CASE NO. 23329

APPLICATION OF E.G.L RESOURCES, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

EXHIBIT LIST

- 1. Application and Proposed Notice
- 2. Landman's Affidavit
- 3. Geologist's Affidavit
- 4. Affidavit of Mailing
- 5. Affidavit of Publication
- 6. Pooling Checklist
- 7. Certified Notice Spreadsheet

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF E.G.L. RESOURCES, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 23329

APPLICATION

E.G.L. Resources, Inc. applies for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W2 of Section 13 and the W/2W/2 of Section 24, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

- 1. Applicant is an operator in the W/2W/2 of Section 13 and the W/2W/2 of Section 24 (containing 320 acres), and has the right to drill a well or wells thereon.
- 2. Applicant proposes to drill the Millie Mile 13-24 Fed. Com. Well Nos. 101H and 201H to depths sufficient to test the Bone Spring formation, and to dedicate the W/2W2 of Section 13 and the W/2W/2 of Section 24 to the wells. The wells have first take points in the NW/4NW/4 of Section 13 and last take points in the SW/4SW/4 of Section 24.
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2W/2 of Section 13 and the W/2W/2 of Section 24 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 wells or to otherwise commit their interests to the wells, certain mineral interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all uncommitted mineral interest owners in

EXHIBIT

the Bone Spring formation underlying the W/2W/2 of Section 13 and the W/2W/2 of Section 24, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying the W/2W/2 of Section 13 and the W/2W/2 of Section 24 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 uncommitted mineral interest owners in the Bone Spring formation (Gem; Bone Spring, East Pool/Pool Code 27230) underlying the W/2W/2 of Section 13 and the W/2W/2 of Section 24;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, testing, and equipping the wells, and allocating the cost among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, resting, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for E.G.L. Resources, Inc.

Application of E.G.L. Resources, Inc. for compulsory pooling, Lea County, New Mexico. E.G.L. Resources, Inc. seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation in a horizontal spacing unit comprised of the W/2W/2 of Section 13 and the W/2W/2 of Section 24, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Millie Mile 13-24 Fed. Com. Well Nos. 101H and 201H, with first take points in the NW/4NW/4 of Section 13 and last take points in the SW/4SW/4 of Section 24. Also to be considered will be the cost of drilling, completing, testing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells. The unit is located approximately 7 miles east-northeast of Halfway, 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:

APPLICATIONS OF E.G.L. RESOURCES, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case Nos. 23329 - 23332

SELF-AFFIRMED STATEMENT OF MATTHEW LANGHOFF

Matthew Langhoff deposes and states:

- 1. I am a landman for E.G.L. Resources, Inc. ("E.G.L."), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.
- 2. E.G.L. submits the following information in support of the compulsory pooling applications filed herein:
- 3. The purpose of these applications to force pool working interest owners into the Bone Spring and Wolfcamp horizontal spacing units described below, and in the wells to be drilled in the units:
 - (a) Case No. 23329: E.G.L. Resources, Inc. seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 13 and the W/2W/2 of Section 24, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Millie Mile 13-24 Fed. Com. Well Nos. 101H and 201H, with first take points in the NW/4NW/4 of Section 13 and last take points in the SW/4SW/4 of Section 24.
 - (b) Case No. 23330: E.G.L. Resources, Inc. seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation in a horizontal spacing unit comprised of the E/2W/2 of Section 13 and the E/2W/2 of Section 24, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Millie Mile 13-24 Fed. Com. Well Nos. 102H and 202H, with first take points in the NE/4NW/4 of Section 13 and last take points in the SE/4SW/4 of Section 24.
 - (c) Case No. 23331: E.G.L. Resources, Inc. seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation in a horizontal spacing unit comprised of the W/2W/2 of Section 13 and the W/2W/2 of Section 24, Township 19

EXHIBIT 2

South, Range 33 East, NMPM. The unit will be dedicated to the Millie Mile 13-24 Fed. Com. Well No. 401H, with a first take point in the NW/4NW/4 of Section 13 and a last take point in the SW/4SW/4 of Section 24.

- (d) Case No. 23332: E.G.L. Resources, Inc. seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation in a horizontal spacing unit comprised of the E/2W/2 of Section 13 and the E/2W/2 of Section 24, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Millie Mile 13-24 Fed. Com. Well No. 402H, with a first take point in the NE/4NW/4 of Section 13 and a last take point in the SE/4SW/4 of Section 24.
- 5. A plat outlining the unit being pooled, and the working interest owners and percentage interests in each tract in a well unit, is submitted as Attachment A. A Form C-102 for the well is also part of Attachment A.
 - 6. There is no depth severance in the Bone Spring or Wolfcamp formations.
- 7. Attachment B contains a detailed summary of contacts with the pooled parties, as well as a sample copy of the proposal letter. A short summary of those contacts is as follows: E.G.L. proposed the wells in August 2022. E.G.L. has had follow-up phone calls and e-mails with the parties. In addition, E.G.L. has a BLM-approved Development Area for its prospect.
- E.G.L. has made a good faith effort to obtain voluntary joinder of the interest owners in the proposed wells.
- 8. Attachment C contains an Authorization for Expenditure for each of the proposed wells. The estimated cost of the well set forth therein is fair and reasonable, and comparable to the cost of other wells of similar depth and length drilled in this area of Lea County.
- 9. E.G.L. requests overhead and administrative rates of \$8500/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 Lea County. They are also the rates set forth in the Joint Operating Agreement prepared by E.G.L. for the well units. E.G.L. requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 10 E.G.L. requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
 - 11. E.G.L. requests that it be designated operator of the wells.
- 12. The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.

- 13. E.G.L. provided the names and addresses of the pooled parties to its attorney, James Bruce. The addresses are the correct and current addresses for the interest owners.
- 14. The granting of E.G.L.'s applications is in the interests of conservation and the prevention of waste.

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.

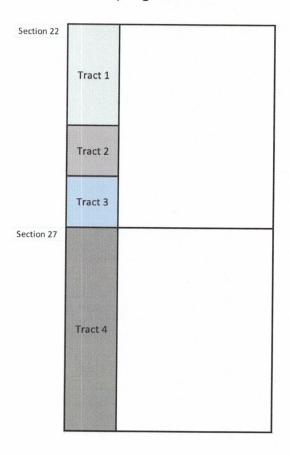
Date: May 75, 2073

3

ATTACHMENT

Section Plat

Millie Mile 13-24 Fed Com Unit W2W2 Sections 13 & 24 T19S-33E, Lea Count, NM **Bone Spring Formation**



Tract 1: W2NW4 of Section 13

PBEX, LLC -71.76%

Earthstone Permian, LLC-20.24%

DSD Energy-1.76%

Williamson ENT.-0.44%

Nuevo Seis, LLC-0.14%

Timothy R. McDonald-0.002%

The DJS Trust-2.82%

COG Operating-2.41%

Stephen Mitchell-0.42%

COG Operating-3.48%

Tract 2: NW4SW4 of Section 13

PBEX, LLC-71.76%

Earthstone Permian, LLC-16.79%

DSD Energy-1.76%

SITL Energy, LLC-0.88%

Western Oil-1.41%

DJS Trust-2.82%

Stephen Mitchell-0.42% Nuevo Seis, LLC-0.24%

Williamson ENT.-0.44%

Timothy R. McDonald-0.004%

Tract 3: SW4SW4 of Section 13

Earthstone Permian, LLC-100.00%

Tract 4: W2W2 of Section 24

Coterra Operating-100.00%

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 <u>District IV</u> 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

