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

APPLICATION OF MEWBOURNE OIL COMPANY FOR EXPANSION OF A UNIT AREA, LEA COUNTY, NEW MEXICO

Case No. 21418

NOTICE OF FILING

Mewbourne Oil Company hereby submits Replacement Exhibit 2 in the above case, which is necessary due to the original geologist being unavailable for the March 18th hearing.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

jamesbruc@aol.com

Attorney for Mewbourne Oil Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this _____ day of March, 2021 by e-mail:

Michael Feldewert mfeldewert@hollandhart.com

Adam Rankin agrankin@hollandhart.com

Julia Broggi jbroggi@hollandhart.com

Kaitlyn Luck kaluck@hollandhart.com

Deanna Bennett dmb@modrall.com

Earl DeBrine edebrine@modrall.com

Lance Hough ldh@modrall.com

James Bruce

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

APPLICATION OF MEWBOURNE OIL COMPANY FOR APPROVAL OF EXPANSION OF A UNIT AREA, LEA COUNTY, NEW MEXICO.

Case No. 21418

SELF-AFFIRMED STATEMENT OF NATHAN CLESS

Nathan Cless, for his testimony in this case, states:

- 1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.
- I am the District Geologist for Mewbourne Oil Company's Permian Basin district ("Mewbourne"). I am a geologist by profession, and I am familiar with the geological matters pertaining to Mewbourne's application for unit expansion. I am submitting this replacement exhibit because Jordan Carrell is unavailable for the hearing scheduled for March 18, 2021.
- 3. I have previously testified before the New Mexico Oil Conservation Division as an expert in geology, and my qualifications were accepted as a matter of record.
- 4. A general location map of the proposed expansion of the North Wilson Deep Unit is attached as Exhibit 2-A. The area lies entirely within the Delaware Basin and is approximately two miles west of the Central Basin Platform. The proposed unitized interval is the entire Bone Spring formation.
- 5. A structure map on top of the Bone Spring formation is attached as Exhibit 2-B. The current North Wilson Deep Unit is displayed with diagonal blue lines and the proposed expansion boundary of the unit is shown in red. The map shows that the structure of the Bone Spring dips to the west-southwest. Across the proposed unit area there is approximately 100' of

Replacement EXHIBIT 2

elevation change per mile in the north-south orientation, which is the direction that horizontal wells will be drilled. The map also shows lines of cross-sections through the proposed unit area and the location of the initial test wells that will be drilled within the expanded unit.

- 6. Attached as Exhibit 2-C is a gross thickness isopach map of the Bone Spring formation, which is the zone to be developed within the proposed unit area. It shows that the Bone Spring across the proposed unit area has an approximate thickness of 2600-2800'.
- 7. Attached as Exhibit 2-D is an activity map of horizontal Bone Spring wells in the immediate area of the unit area. Other than Mewbourne's Second Bone Spring well in Section 6, Township 21 South, Range 35 East, NMPM, there have been no new wells drilled within the proposed expanded unit area in over ten years.
- 8. Attached as Exhibit 2-E is a north to south Bone Spring cross-section along line A-A'. The well logs on the cross section provide a representative sample of the Bone Spring formation in the area. There is a resistivity log on the left and a porosity log on the right for each well. These logs show there are consistent sands within the First, Second, and Third Bone Spring intervals. Within the Second Bone Spring interval there is an upper sand and a lower sand, which can be seen by the reduced resistivity levels that are approximately 60' thick. Our initial test wells, the North Wilson Deep Unit Well Nos. 3H and 4H, will target these intervals as indicated by the solid red arrows. The dashed arrows represent additional prospective targets in the Avalon Shale and First Bone Spring interval.
- 9. Attached as Exhibits 2-F through 2-H are west to east cross-sections in the northern, central, and southern parts of the proposed unit area. These cross-sections show relatively consistent thickness within the Bone Spring formation across the entire area.

10. Attached as Exhibit 2-I is a development plan for the proposed unit area. It shows the planned initial test well locations for the Second Bone Spring, and the potential locations of future extended laterals and surface facilities.

11. Exhibits 2-J and 2-K are well planning reports for the initial unit wells. The reports contain plots and lateral schematics of the planned wellbores. The wells' producing intervals will be orthodox.

12. Based on the information discussed above, I am able to conclude that:

a) The expansion of the unit area is justified from a geologic standpoint;

b) There is no faulting or other geologic impediment that could adversely affect the drilling of the proposed Bone Spring wells; and

c) Each quarter-quarter section in the expanded unit area will contribute more or less equally to production.

