

CASE NO. 24189

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

EXHIBIT LIST ( 2<sup>nd</sup> Revised)

1. Pooling Checklist (omitted from original exhibit package)
2. Landman's Affidavit  
2-A: Tract Maps, C-102 and Ownership Lists  
2-B: Proposal Letter and AFE
3. Geologist's Affidavit  
3-A: Structure Map  
3-B: Cross-Section  
3-C: Horizontal Drilling Plan
4. Affidavit of Mailing  
4-A: Notice Letter
5. Affidavit of Publication
6. Application and Proposed Notice

Part I



<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 24189</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: March 7, 2024</b>	
Applicant	<b>Mewbourne Oil Company</b>
Designated Operator & OGRID (affiliation if applicable)	<b>Mewbourne Oil Company/OGRID 14744</b>
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Sandlot Bone Spring wells
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Cass Draw; Bone Spring/Pool Code 10380
Well Location Setback Rules:	Statewide Rules for horizontal wells – 330' and 100' setbacks
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	East-West
Description: TRS/County	S/2N/2 §8 and S/2N/2 §9, Township 22 South, Range 27 East
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes  <div style="border: 1px solid black; padding: 10px; display: inline-block;">EXHIBIT 1</div>
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes,	

description	
Applicant's Ownership in Each Tract	Exhibit 2-A
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Sandlot 9/8 Fee Well No. 554H API No. 30-015-54493 SHL: 315 FNL & 560 FWL §10 BHL: 2310 FNL & 100 FWL §8 FTP: 2310 FNL & 100 FEL §9 LTP: 2310 FNL & 100 FWL §8 Second Bone Spring/TVD 7918 feet/MD 18550 feet
Well #2	
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2, page 1
Requested Risk Charge	Cost plus 200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit 6
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 5
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-A
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	



Pooled Parties (including ownership type)	Exhibit 2-A; Working Interest Owners
Unlocatable Parties to be Pooled	Yes
Ownership Depth Severance (including percentage above & below)	No Depth Severance
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit 2-B
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2-A
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-B
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2-B
Cost Estimate to Equip Well	Exhibit 2-B
Cost Estimate for Production Facilities	Exhibit 2-8
<b>Geology</b>	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibits 2-A and 3-B
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-C
Well Orientation (with rationale)	East-West; Exhibits 3 and 3-A
Target Formation	Second Bone Spring Sand
HSU Cross Section	Exhibit 3-c
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit 2-A
Tracts	Exhibit 2-A
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits 2-A
General Location Map (including basin)	Exhibit 3-A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	Exhibit 3-B
Cross Section Location Map (including wells)	Exhibits 3-B and 3-C



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

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

**Case No. 24189**

**SELF-AFFIRMED STATEMENT OF CARSON CULLEN**

Carson Cullen 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. The purpose of this application is to force pool working interest and unleased mineral owners into the Bone Spring horizontal spacing unit described below.
3. The interest owners being pooled have been contacted regarding the proposed wells but have simply refused to voluntarily commit their interests to the wells. Some interest owners are or may be unlocatable.
4. In this case Mewbourne seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 9 and the S/2N/2 Section 8, Township 22 South, Range 27 East, NMPM. Applicant proposes to drill the Sandlot 9/8 Fee Well No. 554H, with a first take point in the SE/4NE/4 of Section 9 and a last take point in the SW/4NW/4 of Section 8
5. There are no depth severances in the Bone Spring formation.
6. Land plats and information on the parties being pooled and their interests are set forth in Exhibit 2-A. To find the addresses for the parties we examined county and government records, and also conducted internet searches including google and drillinginfo.
7. Exhibit 2-B contains a sample copy of the proposal letters sent to the interest owners, together with an AFE for the well. The costs in the AFE are fair and reasonable for a well in this area of Eddy County.
8. Mewbourne has made a good faith effort to locate or obtain the voluntary joinder of the working interest and mineral owners in the proposed wells.
9. Mewbourne requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Eddy County. They are

EXHIBIT 2

rates charged by other operators for wells of this type in this portion of Eddy County. They are also the rates set forth in the Joint Operating Agreement for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

10. Mewbourne requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

11. Applicant requests that it be designated operator of the well.

12. The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.

13. The granting of this application 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 these cases. I affirm that my testimony in paragraphs 1 through 13 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.

March 5, 2024  
Date

Carson Cullen  
Carson Cullen



**Sandlot 9/8 FEE #554H**  
**Sections 8 (S/2N/2) & 9 (S/2N/2), T22S, R27E**  
**EDDY COUNTY, NM**

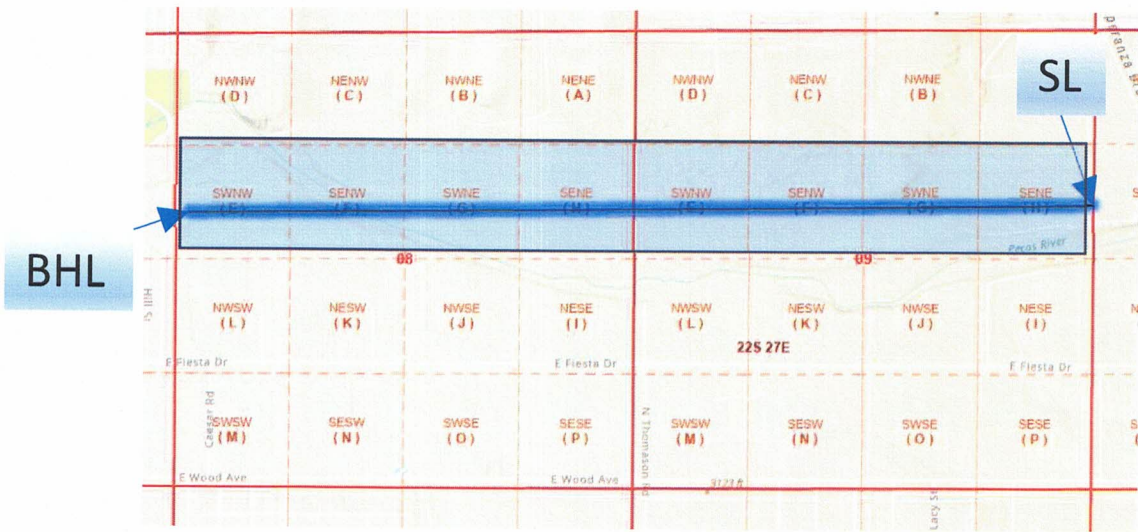


EXHIBIT *Z-A*

EXHIBIT A

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

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

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

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-015-54493</b>		<sup>2</sup> Pool Code <b>10380</b>		<sup>3</sup> Pool Name <b>CASS DRAW; BONE SPRING</b>	
<sup>4</sup> Property Code <b>334840</b>		<sup>5</sup> Property Name <b>SANDLOT 9/8 FEE</b>			<sup>6</sup> Well Number <b>554H</b>
<sup>7</sup> OGRID NO. <b>14744</b>		<sup>8</sup> Operator Name <b>MEWBOURNE OIL COMPANY</b>			<sup>9</sup> Elevation <b>3097'</b>

