EXHIBIT LIST

APPLICATION OF MEWBOURNE OIL COMPANY TO AMEND ORDER NO. R-21187, EDDY COUNTY, NEW MEXICO.

Case No. 21706

APPLICATION OF MEWBOURNE OIL COMPANY TO AMEND ORDER NO. R-21214, EDDY COUNTY, NEW MEXICO.

Case No. 21707

APPLICATION OF MEWBOURNE OIL COMPANY TO AMEND ORDER NO. R-21217, EDDY COUNTY, NEW MEXICO.

Case No. 21708

MEWBOURNE OIL COMPANY'S EXHIBIT LIST

- 1. Applications and Proposed Ads
- 2. Landman's Affidavit (Adriana Salgado)
- 3. Notice Affidavit
- 4. Publication Notice

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY TO AMEND ORDER NO. R-21187, EDDY COUNTY, NEW MEXICO.

Case No. 21706

APPLICATION

Mewbourne Oil Company applies for an order amending Order No. R-21187, and in support thereof states:

- 1. Order No. R-21187 pooled all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 25 and the S/2NE/4 of Section 26, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.
- 2. Applicant proposes to drill the Foxhole 25/26 W0HG Fed Com. Well No. 1H to a depth sufficient to test the Wolfcamp formation, with a first take point in the SE/4NE/4 of 25 and a final take point in the SW/4NE/4 of Section 26. Order No. R-21187 designates Applicant as operator of the well.
- 3. This matter was heard on February 6, 2020, and Order No. R-21187 was entered on April 14, 2020 using the "interim form of order." A newer, amended order template was described in a letter of the Division Director date April 9, 2020 (the "Amended Order Template").
- 4. Applicant requests that Order No. R-21187 be amended to conform to the Amended Order Template.
- 5. Paragraph 19 of Order No. R-21187 requires the operator to commence the well within one year of the date of issuance. Paragraph 20 of Order No. R-21187 provides that the

EXHIBIT /- A

order will terminate if the well is not timely commenced, unless the operator "obtains an extension by an amendment of this Order for good cause shown."

- 6. Applicant requests an extension of the drilling deadline due to market conditions which have altered drilling schedules until commodity prices improve, and due to the corona virus situation. Thus good cause exists for Applicant's request for an extension.
- 7. Applicant requests an extension of the well commencement deadline to April 14, 2022.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order amending Order No. R-21187 (i) to conform to the Amended Order Template, and (ii) to extend the well commencement deadline to April 14, 2022.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case	No.		

Application of Mewbourne Oil Company to Amend Order No. R-21187, Eddy County, New Mexico. Mewbourne Oil Company seeks an order amending Order No. R-21187, issued on April 14, 2020, to conform to the Amended Order Template currently in use, and to extend the well commencement deadline one year, to April 14, 2022. Order No. R-21187 pooled all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the S/2N/2 of Section 25 and the S/2NE/4 of Section 26, Township 20 South, Range 28 East, NMPM, and requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amendment of the order for good cause shown. The unit is located approximately 11 miles north-northeast of Carlsbad, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY TO AMEND ORDER NO. R-21214, EDDY COUNTY, NEW MEXICO.

Case No. 21707

APPLICATION

Mewbourne Oil Company applies for an order amending Order No. R-21214, and in support thereof states:

- 1. Order No. R-21214 pooled all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 25 and the N/2SE/4 of Section 26, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.
- 2. Applicant proposes to drill the Foxhole 25/26 W0IJ Fed Com. Well No. 1H to a depth sufficient to test the Wolfcamp formation, with a first take point in the NE/4SE/4 of 25 and a final take point in the NW/4SE/4 of Section 26. Order No. R-21214 designates Applicant as operator of the well.
- 3. This matter was heard on February 6, 2020, and Order No. R-21214 was entered on April 7, 2020 using the "interim form of order." A newer, amended order template was described in a letter of the Division Director date April 9, 2020 (the "Amended Order Template").
- 4. Applicant requests that Order No. R-21214 be amended to conform to the Amended Order Template.
- 5. Paragraph 19 of Order No. R-21214 requires the operator to commence the well within one year of the date of issuance. Paragraph 20 of Order No. R-21214 provides that the

EXHIBIT 1.8

order will terminate if the well is not timely commenced, unless the operator "obtains an extension by an amendment of this Order for good cause shown."