13. In my opinion, the granting of Mewbourne's application is in the interests of conservation and the prevention of waste.

14. Exhibits 2-A through 2-K were prepared by Mr. Carrell under my supervision, or were compiled from company business records.

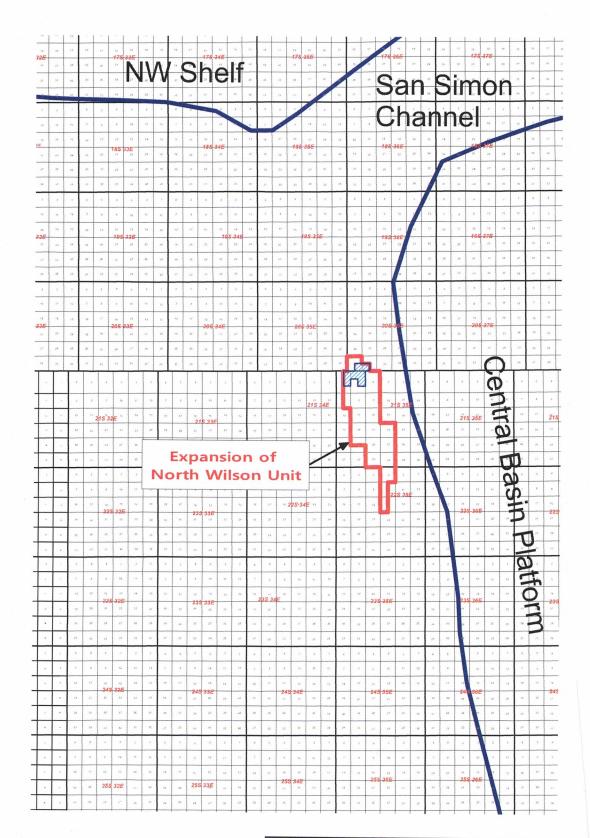
I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 14 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Nathan Cless

3/10/2021 Date

VERIFICATION

STATE OF TEXAS)		
COLDITY OF MIDLAND) ss.		
COUNTY OF MIDLAND)		
Nathan Cless, being duly sy for Mewbourne Oil Company; he is the foregoing statement, and knows best of his knowledge, information,	authorized to make the sthe contents thereof;	nis verification on its b	ehalf; he has read
		111	
	9	1 kg a	
		Nathan Cless	
SUBSCRIBED AND SWO	RN TO before me this	day of March	a, 2021 by Nathan
Cless.		Λ Λ	\sim
My Commission Expires: 17 09	2023	In Gully	
John Bradley Dunn My Commission Expires 12/09/2023 ID No. 130462676		No ary Public	







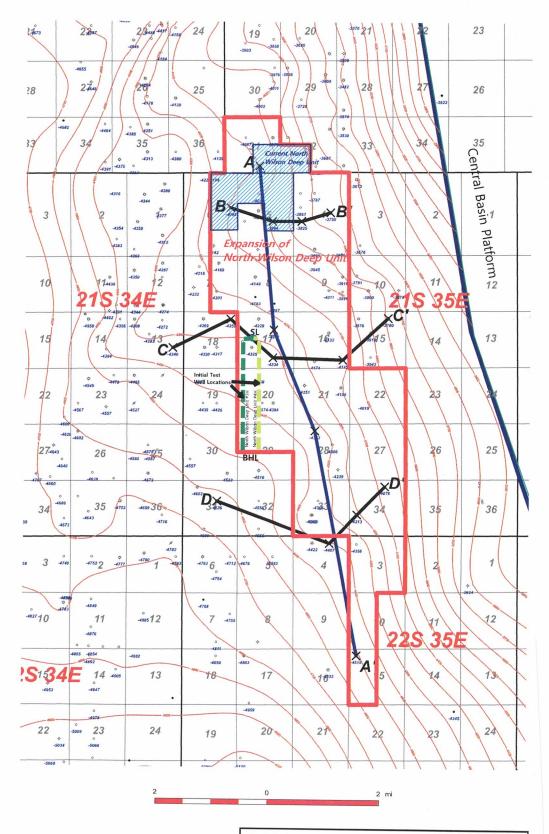
1 inch = 4 miles

Mewbourne Oil Company

NE Delaware Basin Regional Map North Wilson Deep Unit

Author: JRC	Lea Co, New Mexico	Date: 1/12/21
-------------	--------------------	---------------