<sup>10</sup> Surface Location

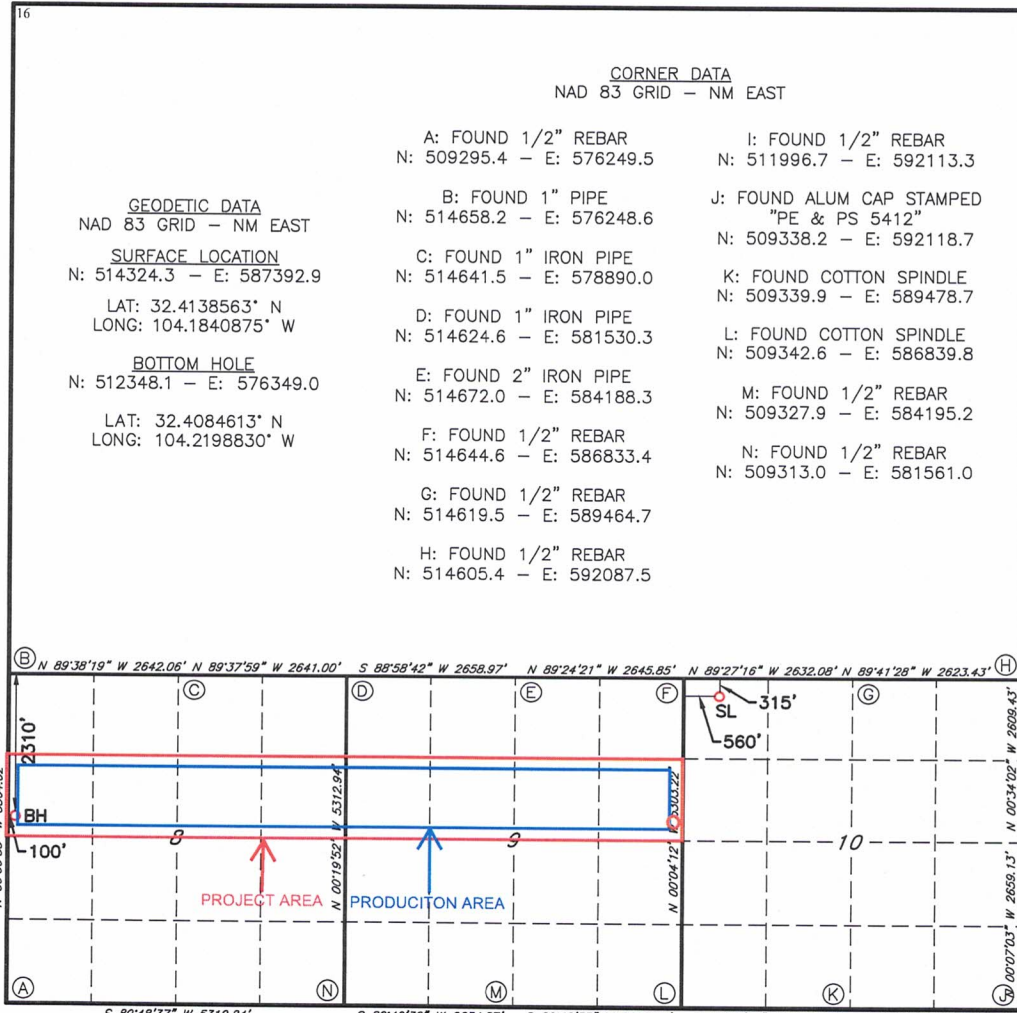
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>D</b>	<b>10</b>	<b>22S</b>	<b>27E</b>		<b>315</b>	<b>NORTH</b>	<b>560</b>	<b>WEST</b>	<b>EDDY</b>

<sup>11</sup> 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
<b>E</b>	<b>8</b>	<b>22S</b>	<b>27E</b>		<b>2310</b>	<b>NORTH</b>	<b>100</b>	<b>WEST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



**17 OPERATOR CERTIFICATION**  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Bennett Hall* 12/11/2023  
 Signature Date  
**Bennett Hall**  
 Printed Name  
**bhall@mewbourne.com**  
 E-mail Address

**18 SURVEYOR CERTIFICATION**  
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

**12/04/2023**  
 Date of Survey  
 Signature and Seal of Professional Surveyor  
**19680**  
 Certificate Number

**PROF. ROBERT M. HOWETT**  
 NEW MEXICO  
 19680  
 PROFESSIONAL SURVEYOR

Job No.: LS23121017



**EXHIBIT C**

**TRACT OWNERSHIP**  
**SANDLOT 9/8 FEE #525H**  
**SANDLOT 9/8 FEE #554H**  
**S/2N/2 & N/2S/2 of Sections 9 & 8, T22S, R27E**  
**EDDY COUNTY, NM**

**S/2N/2 & N/2S/2 of Sections 9 & 8, T22S, R27E:****Bone Spring formation:**

% Leasehold Interest

Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	63.908297%
Aplomado Management LLC 3319 Longfield Circle Houston, Texas 77063	Part of 36.091703%
Bennett Oil and Gas PO Box 264 Midland, Texas 79702	Part of 36.091703%
COG Operating, LLC 600 West Illinois Avenue Midland, Texas 79701	Part of 36.091703%
Concho Oil & Gas, LLC 600 West Illinois Avenue Midland, Texas 79701	Part of 36.091703%
David J. Sorenson PO Box 1453 Roswell, New Mexico 88202	Part of 36.091703%
EOG Resources Inc. 5509 Champions Drive Midland, Texas 79706	Part of 36.091703%
Featherstone Development Corporation PO Box 429 Roswell, New Mexico 88202	Part of 36.091703%
Joann Sivley Ruppert Trust PO Box 550 Tesuque, New Mexico 87574	Part of 36.091703%
The Karen Roberts Special Needs Trust 2509 Aspen Street Longview, Texas 75605	Part of 36.091703%
Mary Carol Green, Trustee Lanita C. Williamson Family Living Trust 5910 N. Central Expressway, Suite 1662 Dallas, Texas 75206	Part of 36.091703%
Magnum Hunter Production, Inc. 600 N. Marienfeld Street, Suite 600 Midland, Texas 79701	Part of 36.091703%

Marathon Oil Company 990 Town & Country Blvd. Houston, Texas 77024	Part of 36.091703%
OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston, Texas 77046	Part of 36.091703%
Pozo Rico Partners, LTD PO Box 2258 Cleburne, Texas 76033	Part of 36.091703%
Red Bird Ventures, Inc. 15814 Champion Forest Drive, PMB 250 Spring, Texas 77379	Part of 36.091703%
Ruth D. Roberts 5304 Scout Island Circle Austin, Texas 78731	Part of 36.091703%
Sharbro Energy LLC PO Box 840 Artesia, New Mexico 88211	Part of 36.091703%
Thomas Ray Sivley Trust PO Box 830308 Dallas, Texas 75283	Part of 36.091703%
Wadi Petroleum, Inc 13231 Champion Forest Drive, Suite 401 Houston, Texas 77069	Part of 36.091703%
Warwick-Ares LLC 6608 N. Western Avenue, Box 417 Oklahoma City, Oklahoma 73116	Part of 36.091703%
Wesley Keith Roberts 418 Forest Hills Drive League City, Texas 77573	Part of 36.091703%
Williamson Enterprises PO Box 32570 Santa Fe, New Mexico 87594	Part of 36.091703%