- 6. Applicant requests an extension of the drilling deadline due to market conditions which have altered drilling schedules until commodity prices improve, and due to the corona virus situation. Thus good cause exists for Applicant's request for an extension.
- 7. Applicant requests an extension of the well commencement deadline to April 7, 2022.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order amending Order No. R-21214 (i) to conform to the Amended Order Template, and (ii) to extend the well commencement deadline to April 7, 2022.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

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Case No.	
	•

Application of Mewbourne Oil Company to Amend Order No. R-21214, Eddy County, New Mexico. Mewbourne Oil Company seeks an order amending Order No. R-21214, issued on April 7, 2020, to conform to the Amended Order Template currently in use, and to extend the well commencement deadline one year, to April 7, 2022. Order No. R-21214 pooled all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the N/2S/2 of Section 25 and the N/2SE/4 of Section 26, Township 20 South, Range 28 East, NMPM, and requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amendment of the order for good cause shown. The unit is located approximately 10-1/2 miles north-northeast of Carlsbad, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY TO AMEND ORDER NO. R-21217, EDDY COUNTY, NEW MEXICO.

Case No. 2/108

APPLICATION

Mewbourne Oil Company applies for an order amending Order No. R-21217, and in support thereof states:

- 1. Order No. R-21217 pooled all mineral interest owners 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.
- 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. Order No. R-21217 designates Applicant as operator of the well.
- 3. This matter was heard on February 6, 2020, and Order No. R-21217 was entered on April 7, 2020 using the "interim form of order." A newer, amended order template was described in a letter of the Division Director date April 9, 2020 (the "Amended Order Template").
- 4. Applicant requests that Order No. R-21217 be amended to conform to the Amended Order Template.
- 5. Paragraph 19 of Order No. R-21217 requires the operator to commence the well within one year of the date of issuance. Paragraph 20 of Order No. R-21217 provides that the

EXHIBIT 1.C

order will terminate if the well is not timely commenced, unless the operator "obtains an extension by an amendment of this Order for good cause shown."

- 6. Applicant requests an extension of the drilling deadline due to market conditions which have altered drilling schedules until commodity prices improve, and due to the corona virus situation. Thus good cause exists for Applicant's request for an extension.
- 7. Applicant requests an extension of the well commencement deadline to April 7, 2022.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order amending Order No. R-21217 (i) to conform to the Amended Order Template, and (ii) to extend the well commencement deadline to April 7, 2022.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case	No.	:

Application of Mewbourne Oil Company to Amend Order No. R-21217, Eddy County, New Mexico. Mewbourne Oil Company seeks an order amending Order No. R-21217, issued on April 7, 2020, to conform to the Amended Order Template currently in use, and to extend the well commencement deadline one year, to April 7, 2022. Order No. R-21217 pooled 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, and requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amendment of the order for good cause shown. The unit is located approximately 10-1/2 miles north-northeast of Carlsbad, 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 TO AMEND ORDER NO. R-21187, EDDY COUNTY, NEW MEXICO.

APPLICATION OF MEWBOURNE OIL COMPANY TO AMEND ORDER NO. R-21214, EDDY COUNTY, NEW MEXICO.

APPLICATION OF MEWBOURNE OIL COMPANY

TO AMEND ORDER NO. R-21217, EDDY COUNTY, NEW MEXICO.