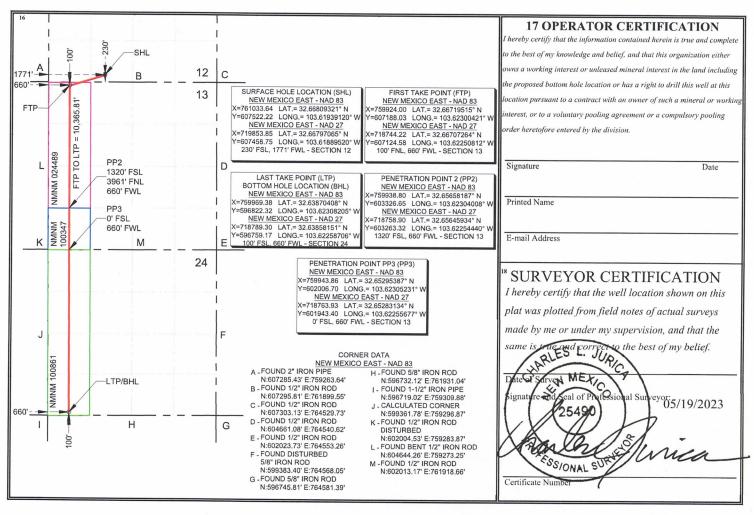
WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number | 19 | 2 Pool Code 27230 | 3 Pool Name GEM; BONE SPRING, EAS | Tt |
|-----------------------|----|--|--------------------------------------|-----------------------|
| 4 Property Code | F | | roperty Name ILE 13-24 FED COM | 6 Well Number 101H |
| 7 OGRID No. 192373 | | AND THE RESERVE AND THE PERSON NAMED IN COLUMN | perator Name ESOURCES INC. | 9 Elevation 3716' |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|--|--------------|---------------|---------------|-----------------------|---------------|------------------|---------------|----------------|--------|
| N | 12 | 19-S | 33-E | | 230' | SOUTH | 1771' | WEST | LEA |
| Bottom Hole Location If Different From Surface | | | | | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn Feet from the | | North/South line | Feet from the | East/West line | County |
| M | 24 | 19-S | 33-E | | 100' | SOUTH | 660' | WEST | LEA |
| 12 Dedicated Acres | s 13 Joint o | r Infill 14 (| Consolidation | Code 15 O | rder No. | | | | |

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



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<u>District III</u>
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
<u>District IV</u>

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

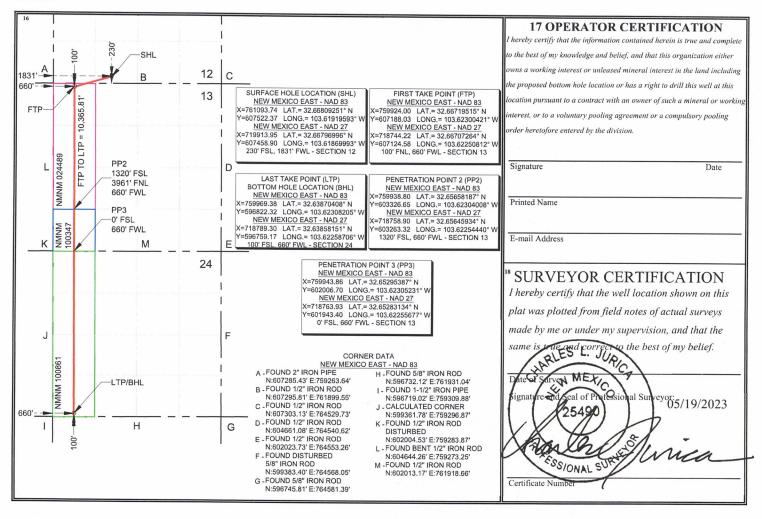
WELL LOCATION AND ACREAGE DEDICATION PLAT

| Ieno | 119 | 27230 | 3 Pool I GEM; BONE S | SPRING, EAST |
|-----------------------|-----|-------|---------------------------------|-----------------------|
| 4 Property Code | 7 | | operty Name LE 13-24 FED COM | 6 Well Number 201H |
| 7 OGRID No. 192373 | | | erator Name SOURCES INC. | 9 Elevation 3716' |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---------------|----------------|---------------|-----------|---------------|------------------|---------------|----------------|--------|
| N | 12 | 19-S | 33-E | | 230' | SOUTH | 1831' | WEST | LEA |
| " Bottom Hole Location If Different From Surfac | | | | | | m Surface | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| M | 24 | 19-S | 33-E | | 100' | SOUTH | 660' | WEST | LEA |
| 12 Dedicated Acre | es 13 Joint o | or Infill 14 (| Consolidation | Code 15 O | rder No. | | | | |

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



| Company | Email Contact | Phone Contact |
|--------------------------------|---|---------------|
| | 8/25/2022 | |
| | 9/7/2022 | |
| Estate of David Sorenson | 9/8/2022 | |
| | 11/2/2022 | |
| | 11/3/2022 | |
| | 11/7/2022 | |
| Stephen Mitchell | 11/8/2022 | |
| | 2/17/2023 | |
| | 2/20/2022 | |
| | 3/2/2023 | |
| | 3/3/2023 | |
| | 4/6/2023 | |
| Earthstone Energy, Inc. | 5/12/2023 | 3/2/23 |
| | 4/12/2023 | |
| | 4/13/2023 | |
| | 4/17/2023 | |
| | 4/24/2023 | |
| | 4/26/2023 | |
| | 5/4/2023 | |
| | 5/16/2023 | |
| | 5/17/2023 | |
| Coterra Energy | 5/22/2023 | 5/12/23 |
| Timothy MacDonals | 5/22/2023 | 8/23/22 |
| | 3/2/2023 | |
| ConocoPhillips | 3/6/2023 | |
| SITL Energy, LLC (Successor to | 3/21/23 | |
| | / | |

Clara Louise Ritch

ATTACHMENT B

August 11, 2022



Re:

Millie Mile 13-24 Fed Com #101H, #102H, #201H, #202H, #401H, and #402H W2 of Sections 13 and 24, Township 19 South, Range 33 East Lea County, New Mexico

Dear Coterra Energy,

EGL Resources, INC ("EGL") on behalf of PBEX, LLC ("PBEX") hereby proposes the drilling of the Millie Mile 13-24 Fed Com #101H, Millie Mile 13-24 Fed Com #102H, Millie Mile 13-24 Fed Com #201H, and Millie Mile 13-24 Fed Com #202H, Millie Mile 13-24 Fed Com #402H wells in Sections 13 and 24, Township 19 South, Range 33 East, Lea County, New Mexico. These wells will have target zone(s) within the Bone Spring and Wolfcamp Formations. Please review the attached Authority for Expenditure ("AFE") with the gross estimated total cost to drill and complete each of the referenced wells.

- Millie Mile 13-24 Fed Com #101H: To be drilled from a proposed surface hole location in the SW4SW4 of Section 12-19S-33E and a proposed bottom hole location in the SW4SW4 of Section 24-19S-33E. The well will have a target interval within the Bone Spring formation, drilled horizontally with a Total Vertical Depth of ~9,350' to a Measured Depth of approximately ~20,400'.
- o Millie Mile 13-24 Fed Com #102H: To be drilled from a proposed surface hole location in the SW4SW4 of Section 12-19S-33E and a proposed bottom hole location in the SE4SW4 of Section 24-19S-33E. The well will have a target interval within the Bone Spring formation, drilled horizontally with a Total Vertical Depth of ~9,350' to a Measured Depth of approximately ~20,400'.
- Millie Mile 13-24 Fed Com #201H: To be drilled from a proposed surface hole location in the SW4SW4 of Section 12-19S-33E and a proposed bottom hole location in the SW4SW4 of Section 24-19S-33E. The well will have a target interval within the Bone Spring formation, drilled horizontally with a Total Vertical Depth of ~10,150' to a Measured Depth of approximately ~21,200'.
- o Millie Mile 13-24 Fed Com #202H: To be drilled from a proposed surface hole location in the SW4SW4 of Section 12-19S-33E and a proposed bottom hole location in the SE4SW4 of Section 24-19S-33E. The well will have a target interval within the Bone Spring formation, drilled horizontally with a Total Vertical Depth of ~10,150' to a Measured Depth of approximately ~21,200'.
- o Millie Mile 13-24 Fed Com #401H: To be drilled from a proposed surface hole location in the SW4SW4 of Section 12-19S-33E and a proposed bottom hole location in the SW4SW4 of Section 24-19S-33E. The well will have a target interval within the Wolfcamp formation, drilled horizontally with a Total Vertical Depth of ~10,750' to a Measured Depth of approximately ~21,800'.
- o Millie Mile 13-24 Fed Com #402H: To be drilled from a proposed surface hole location in the SW4SW4 of Section 12-19S-33E and a proposed bottom hole location in the SE4SW4 of Section 24-19S-33E. The well will have a target interval within the Wolfcamp formation, drilled horizontally with a Total Vertical Depth of ~10,750' to a Measured Depth of approximately ~21,800'.