**\* Total interest being pooled: 36.091703%**

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Name	W/2 of Section 8			E/2 of Section 8			N/2 of Section 9			S/2 of Section 9			Unit Ownership		
	WI	Net Acres		WI	Net Acres		WI	Net Acres		WI	Net Acres		WI	Net Acres	
Mewbourne Oil Company	17.134259%	54.89		88.583333%	283.10		10.329540%	33.05		53.988090%	320		53.988090%	691.05	
OXY USA WTP LP	81.306692%	260.48		3.125000%	10.00					21.131426%			21.131426%	270.48	
Sheldon K. Beren, et ux Miriam Beren	0.216956%	0.70								0.054302%			0.054302%	0.70	
Robert M. Beren, ssp	0.108478%	0.35		1.718750%	5.50					0.456838%			0.456838%	5.85	
Jean S. Beren, ssp	0.108478%	0.35								0.027151%			0.027151%	0.35	
Frits Markus, et ux Marie E.S.A. Markus	0.173565%	0.56								0.043441%			0.043441%	0.56	
David S. Gottesman et ux, Ruth L. Gottesman	0.173565%	0.56								0.043441%			0.043441%	0.56	
Ruth D. Roberts	0.185463%	0.59								0.046419%			0.046419%	0.59	
Tumbler Operating Partners LLC	0.185463%	0.59								0.046419%			0.046419%	0.59	
Wesley Keith Roberts	0.185463%	0.59								0.046419%			0.046419%	0.59	
***** Unleased *****	0.221619%	0.71								0.055469%			0.055469%	0.71	
COG Operating							71.626639%	229.21		17.906660%	229.21		17.906660%	229.21	
C. Mark Maloney et ux				2.083334%	6.67					0.520834%			0.520834%	6.67	
Featherstone Development Corporation				2.083333%	6.67					0.520833%			0.520833%	6.67	
Jack Barnett				0.687500%	2.20					0.171875%			0.171875%	2.20	
Matzliach, LP				1.718750%	5.50					0.429688%			0.429688%	5.50	
Concho Oil & Gas							3.916939%	12.53		0.979235%			0.979235%	12.53	
Featherstone Development Corp							4.166667%	13.333334		1.041667%			1.041667%	13.33	
Genesis Limited Partners							2.083333%	6.67		0.520833%			0.520833%	6.67	
T.J. & Mary Sivley Trust							1.332352%	4.26		0.333088%			0.333088%	4.26	
Pozo Rico Partners, Ltd.							1.167532%	3.74		0.291883%			0.291883%	3.74	
David Sorenson							1.000253%	3.20		0.250063%			0.250063%	3.20	
Red Bird Ventures, Inc.							0.986925%	3.16		0.246731%			0.246731%	3.16	
Sharbro Energy Ltd.							1.582628%	5.06		0.395657%			0.395657%	5.06	
Williamson Enerterprises							0.600150%	1.92		0.150038%			0.150038%	1.92	
Cody Energy, Inc.							0.395115%	1.26		0.098779%			0.098779%	1.26	
Tex-OK Limited Partnership							0.395115%	1.26		0.098779%			0.098779%	1.26	
Lanita C. Williamson Family Trust							0.266745%	0.85		0.066686%			0.066686%	0.85	
Jalee Nicole Hill							0.041696%	0.13		0.010424%			0.010424%	0.13	
Jodi Kristen Hill							0.041696%	0.13		0.010424%			0.010424%	0.13	
Jay R Nunnally							0.066675%	0.21		0.016669%			0.016669%	0.21	
<b>Total</b>	100.000000%	320.00		100.000000%	319.63		100%	320.00		100%	320.00		100.000261%	1280.00	

# MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

January 9, 2023

Via: Certified Mail

Bennett Oil and Gas  
PO Box 51510  
Midland, Texas 79710

Re: Proposed Unit for Horizontal Bone Spring and Wolfcamp Wells  
Section 9, T22S-R27E  
Section 8, T22S-R27E  
Eddy County, New Mexico

Wells:

- Sandlot 9/8 Fee #525H
- Sandlot 9/8 Fee #554H
- Sandlot 9/8 Fee #711H (W0AD)
- Sandlot 9/8 Fee #713H (W0HE)
- Sandlot 9/8 Fee #716H (W0IL)
- Sandlot 9/8 Fee #718H (W0PM)
- Sandlot 9/8 Fee #851H

EXHIBIT 2.B

Dear Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the above captioned acreage for oil and gas production. Mewbourne's previous proposal included the Sandlot 9/8 W0PM Fee #1H, W0IL Fee #1H, W0HE Fee #1H, W0AD Fee #1H which are still included in this proposal, just under our new naming format. The targeted interval for the proposed unit is the Bone Spring and Wolfcamp formations.

Mewbourne hereby proposes to drill and operate the following horizontal Bone Spring and Wolfcamp wells:

1. Sandlot 9/8 Fee #525H located at a surface location 1355' FSL & 355' FWL of Section 10, with a bottom hole location 2310' FSL & 100' FWL of Section 8. We anticipate drilling to an approximate total vertical depth of 7,318' and plan to continue drilling horizontally to the west to the proposed bottom hole location at an approximate total measured depth of 18,000'.
2. Sandlot 9/8 Fee #554H located at a surface location 1415' FNL & 355' FWL of Section 10, with a bottom hole location 2310' FNL & 100' FWL of Section 8. We anticipate drilling to an approximate total vertical depth of 7,918' and plan to continue drilling horizontally to the west to the proposed bottom hole location at an approximate total measured depth of 18,550'.
3. Sandlot 9/8 Fee #711H located at a surface location 1,900' FNL & 205' FWL of Section 10, with a bottom hole location 660' FNL & 330' FWL of Section 8. We anticipate drilling to an approximate total vertical depth of 8,760' and plan to continue drilling horizontally to the west to the proposed bottom hole location at an approximate total measured depth of 19,115'.



4. Sandlot 9/8 Fee #713H located at a surface location 1,930' FNL & 205' FWL of Section 10, with a bottom hole location 1,980' FNL & 330' FWL of Section 8. We anticipate drilling to an approximate total vertical depth of 8,770' and plan to continue drilling horizontally to the west to the proposed bottom hole location at an approximate total measured depth of 19,057'.
5. Sandlot 9/8 Fee #716H located at a surface location 1,335' FSL & 355' FWL of Section 10, with a bottom hole location 1,980' FSL & 330' FWL of Section 8. We anticipate drilling to an approximate total vertical depth of 8,894' and plan to continue drilling horizontally to the west to the proposed bottom hole location at an approximate total measured depth of 19,100'.
6. Sandlot 9/8 Fee #718H located at a surface location 1,315' FSL & 355' FWL of Section 10, with a bottom hole location 660' FSL & 330' FWL of Section 8. We anticipate drilling to an approximate total vertical depth of 8,894' and plan to continue drilling horizontally to the west to the proposed bottom hole location at an approximate total measured depth of 19,170'.
7. Sandlot 9/8 Fee #851H located at a surface location 1,395' FSL & 355' FWL of Section 10, with a bottom hole location 450' FNL & 330' FWL of Section 8. We anticipate drilling to an approximate total vertical depth of 9,350' and plan to continue drilling horizontally to the west to the proposed bottom hole location at an approximate total measured depth of 20,300'.