Case No. 21708

Case No. 21706

Case No. 21707

SELF-AFFIRMED 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 been qualified by the Division as an expert petroleum landman.
- 2. I am familiar with the applications filed by Mewbourne in the above cases. Pursuant to Division rules the following information is submitted in support of the applications.
- 3. No opposition is expected because the affected interest owner has been contacted regarding the amending the subject orders, and has not objected or entered an appearance.
 - 4. In these cases Mewbourne requests the following:
 - (a) <u>Case No. 21706</u>: Mewbourne Oil Company seeks an order amending Order No. R-21187, issued on April 14, 2020, to conform to the Amended Order Template currently in use, and to extend the well commencement deadline one year, to April 14, 2022. Order No. R-21187 pooled all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the S/2N/2 of Section 25 and the S/2NE/4 of Section 26, Township 20 South, Range 28 East, NMPM. The subject well is the Foxhole 25/26 W0HG Fed. Com. Well No. 1H.

EXHIBIT 2

- (b) <u>Case No. 21707</u>: Mewbourne Oil Company seeks an order amending Order No. R-21214, issued on April 7, 2020, to conform to the Amended Order Template currently in use, and to extend the well commencement deadline one year, to April 7, 2022. Order No. R-21214 pooled all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the N/2S/2 of Section 25 and the N/2SE/4 of Section 26, Township 20 South, Range 28 East, NMPM. The subject well is the Foxhole 25/26 W0IJ Fed. Com. Well No. 1H.
- (c) <u>Case No. 21708</u>: Mewbourne Oil Company seeks an order amending Order No. R-21217, issued on April 7, 2020, to conform to the Amended Order Template currently in use, and to extend the well commencement deadline one year, to April 7, 2022. Order No. R-21217 pooled 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 subject well is the Foxhole 25/26 W0PO Fed. Com. Well No. 1H.
- 5. The subject orders are submitted as Attachments A-1, A-2, and 1A-3. The Amended Order Template and the related letter from the Division Director are submitted as Attachment B.
- 6. Good cause exists for Mewbourne's requests for extension of time to commence drilling, due to market conditions over the past year, which have cause Mewbourne to adjust its drilling schedule.
 - 7. Under the subject orders, the deadlines to commence the wells are as follows:

(a) Order No. R-21187:

April 14, 2021

(b) Order No. R-21214:

April 7, 2021

(c) Order No. R-21217:

April 7, 2021

Mewbourne requests that the deadline to commence the drilling of the subject wells be extended for one year.

- 8. Mewbourne has reviewed the Amended Order Template and agrees to its terms. Mewbourne requests that each of the above orders be amended to conform to the Amended Order Template.
 - 9. Mewbourne is in good standing under the Division's Rules.
- 10. The granting of these applications will prevent waste and protect correlative rights.

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 10 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: 3-2-2021

Adriana Salgado

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY MEWBOURNE OIL COMPANY

CASE NO. 21059 ORDER NO. R-21187

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on February 6th, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Mewbourne Oil Company ("Operator") submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.



CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.

- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by an amendment of this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- Operator shall submit to each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."

- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 et seq., and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 et seq.

- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR AES/kms Date: _____4/14/2020

Exhibit "A"