EGL and PBEX reserve the right to modify the locations and drilling plans described above in order to address topography, environmental concerns, regulatory conflicts, technical advantages, among other reasons. EGL and/or PBEX shall, however, advise of such modifications. EGL has proposed these wells under the terms of a new modified

2015 AAPL form of Operating Agreement, dated May 27, 2021, by and between EGL Resources, Inc, as Operator and PBEX, LLC, et al as Non-Operators which will follow this letter in a separate packet. The following provisions will be included:

- 100/300 Non-consent Penalty
- \$8,000/\$800 Overhead Rates
- EGL Resources, INC named as Operator
- Initial Well Millie Mile 13-24 Fed Com #101H

According to a cursory title review, you could be the owner of a certain working interest in the wells, the amount of which will be subject to title verification. Please indicate your election in the area marked below, sign and return one (1) copy of this letter, along with one (1) signed copy of the enclosed AFE and a copy of your geological well requirements, to my attention at the letterhead address above. If your election is to participate in the drilling and completion of the wells referenced above, please sign and return a copy of the enclosed AFE(s) within thirty (30) days of receipt of this notice. As an alternative to participation, EGL would be open to discussing Sale/Assignment options, subject to mutually agreeable terms, execution of a mutually acceptable form of Assignment and verification of your interest.

If a sale/assignment is the preferred choice, please contact us to discuss the details of this option at your earliest convenience. If you prefer to email, feel free to do so to mlanghoff@pbex.com, or feel free to call me with any questions you may have at (432) 894-0967. However, if we do not reach an agreement within thirty (30) days from the date of this letter, EGL/PBEX will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed wells.

We look forward to working with you,

Matthew C. Langhoff

EGL Resources, INC

Matthew Langhoff Landman III

August 3, 2022

| | I/We hereby elect to participate in the Millie Mile 13-24 Fed Com #101H for its proportionate share of the costsI/We hereby elect NOT to participate in the Millie Mile 13-24 Fed Com #101H for its proportionate share of the costs |
|-----------------------|---|
| | I/We hereby elect to participate in the Millie Mile 13-24 Fed Com #102H for its proportionate share of the costsI/We hereby elect NOT to participate in the Millie Mile 13-24 Fed Com #102H for its proportionate share of the costs |
| | _ I/We hereby elect to participate in the Millie Mile 13-24 Fed Com #201H for its proportionate share of the costs _ I/We hereby elect NOT to participate in the Millie Mile 13-24 Fed Com #201H for its proportionate share of the costs |
| - | _ I/We hereby elect to participate in the Millie Mile 13-24 Fed Com #202H for its proportionate share of the costs _ I/We hereby elect NOT to participate in the Millie Mile 13-24 Fed Com #202H for its proportionate share of the costs |
| | _I/We hereby elect to participate in the Millie Mile 13-24 Fed Com #401H for its proportionate share of the costs _I/We hereby elect NOT to participate in the Millie Mile 13-24 Fed Com #401H for its proportionate share of the costs |
| | _I/We hereby elect to participate in the Millie Mile 13-24 Fed Com #402H for its proportionate share of the costs _I/We hereby elect NOT to participate in the Millie Mile 13-24 Fed Com #402H for its proportionate share of the costs |
| By: Name: Date: | |

Well: Millie Mile 13-24 Fed Com #101H

Location:

SHL SW/4 SW/4 of Section 12 T19S-R33E (±500' off-lease)
BHL SW/4 SW/4 of Section 24 T19S-R33E
Lea County, New Mexico

AFE # 20,400 ft MD 9,350 ft TD (MD): TVD: Drilled Lateral Length: 10,960 Completed Lateral Length: 10,360 ft 1st Bone Spring Target:

Surface location is approximate and may be moved to find a suitable legal location for

| Prognosis: 2 mi lateral. Completion: 10,360' perf interval x 2500 lb/ft (25.9MM lb), 2000 gal/ft (493kk bbl), 80 bpm. 203' stages = 51 stages, plug & perf frac. Rigless prep w/ acid crew. ESP for artifical lift. | Code | Drilling Intangibles | Code | Completion Intangibles | Code | Production Intangibles | Code | Facilities Intangibles | Total Cost |
|--|----------|-------------------------|----------|---------------------------|--------|---------------------------|----------|---------------------------|------------|
| Permits/ Well Signs | | 15,000 | | | | | | | 15,00 |
| Damages/ Right of Way | | | | | | | | | 10,00 |
| Title & Abstracts, Drilling Title Opinion | | | | | _ | - | \vdash | | |
| Survey and Stake Location | | 10,000 | | | _ | | \vdash | | 10,00 |
| Locations and Roads - shared with 6 wells | | 33,333 | | | | | \vdash | | 33,33 |
| Frac Pit Shared w/ 6 wells | | 00,000 | | 50,000 | | | \vdash | | 50,00 |
| Conductor (drilled & set) | | 20.000 | | 30,000 | _ | | \vdash | | 20,00 |
| Mobilization / Demobilization 7 days pre-spud + trucks & cranes / shared w/ 6 wells | | 50,000 | | | - | | - | | 50,00 |
| Drilling (Day Work) 16 days spud - RR \$27,000 per day | | 432.000 | \vdash | | | | \vdash | | |
| Bits | | 75,000 | \vdash | 2.000 | | | \vdash | | 432,00 |
| Downhole drilling tools & stabilization, survey tool | | 50,000 | _ | 3,000 | _ | | | | 78,00 |
| M. 11 - 1 | - | | | | | | | | 50,00 |
| Mud Logging 11 days \$1,500 per day Open Hole Surveys/ Gyro | - | 16,500 | | | | | - | | 16,50 |
| Water well, pump & line, water transfer | \vdash | | | | | | | | |
| Water/Brine/Mud Hauling | | 5,000 | | 100,000 | | | | | 105,000 |
| | \vdash | 10,000 | \vdash | 20,000 | | | | | 30,000 |
| Fresh Water \$ 1.50 10,000 bbl drilling 264,000 bbl complin (20% excess) Brine Water | | 15,000 | | 396,000 | | | | 1 | 411,000 |
| | | 10,000 | | 21 | | | | | 10,000 |
| T iles Eizoo gapuay | | 158,400 | | 500,000 | | | | | 658,400 |
| | \perp | 250,000 | | 25,000 | | | | | 275,00 |
| the state of the s | | 25,000 | | | | 1 | | | 25,000 |
| Drill string rental | | | | | | | | | (|
| Casing Crew & LD Machine, CRT | | 50,000 | | 100 | | | | | 50,000 |
| Welding | | 1,500 | | | | | | | 1,500 |
| Cementing | | 225,000 | | | | | | | 225,000 |
| Directional Drilling 16 days spud - RR \$15,000 per day | | 240,000 | | 7 | | | | | 240,000 |
| Wellsite Supervisor | | 40,000 | | 40,000 | | | | | 80.000 |
| JOA Overhead 8500/mo | | 8,500 | | 8,500 | | | | | 17,000 |
| Open Hole Logs | | | | | | | | | C |
| Solids Control Equipment \$4,000 per day | | 64,000 | | | | | | | 64,000 |
| Cuttings Haul-off & Disposal | | 80,000 | | | | | | | 80,000 |
| Surface Rental Equipment \$10,000 /d Drilling. Frac stack, light towers, generators, housing. | | 160,000 | | 280,000 | | | | | 440,000 |
| BOP Rental, stripper head | | | | | | | | | 0 |
| Pulling Unit 5 days, 4000/d | | | | | | 20,000 | | | 20,000 |
| Acidizing Acid crew to prep toe. | | | | 20,000 | | | | | 20,000 |
| Frac: see Prognosis above. | | | | 2,500,000 | | | | | 2,500,000 |
| Nater Transfer | | | | 45,000 | | | | | 45,000 |
| Completion Tools 50 frac plugs | | - | | 75,000 | | | | | 75,000 |
| Cased Hole Wireline & Perforating 51 stages, 10k lube. | | | | 377,000 | \neg | 15,000 | | | 392,000 |
| Frac Plug drill-out | | | | 250,000 | | 10,000 | | | 250,000 |
| lowback & Well Testing | | | | 200,000 | | 75,000 | | | 75,000 |
| rucking | | 30,000 | | 30,000 | | 75,000 | _ | | 60,000 |
| Environmental | | 55,550 | _ | 10,000 | | | | | 10,000 |
| Materials & Supplies | | 5,000 | - | 10,000 | | | - | | 5,000 |
| Contract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction | | 30,000 | | 30,000 | - | | | 66,667 | 126,667 |
| nsurance: Control of Well | | 25,000 | \dashv | 50,000 | | | - | 00,007 | 25,000 |
| Contingencies 10% | - | 213,423 | | 475,950 | | 11,000 | - | 6,667 | 707,040 |
| OTAL INTANGIBLES | | 2,347,657 | - | 5,235,450 | - | 121,000 | - | | |
| | | 2,341,031 | | 3,235,450 | | 121,000 | | 73,333 | 7,777,440 |