Regarding the above, enclosed for your further handling and information are copies of our Authorization For Expenditure ("AFE") for the above wells.

Please indicate your participation election by having each AFE executed and returned to my attention at the above address within thirty (30) days of receipt hereof. Our proposed Operating Agreement to follow.

Feel free to contact me at (432) 682-3715 or via email at [ccullen@mewbourne.com](mailto:ccullen@mewbourne.com) if you have any questions or concerns. I look forward to hearing from you.

Sincerely,

**MEWBOURNE OIL COMPANY**



Carson Cullen  
Landman

**MEWBOURNE OIL COMPANY**

**AUTHORIZATION FOR EXPENDITURE**

Well Name: <b>SANDLOT 9/8 FEE #554H (H3HE)</b>		Prospect: <b>SANDLOT</b>	
Location: <b>SL:1415 FNL &amp; 355 FWL (10) ; BHL:2310 FNL &amp; 100 FWL (8)</b>		County: <b>Eddy</b> ST: <b>NM</b>	
Sec. <b>10</b>	BLK: <b></b>	Survey: <b></b>	TWP: <b>22S</b> RNG: <b>27E</b> Prop. TVD: <b>7918</b> TMD: <b>18550</b>

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$100,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$200,000	0180-0206	\$75,000
Daywork / Turnkey / Footage Drilling 18 days drlg / 3 days comp @ \$28000/d	0180-0110	\$538,300	0180-0210	\$89,700
Fuel 1700 gal/day @ \$3.9/gal	0180-0114	\$127,500	0180-0214	\$295,000
Alternate Fuels	0180-0115		0180-0215	\$67,000
Mud, Chemical & Additives	0180-0120	\$45,000	0180-0220	
Mud - Specialized	0180-0121	\$275,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$200,000
Stimulation Toe Preparation			0180-0223	\$25,000
Cementing	0180-0125	\$160,000	0180-0225	\$55,000
Logging & Wireline Services	0180-0130	\$40,000	0180-0230	\$369,000
Casing / Tubing / Snubbing Services	0180-0134	\$40,000	0180-0234	\$15,000
Mud Logging	0180-0137	\$15,000		
Stimulation 61 Stg 25.3 MM gal / 25.3 MM lb			0180-0241	\$2,839,000
Stimulation Rentals & Other			0180-0242	\$272,000
Water & Other 80% PW f/ NGL @ \$0/bbl, 20% FW f/ Aris @ \$0	0180-0145	\$35,000	0180-0245	\$26,000
Bits	0180-0148	\$64,100	0180-0248	
Inspection & Repair Services	0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services	0180-0154		0180-0254	\$10,000
Testing & Flowback Services	0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig			0180-0260	\$10,500
Rig Mobilization	0180-0164	\$150,000		
Transportation	0180-0165	\$30,000	0180-0265	\$65,000
Welding, Construction & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision	0180-0170	\$119,700	0180-0270	\$72,000
Directional Services Includes Vertical Control	0180-0175	\$285,000		
Equipment Rental	0180-0180	\$130,700	0180-0280	\$100,000
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$4,800	0180-0285	
Intangible Supplies	0180-0188	\$7,000	0180-0288	\$1,000
Damages	0180-0190	\$150,000	0180-0290	\$1,000
Pipeline Interconnect, ROW Easements	0180-0192		0180-0292	\$10,000
Company Supervision	0180-0195	\$75,600	0180-0295	\$39,600
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)	0180-0199	\$134,700	0180-0299	\$236,900
<b>TOTAL</b>		<b>\$2,828,400</b>		<b>\$4,974,200</b>

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
Casing (19.1" - 30")	0181-0793			
Casing (10.1" - 19.0") 410' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft	0181-0794	\$21,000		
Casing (8.1" - 10.0") 1775' - 9 5/8" 40# HCL80 LT&C @ \$40.67/ft	0181-0795	\$77,100		
Casing (6.1" - 8.0") 7350' - 7" 29# HPP110 BT&C @ \$38.93/ft	0181-0796	\$305,600		
Casing (4.1" - 6.0") 11400' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$21.65/ft			0181-0797	\$263,600
Tubing 7100' - 2 7/8" 6.5# N-80 Tbg @ \$13/ft			0181-0798	\$98,600
Drilling Head	0181-0860	\$50,000		
Tubing Head & Upper Section			0181-0870	\$30,000
Horizontal Completion Tools			0181-0871	
Subsurface Equip. & Artificial Lift			0181-0880	\$40,000
Service Pumps (1/4) TP/CP/Circ pump			0181-0886	\$9,500
Storage Tanks (1/4) (6)OT/(5)WT/(1)GB			0181-0890	\$102,000
Emissions Control Equipment (1/4) (3)VRT/(1)VRU/(1)FLARE/(3)KO/(1)AIR			0181-0892	\$95,000
Separation / Treating Equipment (1/4) (1)BULK H SEP/(2)TEST H SEP 500#/(1)V SEP 500#/(2)			0181-0895	\$65,000
Automation Metering Equipment			0181-0898	\$59,000
Oil/Gas Pipeline-Pipe/Valves&Misc			0181-0900	\$17,000
Water Pipeline-Pipe/Valves & Misc			0181-0901	\$4,000
On-site Valves/Fittings/Lines&Misc			0181-0906	\$113,000
Wellhead Flowlines - Construction			0181-0907	\$46,000
Cathodic Protection			0181-0908	
Electrical Installation			0181-0909	\$97,000
Equipment Installation			0181-0910	\$100,000
Oil/Gas Pipeline - Construction			0181-0920	\$21,000
Water Pipeline - Construction			0181-0921	\$5,000
<b>TOTAL</b>		<b>\$453,700</b>		<b>\$1,165,700</b>
<b>SUBTOTAL</b>		<b>\$3,282,100</b>		<b>\$6,139,900</b>

<b>TOTAL WELL COST</b>	<b>\$9,422,000</b>
------------------------	--------------------

Extra Expense Insurance

I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.  
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

I elect to purchase my own well control insurance policy.  
If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Joint owner agrees that item 0180-0245 will be provided by operator, if available, at the specified rate. Operator reserves the right to adjust the rate due to a change in market conditions.

Prepared by: <u>Ryan McDaniel</u>	Date: <u>11/29/2023</u>
Company Approval: <u>M. Whittier</u>	Date: <u>11/30/2023</u>
Joint Owner Interest: _____ Amount: _____	Signature: _____



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

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

**Case Nos. 24189 - 24190**

**SELF-AFFIRMED STATEMENT OF TYLER HILL**

Tyler Hill deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in these cases. I have been qualified by the Division as an expert petroleum geologist.
3. The following plats are attached hereto:
  - (a) Exhibit 3-A is an area locator plat.
  - (b) Exhibit 3-B is a structure map on the top of the Second Bone Spring Sand. It shows that structure dips gently to the east-northeast. It also shows proposed Second Bone Spring wells in the area, and that the wellbores are perpendicular to strike. It also shows a line of cross-section.
  - (c) Exhibit 3-C is a west-east cross section of the Bone Spring. The logs on the cross-section give a representative sample of the Second Bone Spring Sand in this area. The sand is continuous and uniformly thick across the well units.
4. I conclude from the maps that:
  - (a) The horizontal spacing units are justified from a geologic standpoint.
  - (b) The target zones are continuous and of uniform thickness across the well units.
  - (c) Each quarter section in the well units will contribute more or less equally to production.
  - (d) There is no faulting or other geologic impediment in the area which will affect the drilling of the subject wells.
5. Other Bone Spring wells drilled in this area show a preference for laydown wells.