Case: Date Applicant Designated Operator & OGRID affiliation if applicable) Applicant's Counsel: Case Title:	ATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS 21059 February 6, 2020 Mewbourne Oil Company Mewbourne Oil Company/OGRID No. 14744 James Bruce Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
Applicant Designated Operator & OGRID affiliation if applicable) Applicant's Counsel:	Mewbourne Oil Company Mewbourne Oil Company/OGRID No. 14744 James Bruce Application of Mewbourne Oil Company for Compulsory Pooling, Edde
Designated Operator & OGRID affiliation if applicable) Applicant's Counsel:	Mewbourne Oil Company Mewbourne Oil Company/OGRID No. 14744 James Bruce Application of Mewbourne Oil Company for Compulsory Pooling, Eddo
affiliation if applicable) Applicant's Counsel:	Mewbourne Oil Company/OGRID No. 14744 James Bruce Application of Mewbourne Oil Company for Compulsory Pooling, Edde
Applicant's Counsel:	James Bruce Application of Mewbourne Oil Company for Compulsory Pooling, Edde
	James Bruce Application of Mewbourne Oil Company for Compulsory Pooling, Eddy
	Application of Mewbourne Oil Company for Compulsory Pooling, Edde
	County, New Mexico
ntries of Appearance/Intervenors:	Strata Production Company/Montgomery & Andrews
Vell Family	Foxhole 25/26 W0HG Fed. Com. Well No. 1H
ormation/Pool	
ormation Name(s) or Vertical Extent:	Wolfcamp Formation
rimary Product (Oil or Gas):	Oil
ooling this vertical extent:	Entire Wolfcamp formation
ool Name and Pool Code:	Burton Flat; Upper Wolfcamp, East/Pool Code 98315
Vell Location Setback Rules:	Statewide rules and current horizontal well rules
pacing Unit Size:	Quarter-quarter Section/40 acre
pacing Unit	Table Section 19 date
ype (Horizontal/Vertical)	Vertical .
ize (Acres)	240 acres
uilding Blocks:	40 acres
rientation:	East-West
escription: TRS/County	S/2N/2 §25 and S/2NE/4 §26-20S-28E, NMPM, Eddy County
andard Horizontal Well Spacing Unit //N), If No, describe	Yes
ther Situations	
epth Severance: Y/N. If yes, description	No
oximity Tracts: If yes, description	No
roximity Defining Well: if yes,	
oplicant's Ownership in Each Tract	Exhibit 1 page 6
ell(s)	annow a page o
ame & API (if assigned), surface and	Foxhole 25/26 W0IH Fed. Com. Well No. 1H
ottom hole location, footages,	API No. 30-015-Pending
impletion target, orientation,	SHL: 1890 FNL & 380 FEL §25
mpletion status (standard or non-	BHL: 1980 FNL & 2553 FEL §25
andard)	FTP: 1980 FNL & 100 FEL §25
	LTP: 6198 FNL & 2540 FEL §26
	Upper Wolfcamp/TVD 9175 feet/MD 16995 feet
	TOODS IEEE

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
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
Notice of Hearing	COST + 20076/EXHIBIT 1 page 2
Proposed Notice of Hearing	Exhibit 6
Proof of Mailed Notice of Hearing (20	EXHIDIT
days before hearing)	Exhibit 3
Proof of Published Notice of Hearing (10	EXHIBIT 3
days before hearing)	Exhibit 4
Ownership Determination	CXIIIOI(4
Land Ownership Schematic of the	
Spacing Unit	Exhibit 1 page 6
Tract List (including lease numbers and	EXHIBIT 1 page 6
owners)	Exhibit 1 6
Pooled Parties (including ownership	Exhibit 1 page 6
type)	Fubility 4
Unlocatable Parties to be Pooled	Exhibit 1 page 6
Ownership Depth Severance (including	Not applicable
percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 1 pages 9
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 1 page 6
Chronology of Contact with Non-Joined Working Interests	Exhibit 1 Pages 7-8
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 1 page 11
Cost Estimate to Equip Well	Exhibit 1 page 11
Cost Estimate for Production Facilities	Exhibit 1 page 11
Geology	
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
Forms, Figures and Tables	
C-102	Exhibit 1 page 5
racts	Exhibit 1 pages 4 and
Summary of Interests, Unit	
Recapitulation (Tracts)	Exhibit 1 page 6

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
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):	Jemes Frem
Date:	February/6, 2020

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY MEWBOURNE OIL COMPANY

CASE NO. 21060 ORDER NO. R-21214

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on February 6th, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Mewbourne Oil Company ("Operator") submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.



- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by an amendment of this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.

- 22. Operator shall submit to each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."

- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978,

Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR AES/kms Date: 4/07/2020

CASE NO. 21060 ORDER NO. R-21214

EXHIBIT "A"

ALL INFORMATION IN THE APPLIC	LING APPLICATION CHECKLIST CATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS
Case:	SALIDIA MIOST BE SUPPORTED BY SIGNED AFFIDAVITS
Date	21058 2/060
Applicant	February 6, 2020
Designated Operator & OGRID	Mewbourne Oil Company
(affiliation if applicable)	Mauhausan Oil Co.
Applicant's Counsel:	Mewbourne Oil Company/OGRID No. 14744
Case Title:	James Bruce
	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Strata Production Company
Well Family	Foxhole 25/26 WOU Fed. Com. Well No. 1H
Formation/Pool	20/20 1700 FEB. CDIII. WEII NO. 1H
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil Oil
Pooling this vertical extent:	Entire Wolfcamp formation
Pool Name and Pool Code:	Burton Flat Honor Walfe
Well Location Setback Rules:	Burton Flat; Upper Wolfcamp, East/Pool Code 98315
Spacing Unit Size:	Statewide rules and current horizontal well rules Quarter-quarter Section/40 acre
Spacing Unit	Quarter-quarter Section/40 acre
Type (Horizontal/Vertical)	Vertical
Size (Acres)	240 acres
Building Blocks:	40 acres
Orientation:	East-West
Description: TRS/County	
Standard Horizontal Well Spacing Unit Y/N), If No, describe	N/2S/2 §25 and N/2SE/4 §26-20S-28E, NMPM, Eddy County Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
roximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
pplicant's Ownership in Each Tract	Exhibit 1 pages 6-8
VelI(s)	evimon 1 hages p-g
ame & API (if assigned), surface and ottom hole location, footages, ompletion target, orientation.	Foxhole 25/26 WOAUFed. Com. Well No. 1H API No. 30-015-Pending SHL: 2160 FSL & 380 FEL §25 CXTIB 17 5
impletion status (standard or non- andard)	BHL: 1980 FSL & 2552 FEL §26 FTP: 1980 FSL & 100 FEL §25 LTP: 1980 FSL & 2540 FEL §26
ompletion status (standard or non- tandard)	BHL: 1980 FSL & 2552 FEL §26 FTP: 1980 FSL & 100 FEL §25

CASE NO. 21060 ORDER NO. R-21214

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	+
Drilling Supervision/Month S	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 1 page 2
Requested Risk Charge	Cost + 200%/Exhibit 1 page 2
Notice of Hearing	and the only and the same and t
Proposed Notice of Hearing	Exhibit 6
Proof of Mailed Notice of Hearing (20	CAMOL V
days before hearing)	Exhibit 3
Proof of Published Notice of Hearing (10	CATHOL 3
days before hearing)	Exhibit 4
Ownership Determination	LATINA 4
Land Ownership Schematic of the	
Spacing Unit	Exhibit 1 pages 6-8
Tract List (including lease numbers and	ennion a pages ora
owners)	Exhibit 1 pages 6-8
Pooled Parties (including ownership	LAMOIT 1 pages 0-0
type)	Exhibit 1 pages 6-8
Unlocatable Parties to be Pooled	Not applicable
Ownership Depth Severance (including	not applicable
percentage above & below)	None
Joinder	110010
Sample Copy of Proposal Letter	Exhibit 1 page 11
List of Interest Owners (i.e. Exhibit A of	Lambit 1 page 11
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
Geology	
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
Forms, Figures and Tables	
C-102	Exhibit 1 page 5
Tracts	Exhibit 1 pages 4 and 6-8
Summary of Interests, Unit	- LaBan a min n. o
Recapitulation (Tracts)	Exhibit 1 pages 6-9

CASE NO. 21060 ORDER NO. R-21214

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
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Jamed Bruce
Signed Name (Attorney or Party Representative):	Janus Burg
Date:	February 6, 2020

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY MEWBOURNE OIL COMPANY

CASE NO. 21061 ORDER NO. R-21217

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on February 6th, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Mewbourne Oil Company ("Operator") submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.



- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by an amendment of this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit to each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the

Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of

the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR AES/kms **Date:** 4/07/2020

CASE NO. 21061 ORDER NO. R-21217

EXHIBIT "A"

ALL INFORMATION IN THE APPLIC	ATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS
Case:	21061
Date	February 6, 2020
Applicant	Mewbourne Oil Company
Designated Operator & OGRID	member of company
(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 WOPO Fed. Com. Well No. 1H
Formation/Pool	TOTAL CONT. WELLING. 15
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
Spacing Unit	desired desired decirony 40 dele
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 §26-205-28E, NMPM, 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	
Applicant's Ownership in Each Tract	Exhibit 1 pages 6-8
Vell(s)	
Name & API (if assigned), surface and pottom hole location, footages, ompletion target, orientation, ompletion status (standard or non-tandard)	Foxhole 25/26 W0POFed. Com. Well No. 1H API No. 30-015-Pending SHL: 2130 FSL & 380 FEL §25 BHL: 660 FSL & 2552 FEL §26 FTP: 660 FSL & 100 FEL §25 LTP: 660 FSL & 2540 FEL §26 Upper Wolfcamp/TVD 9215 feet/MD 17035 feet
	EXHIBIT. 5

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
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
Notice of Hearing	COST + 200%/EXHIBIT 1 page 2
Proposed Notice of Hearing	Exhibit 6
Proof of Mailed Notice of Hearing (20	CATION O
days before hearing)	Exhibit 3
Proof of Published Notice of Hearing (10	EXIIIDIL 3
days before hearing)	Exhibit 4
Ownership Determination	CARIOR 4
Land Ownership Schematic of the	
Spacing Unit	Exhibit 1 pages 6-8
Tract List (including lease numbers and	exhibit 1 bages 6-8
owners)	Euchibia 4 annua 5 G
Pooled Parties (including ownership	Exhibit 1 pages 6-8
type)	F140.4
Unlocatable Parties to be Pooled	Exhibit 1 pages 6-8
Ownership Depth Severance (including	Not applicable
percentage above & below)	
Joinder	None
Sample Copy of Proposal Letter	
List of Interest Change (in Edition	Exhibit 1 page 11
List of Interest Owners (i.e. Exhibit A of JOA)	
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
Geology	
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
ISU Cross Section	Exhibit 2
Depth Severance Discussion	Not Applicable
orms, Figures and Tables	
-102	Exhibit 1 page 5
racts	
ummary of Interests, Unit	Exhibit 1 pages 4 and 6-8
ecapitulation (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
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Brace
Signed Name (Attorney or Party Representative):	Janus Brug
Date:	February 6, 2020

State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, PhD Deputy Cabinet Secretary Adrienne E. Sandoval Director, Oil Conservation Division



BY ELECTRONIC MAIL ONLY

April 9, 2020

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RE: Amendments to Compulsory Pooling Order Template

Dear Counsel:

The Oil Conservation Division ("OCD") has amended the compulsory pooling order template effective on April 1, 2020. The amended template is attached as Exhibit 1.

Prior to April 1, 2020, OCD issued compulsory pooling orders for the cases identified in Exhibit 2. To conform an order with the amended template, please file an application for a hearing.

If you have any questions about this letter, please call Eric Ames, Office of General Counsel, at (505) 476-3463.

Respectfully,

Adrience Sandoval Director

cc:

Gabriel Wade, Deputy Director Eric Ames, OGC-EMNRD Scott Cox, OCD Engineering Bureau

EXHIBIT 1

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

IN THE MATTER OF APPLICATION FOR		
COMPULSORY POOLING SUBMITTED BY	CASE NO.	
[OPERATOR]	ORDER NO.	R-

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on [DATE], and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. [NAME] ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.

- Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- OCD satisfied the notice requirements for the hearing as required by 19.15.4.9
 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- Operator is designated as operator of the Unit and the Well(s).
- 18. If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
- If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the wellin accordance with 19.15.16.15(C) NMAC.
- The Operator shall commence drilling the Winitial well(s) within one year one (1) year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well; and (b) for an infill well, no later than thirty (30) days after completion of the well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.