| | asing program. | Talik bat | ttery allocated for 6 wells. | | Code | Drilling Tangibles | Code | Completion Tangibles | Code | Production Tangibles | Code | Facilities Tangibles | Total Cost |
|-------------------------|------------------|-----------|------------------------------|------------------|------|-----------------------|------|-------------------------|------|-------------------------|------|-------------------------|---------------------|
| Tubulars | Length | Size | Description | Price/ft FOB Loc | | | | NEW TOWNS | | | | | |
| Surface | 1,700 | 13 3/8 | 54.5# J55 BTC | \$78.86 | | 134,062 | | | | | | | 134,062 |
| 1st Intermediate | 5,700 | 9 5/8 | 40# L80 BTC | \$77.54 | | 441,978 | | | | | | | 441,978 |
| 2nd Intermediate | | | | | | - | | | | | | | 0 |
| Production | | | | | | - | | | | | | | 0 |
| Production | 20,400 | 5 1/2 | 20# P110 Semi-Prem | \$49.50 | | 1,009,800 | | | | | | | 1,009,800 |
| Tubing | 8,750 | 2 7/8 | 6.5# L80 EUE | \$12.00 | | | | | | 105,000 | | | 105,000 |
| Wellhead Equipment | t | | | | | 35,000 | | 30,000 | | | | | 65,000 |
| Float Equipment & C | | | | | | 75,000 | | | | | | | 75,000 |
| Liner hanger, Packer | r, TAC, other To | ols | | | | | | | | 20,000 | | | 20,000 |
| Flowlines, Valves, Fi | ttings, pipeline | | | | | _ | | | | 20,000 | | 16,667 | 36,667 |
| Tanks | 4 oil, 4 wa | ter (750 | bbl) | | | | | | | | | 66,667 | 66,667 |
| Battery: Pumps /Valv | | | | | | | | | | | | 91,667 | 91,667 |
| Battery: Meters, Auto | | | | | | V | | | | | | 41,667 | 41,667 |
| Separation Equipmen | | 20' Hz H | łT's. | | | | | | - | 130,000 | | 25,000 | 155,000 |
| Compressors/Dehyd | | | | | | | | | | | | 0 | 0 |
| Gas Meter Run, flare | | | | | | | | | | 20,000 | | 33,333 | 53,333 |
| LACT | Pipeline L | ACT sup | plied by oil buyer. | | | | | | | | | 0 | 0 |
| Spill Containment | | | | | | | | | | | | 8,333 | 8,333 |
| Artificial Lift | ESP purch | nase, ren | ntal drive. | | | | | | | 250,000 | | 0 | 250,000 |
| Electrical Installation | | | | | | | | | | 16,667 | | 16,667 | 33,333 |
| Contingencies, taxes | 10% | | | <u> </u> | | 169,584 | | 3,000 | | 56,167 | | 30,000 | 258,751 |
| TOTAL TANGIBLES | | | | | | 1,865,424 | | 33,000 | | 617,833 | | 330,000 | 2,846,257 |
| TOTAL WELL COST | | | | | | Drilling 4,213,081 | | Completion 5,268,450 | | Production 738,833 | | Facilities 403,333 | Total 10,623,697 |

| TOTAL WELL COST | | | | 4,213,081 | 5,268,450 | 738,833 | 403,333 | Total 10,623,697 |
|----------------------------------|-------------------------------------|-----------------------------|------------------------|--|-----------|---------|---------|---------------------|
| Prepared By: | Kelvin Fisher | Date: | 8/2/2022 | Drill & Complete | 9,481,531 | | | |
| Approval: | Kelvin Fisher | Date: | | | | | | |
| Partner Approval Joint Owner: | | | | Amou | nt: | | | . = |
| Working Interest: | | | | Joint Owner Approx | /al: | | | |
| By execution of this AFE | , the above signee is agreeing to b | e covered by the Operator's | well control insurance | e and agreeing to the limits within an | d | | | |

carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to spud date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Agree to decline coverage, provide proof, and hold harmless:

| Ву: | Date: |
|---|-------|
| Released to Imaging: 6/13/2023 8:00:24 AM | |

Field: Well: [27230] GEM, BONE SPRING; EAST

Millie Mile 13-24 Fed Com #201H SHL SW/4 SW/4 of Section 12 T19S-R33E (±500' off-lease) Location:

BHL SW/4 SW/4 of Section 24 T19S-R33E

Lea County, New Mexico

AFE #21,200 ft MD
10,150 ft TD (MD): TVD: Drilled Lateral Length: 10,960 Completed Lateral Length: 10,360 ft

Target: 2nd Bone Spring

Surface location is approximate and may be moved to find a suitable legal location free of terroin/obstacles/habitat/cultural/regulatory or any other surface use contraint.