EXHIBIT **3**

6. Exhibit 3-D contains copies of the horizontal drilling plans for the subject wells. The well locations are 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 6 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 written next to my signature below.

Date: March 5, 2024

Tyler Hill

Tyler Hill





Lea

Eddy

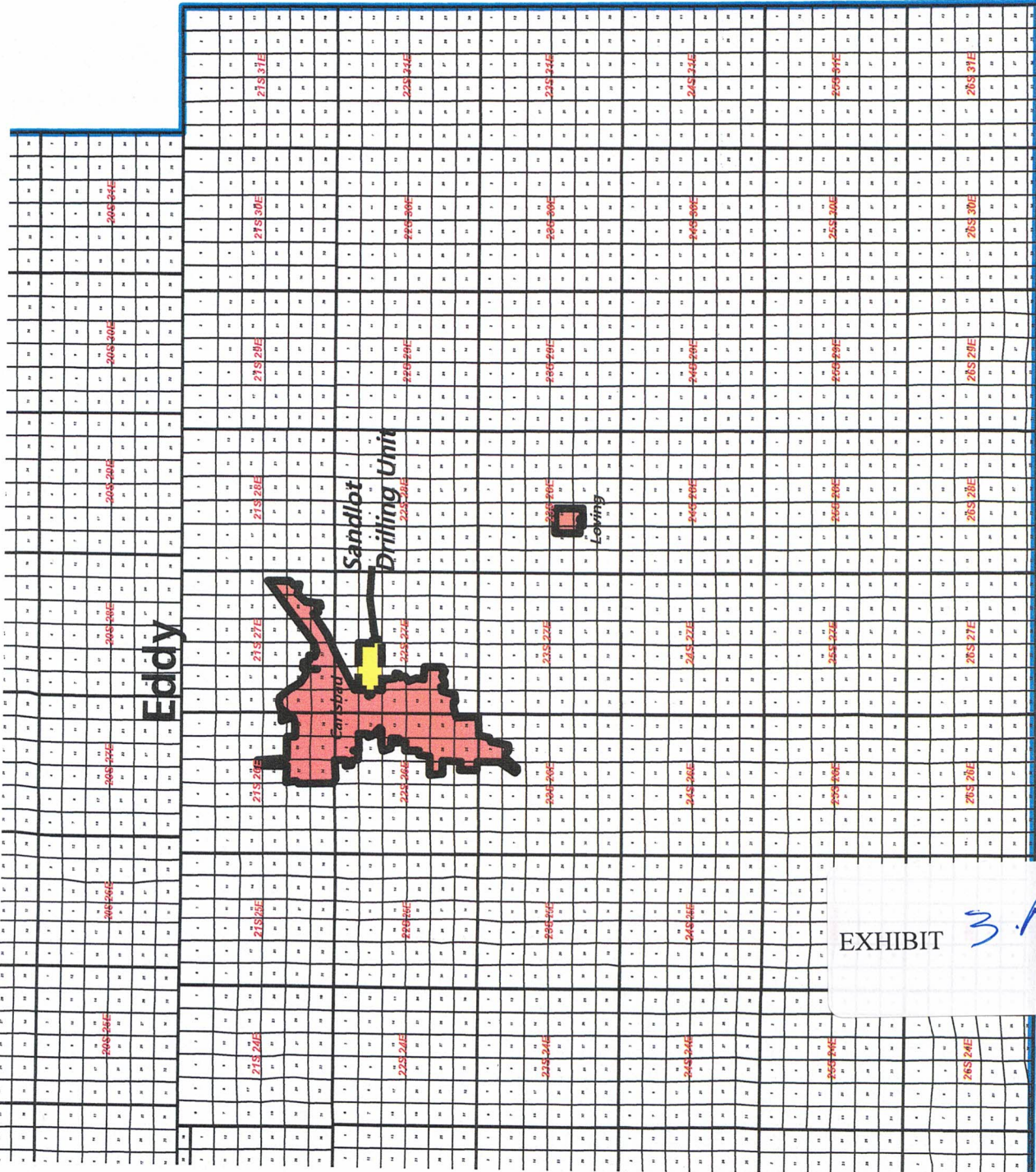


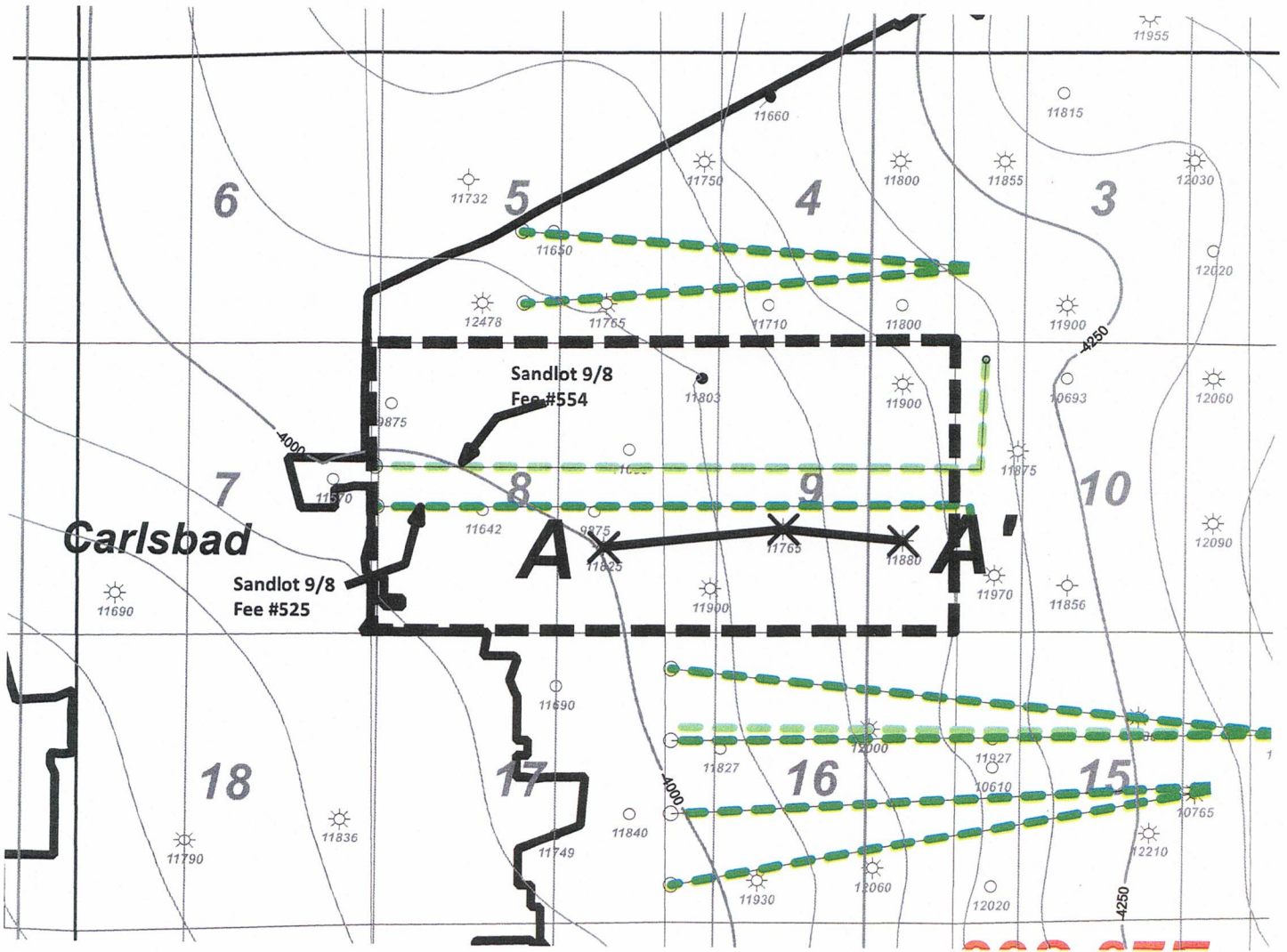
EXHIBIT 3.A



Sandlot 9/8  
Eddy County Locator Map

Author: T. Hill	NM/TX	Date: 23 January, 2024
	Scale: 1.0"=34868'	

Texas



Horizontal Activity

 2<sup>nd</sup> BS Sd.



<b>MOC Mewbourne Oil Company</b>		
Sandlot 9/8 Fee #525 Sandlot 9/8 Fee #554 Structure top 2 <sup>nd</sup> BS Sd (C.I. 50')		
Author: T. Hill	County: Eddy	Date: 23 January, 2024
