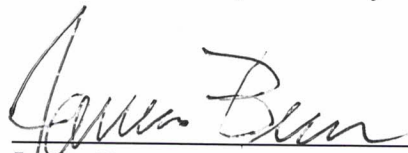
COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

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

EXHIBIT 4

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

January 14, 2021

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

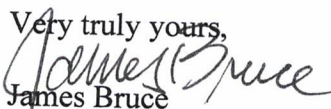
Enclosed is a copy of an application (Case No. 21644) filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, seeking the compulsory pooling of a horizontal spacing unit in the Wolfcamp formation underlying the N/2 of Section 13 and the N/2 of Section 14, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, February 4, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, <http://emnrd.state.nm.us/OCD/announcements.html>.

You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, January 28, 2021. This statement may be filed online with the Division at ocd.hearings@state.nm.us, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her 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

ATTACHMENT 

EXHIBIT A

WPX Energy Permian, LLC
3500 One Williams Center, Suite 3500
Tulsa, Oklahoma 74172

Warwick-Ares, LLC
6608 N. Western Ave. #417
Oklahoma City, Oklahoma 73116

The Allar Company
P.O. Box 1567
Graham, Texas 76450

Consolidated Energy Group, Inc.
P.O. Box 26
Graham, Texas 76450

ALERT: USPS IS EXPERIENCING UNPRECEDENTED VOLUME INCREASES AND LIMITED EMPLOYEE...

USPS Tracking®

[FAQs >](#)

Track Another Package +

Tracking Number: 70200640000013856750

Remove X

Your item was delivered to an individual at the address at 7:38 am on **January 25, 2021** in **TULSA, OK 74172**.

✓ Delivered

January 25, 2021 at 7:38 am
Delivered, Left with Individual
TULSA, OK 74172

Get Updates ▼

Feedback

0529 58ET 0000 0490 0207

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
OFFICIAL USE	
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 \$ _____	
Total Postage and Fees \$ _____	
Sent To WPX Energy Permian, LLC 3500 One Williams Center, Suite 3500 Tulsa, Oklahoma 74172	
Street and Apt. No., or PO Box No.	
City, State, ZIP+4®	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

See Less ^

Can't find what you're looking for?

Go to our [FAQs](#) section to find answers to your tracking questions.

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:

Warwick-Ares, LLC
6608 N. Western Ave. #417
Oklahoma City, Oklahoma 73116

9590 9402 5941 0062 9904 01

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

3. Service Type

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

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

(over 3200)

Domestic Return Receipt

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

For delivery information, visit our website at 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

Sent To

Street and Apt. No., or PO

City, State, ZIP+4®

Warwick-Ares, LLC
6608 N. Western Ave. #417
Oklahoma City, Oklahoma 73116

Postmark
Here

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

See Reverse for Instructions

7020 0640 0000 1385 6743

COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: #21644

APPLICANT'S RESPONSE

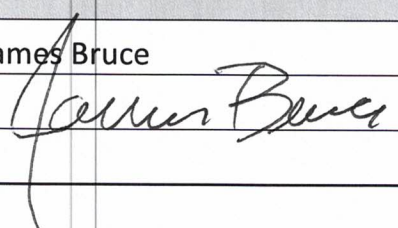
Date: February 4, 2021

Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company, OGRID 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	Airboss
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp Formation
Pool Name and Pool Code:	Purple Sage Wolfcamp Gas Pool, Code 98220
Well Location Setback Rules:	Standard Gas, 330' setback
Spacing Unit Size:	320 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640.00 acres
Building Blocks:	320 acres
Orientation:	East to West
Description: TRS/County	N/2 of Section 13-T23S-R26E, Eddy County N/2 of Section 14-T23S-R26E, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit 2-13
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

EXHIBIT

5

Well #1	Airboss 13/14 WOAD Fed Com #1H (API # 30-015-47968); SHL: 600' FSL & 300' FEL (Sec. 12-T23S-R26E); BHL: 500' FNL & 330' FWL (Section 14); laydown; standard
Well #2	
Horizontal Well First and Last Take Points	FTP: 500' FNL & 330' FEL (Sec. 13); LTP: 500' FNL & 330' FWL (Sec. 14)
Completion Target (Formation, TVD and MD)	Wolfcamp Formation; TVD: 9,098'; MD: 19,0116'
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000, Exhibit A
Production Supervision/Month \$	\$800, Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%, Exhibit A
Notice of Hearing	
Proposed Notice of Hearing	Ex. 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Ex. 4
Proof of Published Notice of Hearing (10 days before hearing)	N/A
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Ex. 2-B
Tract List (including lease numbers and owners)	Ex. 2-B
Pooled Parties (including ownership type)	Ex. 2-B
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Ex. 2-C
List of Interest Owners (ie Exhibit A of JOA)	Ex. 2-B
Chronology of Contact with Non-Joined Working Interests	Ex. 2-C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Ex. 2-D

Cost Estimate to Equip Well	EX 2-D
Cost Estimate for Production Facilities	EX 2-D
Geology	
Summary (including special considerations)	EX 3
Spacing Unit Schematic	EX 3-A
Gunbarrel/Lateral Trajectory Schematic	EX 3
Well Orientation (with rationale)	EX 3
Target Formation	EX 3
HSU Cross Section	EX 3-B
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	EX 2-A
Tracts	EX 2-B
Summary of Interests, Unit Recapitulation (Tracts)	EX 2-B
General Location Map (including basin)	EX 2-A
Well Bore Location Map	EX 3-A
Structure Contour Map - Subsea Depth	EX 3-A
Cross Section Location Map (including wells)	EX 3-B
Cross Section (including Landing Zone)	EX 3-B
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date: 2/2/21	4-Feb-21