| Prognosis: 2 mi lateral. Completion: 10,360' perf interval x 2500 lb/ft (25.9MM lb), 2000 gal/ft (493kk bbl), 80 bpm. 203' stages = 51 stages, plug & perf frac. Rigless prep w/ acid crew. ESP for artifical lift. | | Drilling Intangibles | Code | Completion Intangibles | Code | Production Intangibles | Code | Facilities Intangibles | Total Cost |
|---|----------|---|----------|---------------------------|----------|---------------------------|----------|---------------------------|-----------------|
| Permits/ Well Signs | | 15,000 | | | | | | | 15,000 |
| Damages/ Right of Way | | | | | | | | | 0 |
| Title & Abstracts, Drilling Title Opinion | | | | | | | | | 0 |
| Survey and Stake Location | | 10,000 | | | | | | | 10,000 |
| Locations and Roads - shared with 6 wells | | 33,333 | | | | | | | 33,333 |
| Frac Pit Shared w/ 6 wells | | | | 50,000 | | | | | 50,000 |
| Conductor (drilled & set) | | 20,000 | | | | | | | 20,000 |
| Mobilization / Demobilization 7 days pre-spud + trucks & cranes / shared w/ 6 wells | | 50,000 | | | | | \vdash | | 50,000 |
| Drilling (Day Work) 17 days spud - RR \$27,000 per day | | 459,000 | | | | | \vdash | | 459,000 |
| Bits | | 75,000 | \vdash | 3,000 | | | \vdash | _ | 78,000 |
| Downhole drilling tools & stabilization, survey tool | \vdash | 50,000 | \vdash | 3,000 | | | \vdash | | 50,000 |
| Mud Logging 12 days \$1,500 per day | | 18,000 | \vdash | | | | \vdash | | 18,000 |
| Open Hole Surveys/ Gyro | | 10,000 | | | | | \vdash | | 10,000 |
| Water well, pump & line, water transfer | | 5,000 | | 100,000 | - | | \vdash | | 105,000 |
| Water/Brine/Mud Hauling | \vdash | 10,000 | | 20,000 | | | - | | 30,000 |
| Fresh Water \$ 1.50 10,000 bbl drilling 264,000 bbl complin (20% excess) | \vdash | 15,000 | \vdash | 396,000 | | | \vdash | | 411,000 |
| Brine Water | \vdash | 10,000 | | 390,000 | | | \vdash | | 10,000 |
| Fuel \$ 4.50 2,200 gal/day | | 168,300 | | 500,000 | | | \vdash | | 668,300 |
| Mud & Chemicals Water based mud in lateral. | \vdash | 250,000 | - | 25,000 | - | | - | | 275,000 |
| Tubular Inspection DP: Cat IV on 1 strings, repairs. Casing: clean, drift, visual 3 strings. | \vdash | 25,000 | \vdash | 25,000 | \vdash | | _ | | 25,000 |
| Drill string rental | \vdash | 25,000 | \vdash | | | | | | 25,000 |
| Casing Crew & LD Machine, CRT | \vdash | F0 000 | | | | | \vdash | | 50,000 |
| Welding | \vdash | 50,000 1,500 | - | | \vdash | | _ | | 50,000 1,500 |
| Cementing | \vdash | | _ | | \vdash | | - | | |
| | | 225,000 | | | \vdash | | - | | 225,000 |
| Directional Drilling 17 days spud - RR \$15,000 per day Wellsite Supervisor | | 255,000 42,500 | | 40.000 | \vdash | | | | 255,000 |
| JOA Overhead 8500/mg | | , | _ | 40,000 | \vdash | | | | 82,500 |
| Open Hole Logs | | 8,500 | | 8,500 | \vdash | | | | 17,000 |
| | | 20,000 | | | \vdash | | | | 00.000 |
| Solids Control Equipment \$4,000 per day Cuttings Haul-off & Disposal | | 68,000 | | | | | | | 68,000 |
| Surface Rental Equipment \$10,000 /d Drilling. Frac stack, light towers, generators, housing. | \vdash | 80,000 | | 200 000 | \vdash | | - | | 80,000 |
| BOP Rental, stripper head | | 170,000 | | 280,000 | - | | | | 450,000 |
| Pulling Unit 5 days, 4000/d | \vdash | | _ | | - | | | | 0 |
| Acidizing Acid crew to prep toe. | \vdash | | | 20.000 | - | 20,000 | | | 20,000 |
| Frac Frac: see Prognosis above. | | | - | 20,000 | - | | | | 20,000 |
| Water Transfer | \vdash | | | 2,500,000 | | | | | 2,500,000 |
| | | | _ | 45,000 | | | | | 45,000 |
| | \vdash | | | 75,000 | | 10.0 | | | 75,000 |
| Cased Hole Wireline & Perforating 51 stages, 10k lube. Frac Plug drill-out | | | | 377,000 | | 15,000 | | | 392,000 |
| | | | | 250,000 | | | | | 250,000 |
| Flowback & Well Testing | | | | | | 75,000 | | | 75,000 |
| Trucking Environmental | | 30,000 | | 30,000 | | | | | 60,000 |
| | | | | 10,000 | | | | | 10,000 |
| Materials & Supplies | | 5,000 | | | | | | | 5,000 |
| Contract Labor, Roustabouts Wellhead field service, NU crews, pit cleaning, battery construction Insurance: Control of Well | | 30,000 | | 30,000 | | | | 66,667 | 126,667 |
| | | 25,000 | | | | | | | 25,000 |
| Contingencies 10% TOTAL INTANGIBLES | | 220,413 | | 475,950 | | 11,000 | | 720,697 | 1,428,060 |
| TOTAL NATANGIBLES | | 2,424,547 | | 5,235,450 | | 121,000 | | 787,363 | 8,568,360 |

| | ing program. 1 | Tank bat | tery allocated for 6 wells. | | Code | Drilling Tangibles | Code | Completion Tangibles | Code | Production Tangibles | Code | Facilities Tangibles | Total Cost |
|---------------------------|----------------|----------|-----------------------------|------------------|------|-----------------------|------|-------------------------|------|-------------------------|------|-------------------------|---------------------|
| <u>Tubulars</u> | <u>Length</u> | Size | Description | Price/ft FOB Loc | | | | | | | | | |
| Surface | 1,700 | 13 3/8 | 54.5# J55 BTC | \$78.86 | | 134,062 | | | | | | | 134,062 |
| 1st Intermediate | 5,700 | 9 5/8 | 40# L80 BTC | \$77.54 | | 441,978 | | | | | | | 441,978 |
| 2nd Intermediate | | | | | | - | | | | | | | 0 |
| Production | | | | | | - | | | | | | | 0 |
| Production | 21,200 | 5 1/2 | 20# P110 Semi-Prem | \$49.50 | | 1,049,400 | | | | | | | 1,049,400 |
| Tubing | 9,550 | 2 7/8 | 6.5# L80 EUE | \$12.00 | | | | | | 114,600 | | | 114,600 |
| Wellhead Equipment | | | | | | 35,000 | | 30,000 | | =1 | | | 65,000 |
| Float Equipment & Cer | tralizers, Wet | Shoe. | | | | 75,000 | | | | | | | 75,000 |
| Liner hanger, Packer, 1 | TAC, other Too | ols | | | | | | | | 20,000 | | | 20,000 |
| | | | | | | | | | | | | | 0 |
| Flowlines, Valves, Fittir | ngs, pipeline | | | | | | | | | 20,000 | | 16,667 | 36,667 |
| | | | | | | | | | | | | 0 | 0 |
| Tanks | 4 oil, 4 wat | er (750 | bbl) | | | | | | | | | 66,667 | 66,667 |
| Battery: Pumps /Valves | Connections | | | | | | | | | | | 91,667 | 91,667 |
| Battery: Meters, Autom | ation | | | | | | | | | | | 41,667 | 41,667 |
| Separation Equipment: | Tester, (2) 8x | 20' Hz H | IT's. | | | | | | | 130,000 | | 25,000 | 155,000 |
| Compressors/Dehydrat | tors | | | | | | | | | | | 0 | 0 |
| Gas Meter Run, flare, \ | /RU, Combust | or | | | | | | | | 20,000 | | 33,333 | 53,333 |
| LACT | Pipeline LA | ACT sup | plied by oil buyer. | | | | | | | | | 0 | 0 |
| Spill Containment | | | | | | | | | | | | 8,333 | 8,333 |
| Artificial Lift | ESP purch | ase, rer | ital drive. | | | | | | | 250,000 | | 0 | 250,000 |
| Electrical Installation | | | | | | | | | | 16,667 | | 16,667 | 33,333 |
| | | | | | | | | | | | | 0 | 0 |
| Contingencies, taxes | 10% | | | | | 173,544 | | 3,000 | | 57,127 | | 30,000 | 263,671 |
| TOTAL TANGIBLES | | | | | | 1,908,984 | | 33,000 | | 628,393 | | 330,000 | 2,900,377 |
| TOTAL WELL COST | | | | | | Drilling 4,333,531 | | Completion 5,268,450 | | Production 749,393 | | Facilities 1,117,363 | Total 11,468,737 |

| OTAL WELL COST | | | | 4,333,531 | 5,268,450 | 749,393 | 1,117,363 11,468,73 |
|------------------|--|-------|----------|-------------------|-------------|---------|---------------------|
| repared By: | Kelvin Fisher | Date: | 8/2/2022 | Drill & Complete | e 9,601,981 | | |
| pproval: | Kelvin Fisher | Date: | | | | | |
| artner Approval | | | | Amo | unt: | | |
| orking Interest: | | | | Joint Owner Appro | oval: | | |
| | at the second se | | | | | | |

By execution of this AFE, the above signee is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subtrogation prior to sput date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Agree to decline coverage, provide proof, and hold harmless:

Released to Imaging: 6/13/2023 8:00:24 AM

ATTACHMENT

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 E.G.L. RESOURCES, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case Nos. 23329 - 23332

SELF-AFFIRMED STATEMENT OF MATTHEW PARDEE

Matthew Pardee deposes and states:

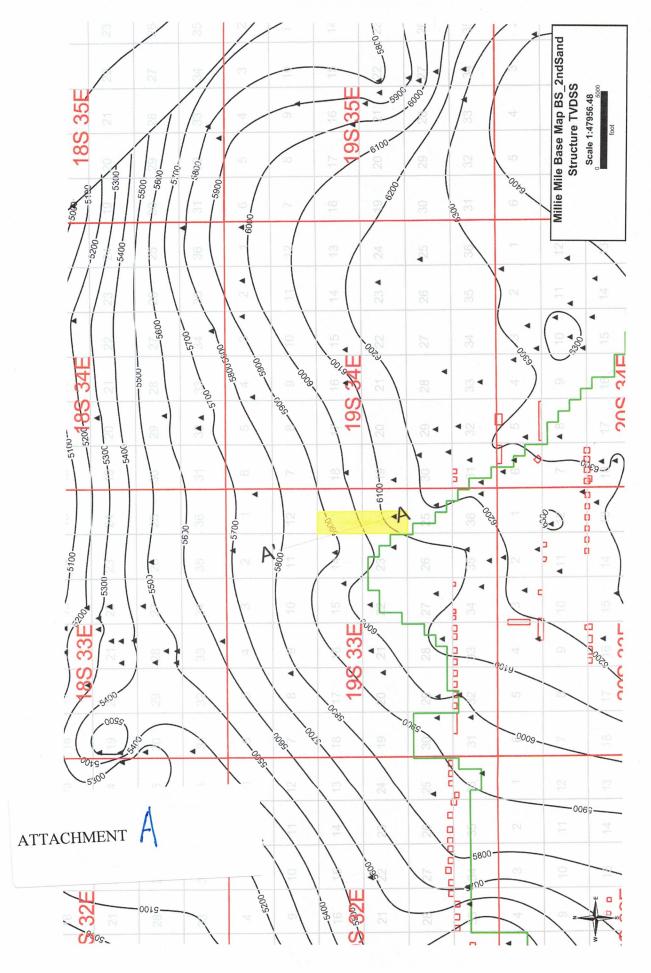
- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- I am a geologist for E.G.L. Resources, Inc. ("E.G.L."), and have personal knowledge of 2. the matters stated herein. I have been qualified by the Division as an expert petroleum geologist.
- The following Bone Spring geological plats are attached hereto: 3.
 - Attachment A is an area base map of the top of the Second Bone Spring Sand in around Sections 13 and 24, Township 19 South, Range 33 East, N.M.P.M, which also identifies the Millie Mile area of interest. It shows that structure dips to the South.
 - Attachment B is a Second Bone Spring Sand net pay map. The target zone is continuous and uniformly thick across the well units.
- 4. The following Wolfcamp geological plats are attached hereto:
 - Attachment C is a structure map on the top of Wolfcamp formation in the area around Sections 13 and 24, Township 19 South, Range 33 East, N.M.P.M. It shows that structure dips to the South.
 - Attachment D is a Wolfcamp XY net pay map. The target zone is continuous and uniformly thick across the well units.
- 5. I conclude from the maps that, in both the Bone Spring and Wolfcamp:
 - The horizontal spacing units are justified from a geologic standpoint. (a)

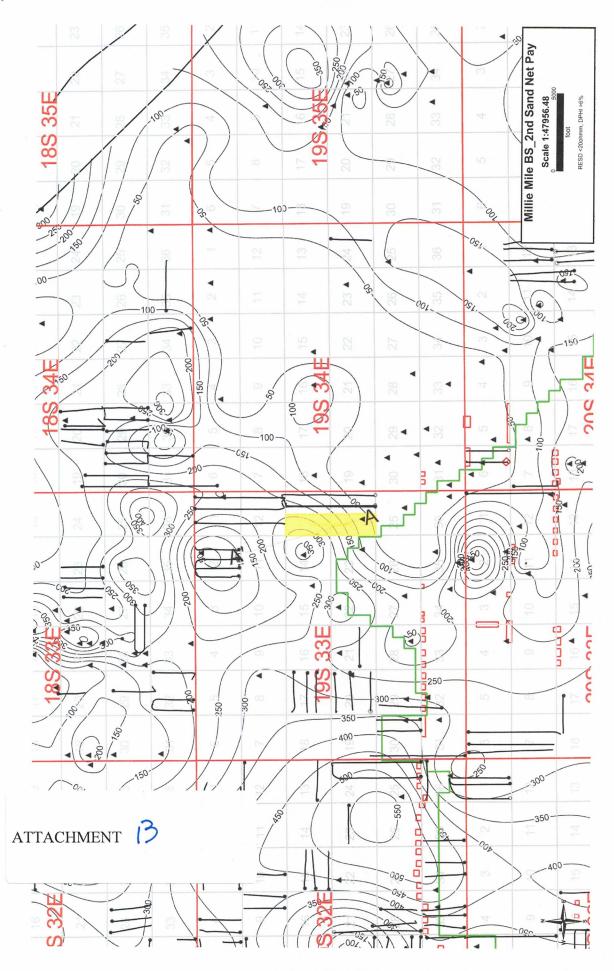
- (b) The target zones are continuous and of relatively uniform thickness across the well units.
- (c) Each quarter-quarter section in the well units will contribute more or less equally to production from the Bone Spring or Wolfcamp formations.
- (d) There is no faulting or other geologic impediment in this area which will affect the drilling of the subject wells.
- 6. There are both standup and laydown Bone Spring and Wolfcamp wells in this area, but with a preference for standup wells.
- 7. Attachment D containsHorizontal Planning Reports for the proposed wells. The producing intervals of thewells will be orthodox.

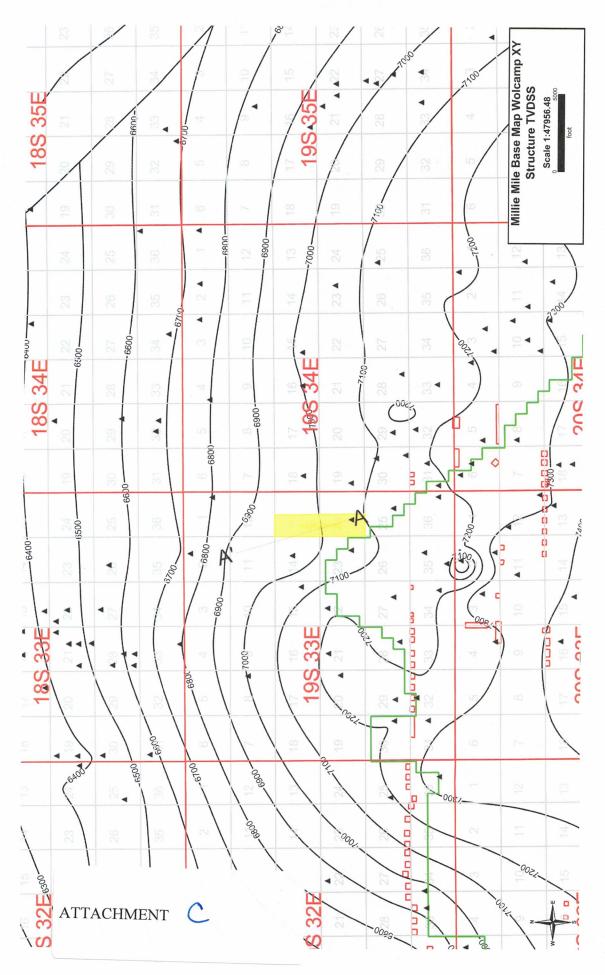
I understand that this Self-Affirmed Statement will be used as written testimony in these cases. I affirm that my testimony in paragraphs 1 through 7 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

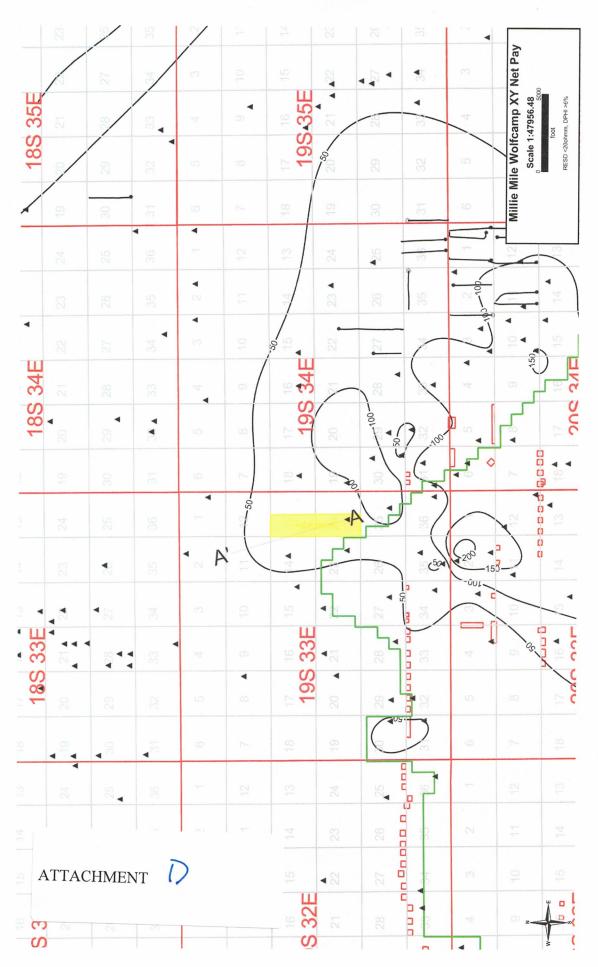
Date: 02 (23/2013)