Scale: 1.0"=2800'		

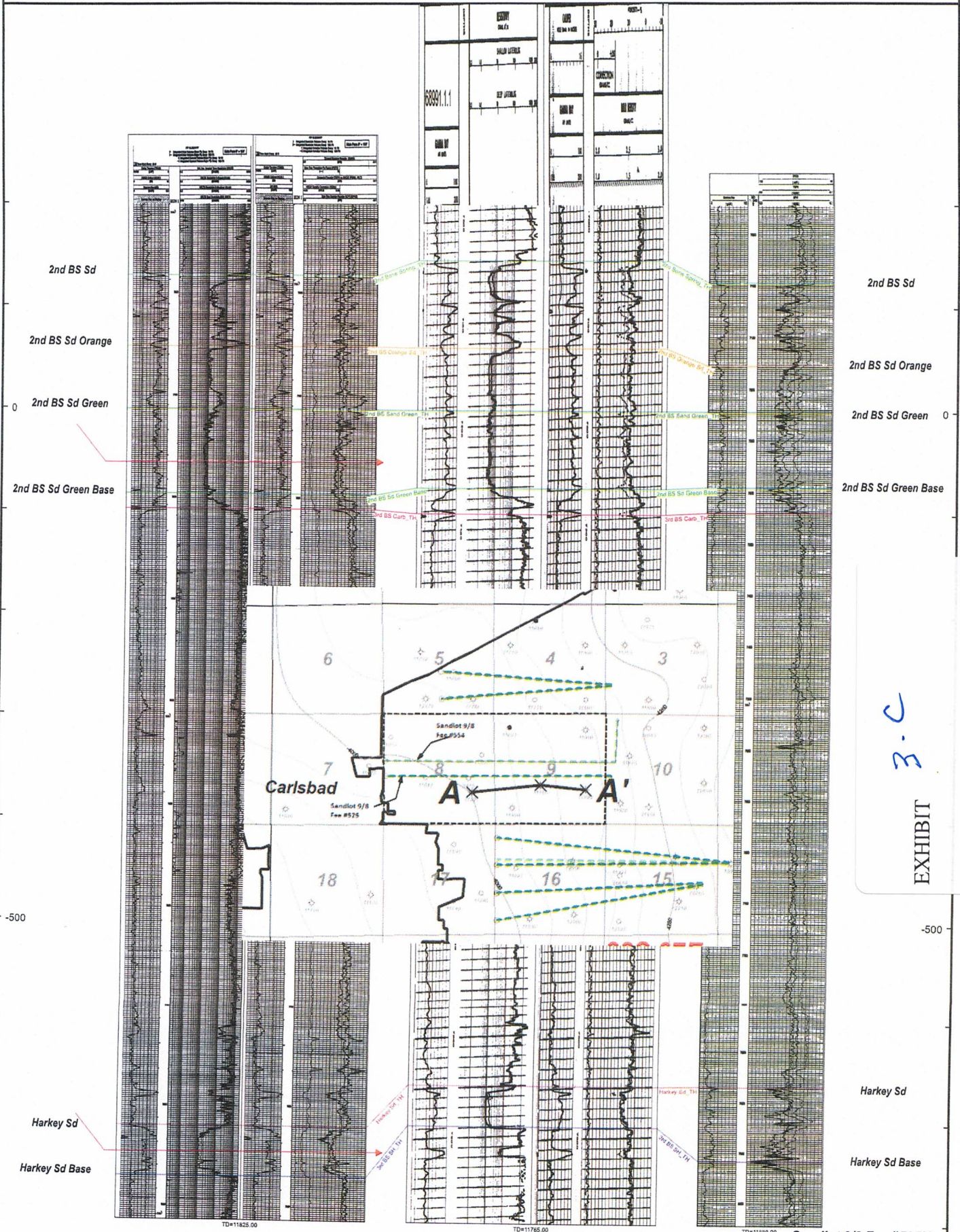
EXHIBIT 3-B



CHEVRON MIDCONTINENT  
MEAD 8  
1555 FSL 1128 FEL  
Datum=3111.00  
Reference=KB  
TWP: 22 S - Range: 27 E - Sec. 8

UNION OIL CO OF CA  
CALVANI COM 1  
1860 FSL 2130 FWL  
Datum=3102.00  
Reference=KB  
TWP: 22 S - Range: 27 E - Sec. 9

MEWBOURNE OIL CO  
PECOS RIVER 9 1  
1650 FSL 990 FEL  
Datum=3090.00  
Reference=KB  
TWP: 22 S - Range: 27 E - Sec. 8



3-C

EXHIBIT

Sandlot 9/8 Fee #525H  
Sandlot 9/8 Fee #554H



DESIGN TARGET DETAILS

Name	TVD	+N-S	+E-W	Northing	Easting	Latitude	Longitude
KOP - Sandlot 9-8 Fee #525H	6517.12	956.97	-113.00	511653.97	587080.10	32.408517	-104.184732
PBHL - Sandlot 9-8 Fee #525H	7120.00	908.20	-10843.90	511605.20	576348.10	32.408419	-104.184732