Wells deeper than 7000'

Bone Spring structural top (subsea ft)

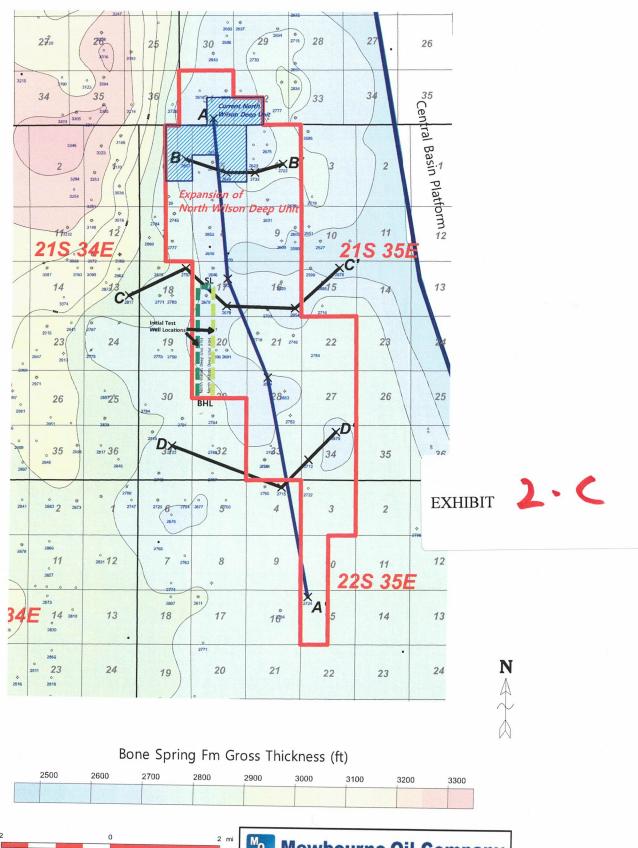


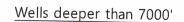
N

Mewbourne Oil Company

Bone Spring Structure Map North Wilson Deep Unit

Author: JRC	Contour Interval: 100'	Date: 1/21/21
Lea Co, NM		



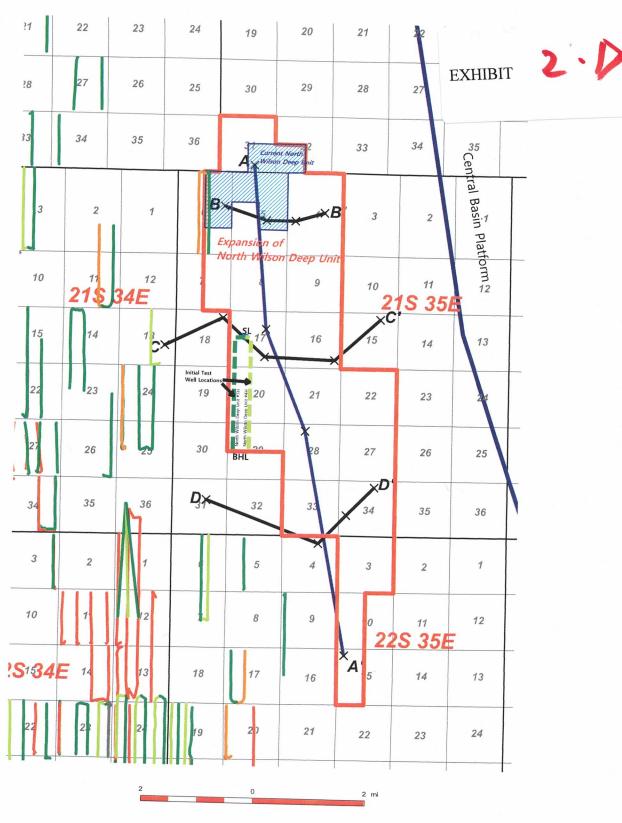


Bone Spring Gross thicknss (ft)

Mewbourne Oil Company

Bone Spring Gross Thickness Map North Wilson Deep Unit

uthor: JRC	Contour Interval: 100'	Date: 1/12/21
------------	------------------------	---------------



Hz Well Activity Color Code

Avalon Shale

1st BSPG Sand

Upper 2nd BSPG Sand

Lower 2nd BSPG Sand

3rd BSPG Sand



Mewbourne Oil Company

Horizontal Bone Spring Activity Map North Wilson Deep Unit

uthor: JRC	Date: 1/12/21
a Co, NM	Date: 1/12