Matthew Pardee









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

APPLICATIONS OF E.G.L. RESOURCES, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case Nos. 23329 - 23332

SELF-AFFIRMED STATEMENT OF NOTICE

| COUNTY OF SA | |
|---------------------------------------|---|
| STATE OF NEW | V MEXICO) |
| James Bru | ruce deposes and states: |
| 1. I a | am over the age of 18, and have personal knowledge of the matters stated herein. |
| 2. I a | am an attorney for E.G.L. Resources, Inc. |
| 3. E. names and correct filed herein. | G.L. Resources, Inc. has conducted a good faith, diligent effort to find the ct addresses of the interest owners entitled to receive notice of the applications |
| | otice of the applications was provided to the interest owners, at their last known rtified mail. Copies of the notice letter and certified return receipts are attached ment A. |
| 5. Ap | pplicant has complied with the notice provisions of Division Rules. |
| in this case. I affirmade under penal | understand that this Self-Affirmed Statement will be used as written testimony irm that my testimony in paragraphs 1 through 5 above is true and correct and is lty of perjury under the laws of the State of New Mexico. My testimony is made adwritten next to my signature below. 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

February 8, 2023

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons listed on Exhibit A

Ladies and gentlemen:

Enclosed are copies of the following applications for compulsory pooling of the Bone Spring and Wolfcamp formations, filed with the New Mexico Oil Conservation Division by E.G.L. Resources, Inc.:

- (a) Case No. 23329: E.G.L. Resources, Inc. seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 13 and the W/2W/2 of Section 24, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Millie Mile 13-24 Fed. Com. Well Nos. 101H and 201H, with first take points in the NW/4NW/4 of Section 13 and last take points in the SW/4SW/4 of Section 24.
- (b) Case No. 23330: E.G.L. Resources, Inc. seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation in a horizontal spacing unit comprised of the E/2W/2 of Section 13 and the E/2W/2 of Section 24, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Millie Mile 13-24 Fed. Com. Well Nos. 102H and 202H, with first take points in the NE/4NW/4 of Section 13 and last take points in the SE/4SW/4 of Section 24.
- (c) Case No. 23331: E.G.L. Resources, Inc. seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation in a horizontal spacing unit comprised of the W/2W/2 of Section 13 and the W/2W/2 of Section 24, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Millie Mile 13-24 Fed. Com. Well No. 401H, with a first take point in the NW/4NW/4 of Section 13 and a last take point in the SW/4SW/4 of Section 24.

ATTACHMENT

(d) Case No. 23332: E.G.L. Resources, Inc. seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation in a horizontal spacing unit comprised of the E/2W/2 of Section 13 and the E/2W/2 of Section 24, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Millie Mile 13-24 Fed. Com. Well No. 402H, with a first take point in the NE/4NW/4 of Section 13 and a last take point in the SE/4SW/4 of Section 24.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, March 2, 2023. During the current circumstances, state buildings are closed to the public and the hearing will be conducted remotely. To view the hearing docket and to determine how to participate in an electronic hearing, go to https://www.emnrd.nm.gov/ocd/hearing-info/, or contact Marlene Salvidrez at Marlene.Salvidrez@emnrd.nm.gov. You are not required to attend this hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date. A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than five business days before the hearing date. This statement may be filed online with the Division at ocd.hearings@emnrd.nm.gov, 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 E.G.L Resources, Inc.

EXHIBIT A

Linda Sue Henry Dallas County, Texas

Earthstone Permian LLC
1400 Woodloch Forest Drive
Suite 300
The Woodlands, Texas 77380

COG Operating LLC 600 West Illinois Midland, Texas 79701

DSD Energy Resources, LLC 1150 N. Kimball Ave., Suite 100 Southlake, Texas 76092

Western Oil Producers P.O. Box 1498 Roswell, New Mexico 88202-1498

Williamson Enterprises P.O. Box 32570 Santa Fe, New Mexico 87594

Stephen Mitchell P.O. Box 2415 Midland, Texas 79702-2415

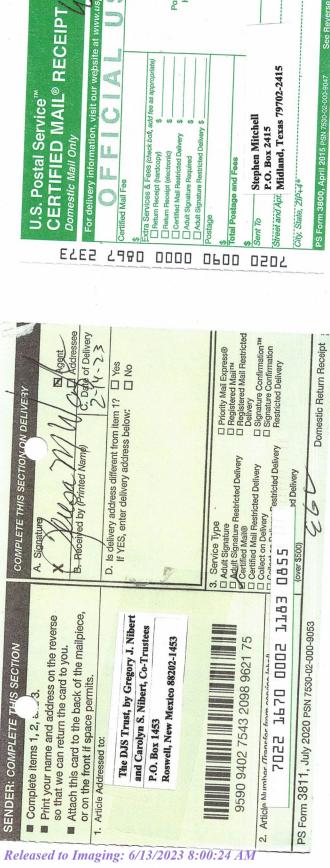
Nuevo Seis Limited Partnership P.O. Box 2588 Roswell, New Mexico 88202-2588 Timothy R. MacDonald 3017 Avenue O Galveston, Texas 77550-6847

Clara Louise Ritch 2715 North Kentucky Ave., Unit 24 Roswell, New Mexico 88201

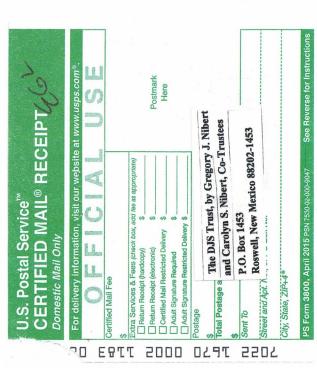
The DJS Trust, by Gregory J. Nibert and Carolyn S. Nibert, Co-Trustees P.O. Box 1453
Roswell, New Mexico 88202-1453

Coterra Energy Inc. Attn: Land Department 600 N. Marienfield St., Suite 600 Midland, TX 79701 LL

Postmark Here See Reverse for Instructions



| m – – – – – – – – – – – – – – – – – – – | SENDER: COMPLETE THIS SECTION | |
|--|--|--|
| B. Received by (Printed Name) B. Received by (Printed Name) D. Is delivery address different from If YES, enter delivery address the Adult Signature Adult Signature Adult Signature Adult Signature Certified Mail® Certified Mail® Confect on Delivery Collect on Delivery (over \$500) I estricted Delivery (over \$500) | Complete items 1, 2, 2, 3. | A. Signature |
| B. Received by (Printed Name) D. Is delivery address different from If YES, enter delivery address the Address of Type 3. Service Type Adult Signature Adult Signature Adult Signature Certified Mail® Confect on Delivery Collect on Delivery (over \$500) I restricted Delivery (over \$500) | Print your name and address on the reverse so that we can return the card to you. | HAN HOM |
| D. Is delivery address different from If YES, enter delivery address to the following address different from If YES, enter delivery address to the following and the followin | Attach this card to the back of the mailpiece, or on the front if space permits. | 0. |
| 3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail® Collect on Delivery Collect on Delivery I very Restricted Delivery I very Restricted Delivery (over \$500) | 1. Article Addressed to: | D. Is delivery address different from item 1? If YES, enter delivery address below: No |
| 3. Service Type Adult Signature Adult Signat | Stephen Mitchell P.O. Box 2415 Midland, Texas 79702-2415 | P.O. BOX 2415 |
| 3. Service Type Adult Signature Adult Signa | | |
| Collect on Delivery P373 lestricted Delivery (over \$500) | 9590 9402 7543 2098 9622 12 | > |
| (over \$500) | | lect on Delivery ivery Restricted Delivery |
| | | er \$500) |



tal Service"