ANNOTATIONS

MD	Inc	Azi	TVD	+N-S	+E-W	Vsect	Departure	Annotation
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	KOP, 2.00°/100' Build
1325.84	10.52	353.27	1322.99	47.81	-5.65	9.62	48.14	Hold 10.52° Inc, 353.27° Azm
6026.82	10.52	353.27	5994.13	909.16	-107.35	182.85	915.48	Begin 2.00°/100' Drop
6802.86	0.00	0.00	6517.12	956.97	-113.00	192.47	963.62	Begin Vertical Hold
6802.86	0.00	0.00	6517.12	956.97	-113.00	192.47	963.62	Begin 10.00°/100' Build
7712.46	90.96	289.74	7290.00	954.32	-695.54	772.76	1546.17	Begin 90.96° Lateral
17862.35	90.96	289.74	7120.00	908.20	-10843.90	10881.87	11894.63	PBHL

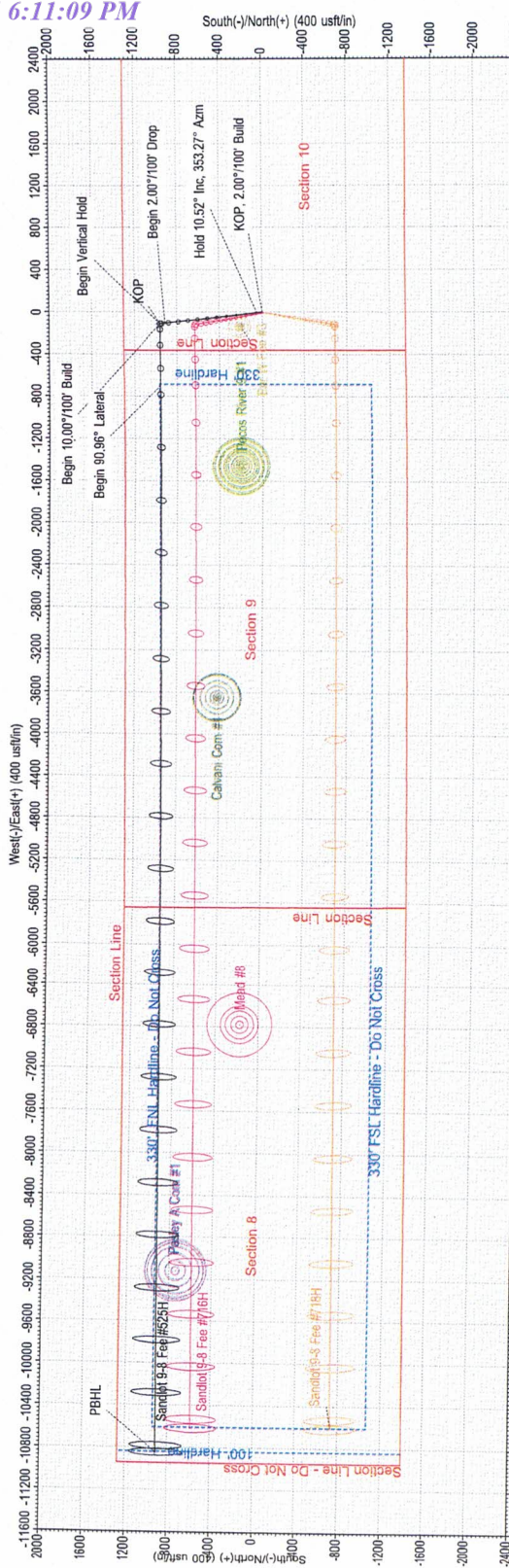
**Sandlot 9-8 Fee #525H**  
**SHL: 1355' FSL & 355' FWL**  
**PBHL: 2310' FSL & 100' FWL**

**330' FSL Hard Line**  
**330' FNL Hard Line**  
**100' FWL Hard Line**  
**330' FEL Hard Line**

Geodetic System: US State Plane 1983  
 Datum: North American Datum 1983  
 Ellipsoid: GRS 1980  
 Zone: New Mexico Easting Zone  
 System Datum: Mean Sea Level



Company: Mewbourne Oil Company  
 Well: Sandlot 9-8 Fee #525H  
 County: Eddy County, New Mexico (NAD 83)  
 Rig: Patterson 244  
 Wellbore: Wellbore #1  
 Design: Design #1  
 Date: 16.04, November 20 2023

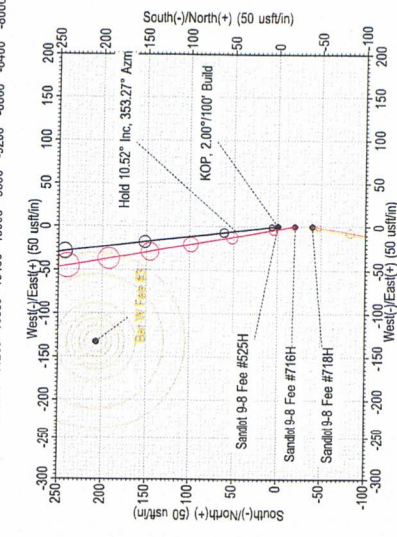
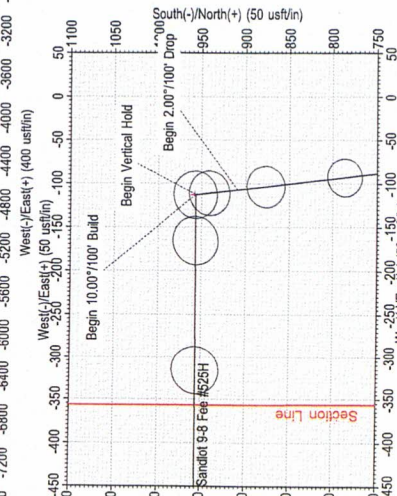
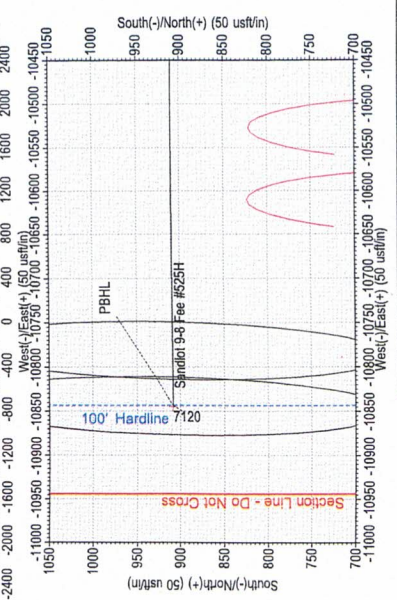


WELL DETAILS: Sandlot 9-8 Fee #525H

GL @ 3082.00	Well @ 3110.00usft (Patterson 244)
+N-S	Northing
0.00	510897.00
+E-W	Easting
0.00	587193.00
Latitude	Longitude
32.403886	-104.184732

SURVEY PROGRAM

Depth From	Depth To	Survey/Plan	Tool
0.00	17862.35	Design #1 (Wellbore #1)	MWD+HRGM

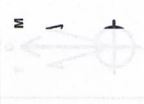


To convert a Magnetic Direction to a Grid Direction, Add 6.704°  
 To convert a Magnetic Direction to a True Direction, Add 6.783° East  
 To convert a True Direction to a Grid Direction, Subtract 0.080°