CASE NO.	
ORDER NO.	R-

- 214. Operator shall comply with thThe infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
- Operator shall submit to OCD and each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") ne later than: (a) for an initial well, no later than thirty (30) days after the date of thir Order; (b) for an initial well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the (X-1) Director pursuant 19.15.13.10(D) NMAC, or (e) for an infill well proposed by introduced working Interest, no later than that y (30) days after expiration of the last action required by 19.15.13.11 NMAC.
- 234. No later than thirty (30) days after Operator submits the Estimate I Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Vell Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless (ICD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 256. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest w 10 paid its share

of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

- 267. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 289. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 323. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.

CASE NO.	
ORDER NO.	R-

- 334. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 et seq., and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 et seq.
- The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Date: _____

ADRIENNE SANDOVAL DIRECTOR AES/xxx

EXHIBIT 2

ORDER	CASE	APPLICANT
R-21168	21002	MEWBOURNE
R-21167	21001	MEWBOURNE
R-21166	21000	MEWBOURNE
R-21165	20869	MARATHON
R-21164	20811	MEWBOURNE
R-21162	21036	DEVON
R-21161	21035	DEVON
R-21160	21021	CIMAREX
R-21159	20997	DEVON
R-21158	20996	DEVON
R-21157	20995	DEVON
R-21156	20994	DEVON
R-21155	20990	DEVON
R-21154	20987	DEVON
R-21153	20986	DEVON
R-21152	20968	KAISER-FRANCIS
R-21151	20966	KAISER-FRANCIS
R-21150	20960	BTA
R-21149	20959	BTA
R-21148	20872	DEVON
R-21141	21030	MARATHON
R-21140	21028	APACHE
R-21139	21027	APACHE
R-21138	21026	APACHE
R-21137	20981	COG
R-21136	20980	COG
R-21135	20979	COG
R-21134	20597	TAP ROCK
R-21133	20596	TAP ROCK
R-21132	20468	MARATHON
R-21131	20993	CIMAREX
R-21130	20915	BTA
R-21129	20914	BTA
R-21128	20938	CHISHOLM
R-21127	20871	MARATHON
R-21136	20870	MARATHON
R-20924-A	20809	MEWBOURNE
R-21125	20946	MARATHON
R-21124	20936	MATADOR
R-21123	20858	SPC RESOURCES
R-21122	20708	MARATHON
R-21113 R-21112	20864	MARATHON
R-21112 R-21111	20822 16210	MARATHON
K-21111	10210	MATADOR

R-21110	16209	MATADOR
R-21107	20903	COG
R-21106	20868	MARATHON
R-21105	20867	MARATHON
R-21104	20860	SPC RESOURCES
R-21103	20823	MARATHON
R-21102	20935	COG
R-21101	20934	COG
R-21100	20859	SPC RESOURCES
R-21099	20820	MARATHON
R-21098	20819	SEP PERMIAN
R-21097	20818	SEP PERMIAN
R-21096	20762	SPC RESOURCES
R-21095	20889	NOVO
R-21094	20888	NOVO
R-21093	20887	NOVO
R-21092	20886	NOVO
R-21091	20855	COG
R-21090	20854	COG
R-21089	20836	COG
R-21088	20826	XTO
R-21087	20813	OXY
R-21086	20789	OXY
R-21085	20788	OXY
R-21084	20786	OXY
R-21083	20863	COG
R-21082	20794	DEVON
R-21081	20793	DEVON
R-21080	20791	IMPETRO
R-21079	20790	IMPETRO
R-21078	20767	MATADOR
R-21077	20999	COG
R-21076	20998	COG
R-21075	20950	MARATHON
R-21074	20948	MARATHON
R-21073	20932	COG
R-21072	20931	COG
R-21071	20839	B.C. OPERATING
R-21070	20838	B.C. OPERATING
R-21069	20837	B.C. OPERATING
R-21066	20943	CENTENNIAL

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

APPLICATION OF MEWBOURNE OIL COMPANY TO AMEND ORDER NO. R-21187, EDDY COUNTY, NEW MEXICO.