See Reverse for Instructions

| U.S. Postal Service | CERTIFIED MAIL® RECEIPT (人) | | Extra Services & Fees (check box, add fee as appropriate) Hetum Receipt (franciopy) | 0) (0) (0) | PS Form 3800, April 2015 PSN 7530-02-000-8047 See Reverse for Instruct |
|---------------------|-----------------------------------|--|--|--|---|
| | COMPLETE THIS SECTION ON DELIVERY | A Signature A Agent Addressee B. Received by (Painted Name) C. Date of Delivery | D. Is delivery address different from item 1? \(\text{I ves} \) If YEs, entitle delivery address below: \(\text{I No} \) | 3. Service Type Adult Signature Adult Signature Restricted Delivery Registered Mail Restricted Delivery Delivery Certified Mail Restricted Delivery Registered Mail Restricted Delivery Registered Mail Restricted | Collect on Delivery Pastricted Delivery Restricted Delivery Restricted Delivery (over \$500) Cover \$500 Cover |
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| Treature Receipt (Hearton) S | Clara Louise Ritch 2715 North Kentucky Ave., Unit 24 Roswell, New Mexico 88201 | 0100 |
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| Total Postage and F Nuevo Seis Limited Partnership P.O. Box 2588 Sent To Roswell, Now. 3. | | Service Type Adult Signature Adult Signature Adult Signature Adult Signature Adult Signature Adult Signature Adult Signature |
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| 海 | COMPLETE THIS SECTION ON DELIVERY | A Signature A Signature Agent | B. Regeived by Printed Name) C. Date of Delivery | D. Is delivery address different from Item 1? The series of the series o | | | Service Type Adut Signature Adut Signature Restricted Delivery Certified Mail® Certified Mail® Certified Mail® Certified Mail® | Collect on Delivery Restricted Delivery Restricted Delivery Restricted Delivery Insured Mail Restricted Delivery Insured Mail Restricted Delivery | C427 CC Domestic Return Receipt |
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| | 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: | Earthstone Permian LLC. 1400 Woodloch Forest Drive Suite 300 The Woodlands, Texas 77380 | | 9590 9402 7635 2122 8611 08 | 2. A The Transfer from service label) | PS Form 3811, July 2020 PSN 7530-02-000-9053 |
| | 'ostal Service™ | TIFIED MAIL® RECEIPT | ery information, visit our website at www.usps.com°. | Fee | eipt (hardcopy) sipt (electronic) sipt (electronic) sipt (electronic) simple (electron | TITLE HESTITICED DEIVERY 9 | cOG Operating LLC | Midland, Texas 79701 | 100, April 2015 FSN 7530-02-000-8047 See Reverse for Instructions |

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| A. Signature B. Reselved by (Printed Name) B. Reselved by (Printed Name) B. S. Gelivery address different from item 1? C. Date of Delivery A. 13 A. 20.3.3 D. Is delivery address different from item 1? E. Se onter delivery address below: If YES, enter delivery address below: C. Date of Delivery A. 13 A. 10.3.3 A. 13 A. 10.3 A. 13 A. 10.3 A. 13 A. 10.3 A. 13 A. 10.3 A. 15 A. | 3. Service Type Adult Signature Adult Signature Restricted Delivery Adult Signature Restricted Delivery Certified Mail Collect on Delivery Signature Confirmation Collect on Delivery Restricted Delivery Cover \$5000. | 266 Domestic Return Receipt |
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| | PS Form 3800, April 2015 PSN 7530-02-000-9047 | ee Reverse for Instructions | | | | | |

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated February 09, 2023 and ending with the issue dated February 09, 2023.

Publisher

Sworn and subscribed to before me this 9th day of February 2023.

Business Manager

My commission expires January 29, 2027

(Seal)

STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

Ruth Black

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE February 9, 2023

To: Linda Sue Henry, Earthstone Permian LLC, COG Operating LLC, DSD Energy Resources, LLC Western Oil Producers, Williamson Enterprises, Stephen Mitchell, Nuevo Seis Limited Partnership, Timothy R. MacDonald, Clara Louise Ritch, Gregory J. Nibert and Carolyn S. Nibert as Trustees of The DJS Trust, and Coterra Energy Inc., or your heirs, devisees, successors, or assigns: Mewbourne Oil Company has filed the following four applications with the New Mexico Oil Conservation Division, seeking orders pooling the following horizontal spacing units:

- (a) Case No. 23329: E.G.L. Resources, Inc. seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 13 and the W/2W/2 of Section 24, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Millie Mile 13-24 Fed. Com. Well Nos. 101H and 201H, with first take points in the NW/4NW/4 of Section 13 and last take points in the SW/4SW/4 of Section 24.
- (b) Case No. 23330: E.G.L. Resources, Inc. seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation in a horizontal spacing unit comprised of the E/2W/2 of Section 13 and the E/2W/2 of Section 24, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Millie Mile 13-24 Fed. Com. Well Nos. 102H and 202H, with first take points in the NE/4NW/4 of Section 13 and last take points in the SE/4SW/4 of Section 24.
- (c) Case No. 23331: E.G.L. Resources, Inc. seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation in a horizontal spacing unit comprised of the W/2W/2 of Section 13 and the W/2W/2 of Section 24, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Millie Mile 13-24 Fed. Com. Well No. 401H, with a first take point in the NW/4NW/4 of Section 13 and a last take point in the SW/4SW/4 of Section 24.
- (d) Case No. 23332: E.G.L. Resources, Inc. seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation in a horizontal spacing unit comprised of the E/2W/2 of Section 13 and the E/2W/2 of Section 24, Township 19 South, Range 33 East, NMPM. The unit will be dedicated to the Millie Mile 13-24 Fed. Com. Well No. 402H, with a first take point in the NE/4NW/4 of Section 13 and a last take point in the SE/4SW/4 of Section 24.

Also to be considered will be the cost of drilling, completing, testing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells. These matters are scheduled for hearing on March 2, 2023 at 8:15 a.m. During the current circumstances, state buildings are closed to the public and the hearing will be conducted remotely. To view the hearing docket and to determine how to participate in an electronic hearing, go to https://www.emnrd.nm.gov/ocd/hearing-info/, or contact Marlene Salvidrez at Marlene. Salvidrez@emnrd.nm.gov. 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 five business days before the hearing date. This statement may be filed online with the Division at ocd.hearings@emnrd.nm.gov, 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 attorney for applicant, James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, jamesbruc@aol.com. The units are located approximately 7 miles east-northeast of Halfway, New Mexico.

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JAMES BRUCE JAMES BRUCE, ATTORNEY AT LAW P.O. BOX 1056 SANTA FE, NM 87504

EXHIBIT 5

CASE NOS. 23329 - 23332

STATUS OF CERTIFIED NOTICE

| INTEREST OWNER | MAILING DATE | RECEIPT DATE | CARD RETURNED |
|--|--------------|--------------|---------------|
| Earthstone Permian LLC | 2/8/23 | 2/15/23 | Yes |
| ConocoPhillips Company COG Operating LLC | " | Unknown | Yes |
| DSD Energy Resources, LLC | | 2/23/23 | Yes |
| Western Oil Producers | " | Unclaimed | No |
| Williamson Enterprises | " | Not Returned | No |
| Stephen Mitchell | 66 | Unknown | Yes |
| Nuevo Seis Limited Partnership | | 2/13/23 | Yes |
| Timothy R. MacDonald | " | Not Returned | No |
| Clara Louise Ritch | " | 2/22/23 | Yes |
| Gregory J. Nibert and Carolyn S. Nibert as Trustees of The DJS Trust | | 2/14/23 | Yes |
| Coterra Energy Inc. | " | 2/13/23 | Yes |
| Linda Sue Henry (Unlocatable) | | | |

Other entities notified of the hearing but not listed herein are not being pooled.

EXHIBIT 7