Case No. 21706

APPLICATION OF MEWBOURNE OIL COMPANY TO AMEND ORDER NO. R-21214, EDDY COUNTY, NEW MEXICO.

Case No. 21707

APPLICATION OF MEWBOURNE OIL COMPANY TO AMEND ORDER NO. R-21217, EDDY COUNTY, NEW MEXICO.

Case No. 21708

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 owner, at its last known address, by certified mail. Copies of the notice letter and certified return receipt 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:

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

February 11, 2021

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application

ATTACHMENT

Enclosed are copies of three applications, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, seeking to amend the following compulsory pooling orders:

- 1. Case No. 21706: Amending Order No. R-21187, pertaining to a Wolfcamp well in the S/2N/2 of Section 25 and the S/2NE/4 of Section 26, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico;
- 2. Case No. 21707: Amending Order No. R-21214, pertaining to a Wolfcamp well in the N/2S/2 of Section 25 and the N/2SE/4 of Section 26, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico; and
- 3. Case No. 21708: Amending Order No. R-21217, pertaining to a Wolfcamp well in the S/2S/2 0f Section 25 and the S/2SE/4 of Section 26, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, March 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 applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters 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, February 25, 2021. This statement may be filed online with the

Division at <u>ocd.hearings@state.nm.us</u>, 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,

Ties Bruce

Attorney for Mewbourne Oil Company

EXHIBIT A

Petroleum Synergy Group Inc. No. 102 980 Caughlin Crossing Reno, Nevada 89519

1616	U.S. Postal Service [™] CERTIFIED MAIL® RE() Domestic Mail Only	LIPT +
ت	For delivery information, visit our website	at www.usps.com®.
	OFFICIAL	USE
0000 1387	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 \$	Postmark Here
0 0490	Adult Signature Restricted Delivery \$Postage	
	Total Postage an Petroleum Synergy Group Inc. Secret 75 No. 102	
7020	Sent To 980 Caughlin Crossing Street and Apt. No Reno, Nevada 89519 City, State, 219-48	
	PS Form 3800, April 2015 PSN 7530-02-000-9047	See Reverse for Instructions

Carlsbad Current Argus.

Affidavit of Publication Ad # 0004605673 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:

02/18/2021

Legal Clerk

Subscribed and sworn before me this February 18, 2021:

State of WI, County of Brown NOTARY PUBLIC

25.12

My commission expires

SHELLY HORA Notary Public State of Wisconsin

Ad # 0004605673 PO #: Foxhole # of Affidavits1

This is not an invoice

NOTICE

To: Petroleum Synergy Group Inc., or your successors or assigns: Mewbourne Oil Company has filed applications with the New Mexico Oil Conservation Division seeking orders amending the pooling orders described below in the following respects: to conform the orders to the Amended Order Template currently in use by the Division, and to extend the well commencement deadline by one year. The orders cover the Wolfcamp formation in horizontal spacing units comprised of the following lands in Eddy County, New Mexico:

- (a) In Case No. 21706, the S/2N/2 of Section 25 and the S/2NE/4 of Section 26, Township 20 South, Range 28 East, NMPM, as set forth in Order No. 21187;
- (b) In Case No. 21707, the N/2S/2 of Section 25 and the S/2NE/4 of Section 26, Township 20 South, Range 28 East, NMPM, as set forth in Order No. 21214; and
- (c) In Case No. 21708, the S/2S/2 of Section 25 and the S/2SE/4 of Section 26, Township 20 South, Range 28 East, NMPM, as set forth in Order No. 21217.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, March 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, February 25, 2021. This statement must be filed with the Division's Santa Fe office at ocd.hearings@state.nm.us. It should include: The name of the party and its 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 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. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, jamesbruc@aol.com.

February 18, 2021

EXHIBIT 4