Alignments to Grid North

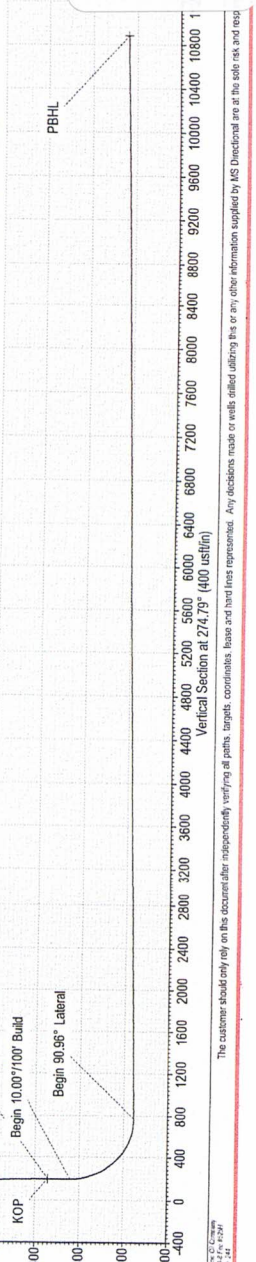
True North	Grid North	Magnetic North
0.000	0.000	0.000

Magnetic Strength: 474.5 Gauss  
 Dip Angle: 5.0°  
 Date: 11/6/2023  
 Model: HDGM 2023



S-D

EXHIBIT



The customer should rely only on the information independently verified on paths, targets, coordinates, bases and land areas represented. Any decisions made or wells drilled utilizing this or any other information supplied by MS Directional are at the sole risk and responsibility of the customer.



DESIGN TARGET DETAILS

Well ID	Latitude	Longitude
KOP - Sandlot 9-8 Fee #554H	32.408375	-104.184088
PBHL - Sandlot 9-8 Fee #554H	32.408461	-104.184088

ANNOTATIONS

MD	Inc	Azi	TVD	+N-S	+E-W	VSci	Departure	Annovation
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	KOP, 2.00°/100' Build
1473.01	19.46	182.49	1454.41	-163.50	-7.11	35.80	163.66	Begin 19.46° Tangent
6482.42	19.46	182.49	6177.64	-1630.81	-79.60	400.84	1832.54	Begin 2.00°/100' Drop
7855.42	0.00	0.00	7332.05	-1994.31	-86.71	436.63	1996.20	Begin Vertical Hold
8557.63	90.22	270.09	7905.00	-1993.36	-661.87	1002.64	2571.36	Begin 10.00°/100' Build
18939.75	90.22	270.09	7865.00	-1976.20	-11043.90	11219.32	12953.41	PBHL

**Sandlot 9-8 Fee #554H**  
**SHL: 315' FNL & 560' FWL**  
**PBHL: 2310' FNL & 100' FWL**

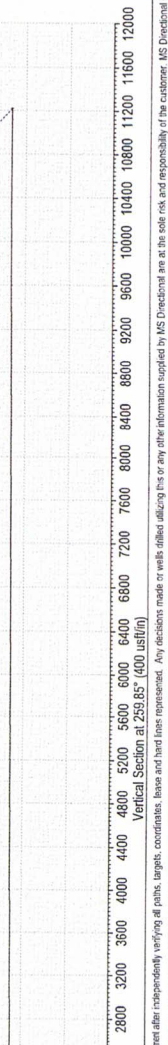
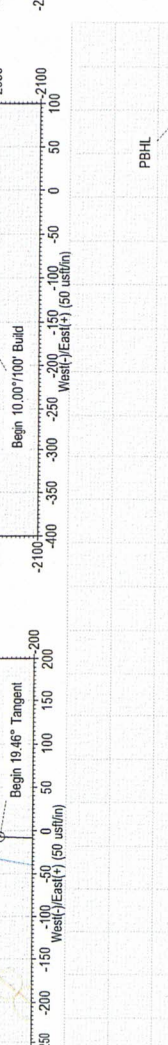
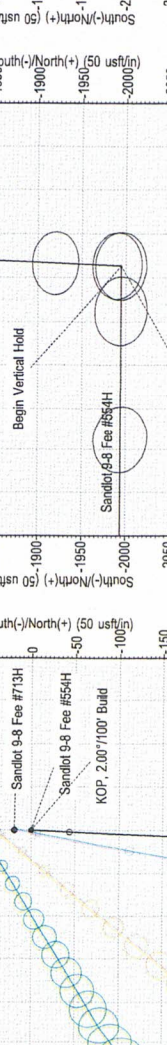
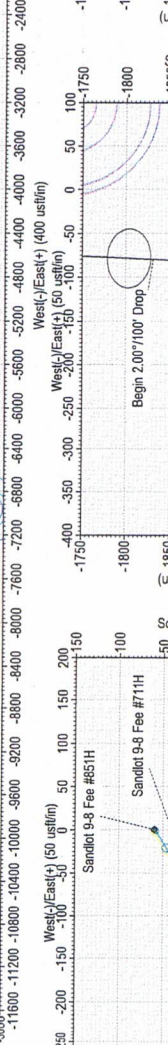
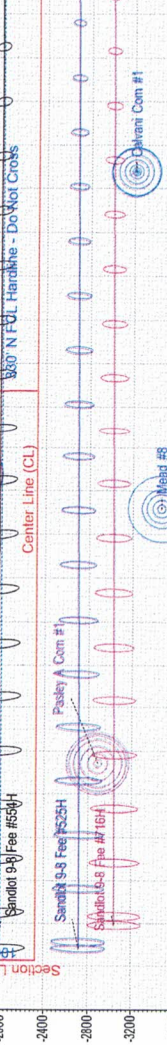
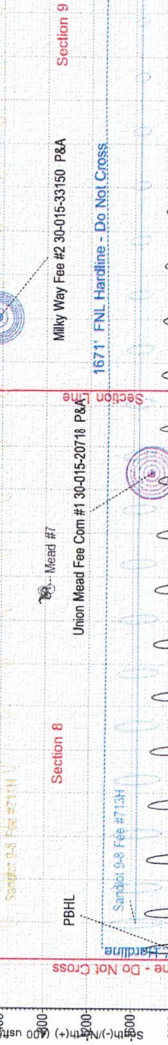
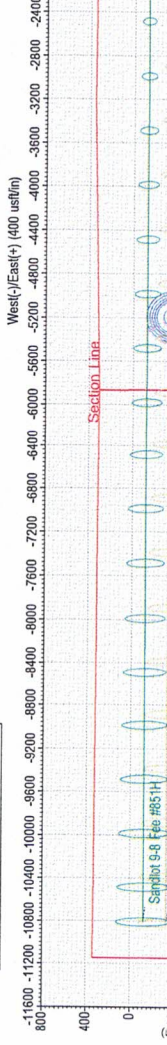
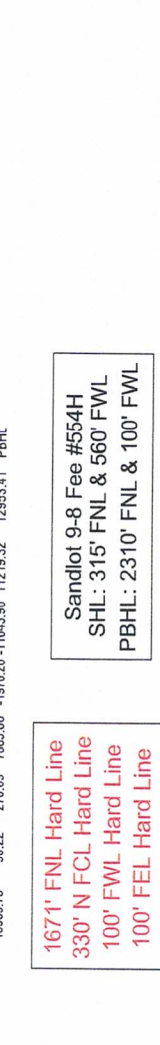
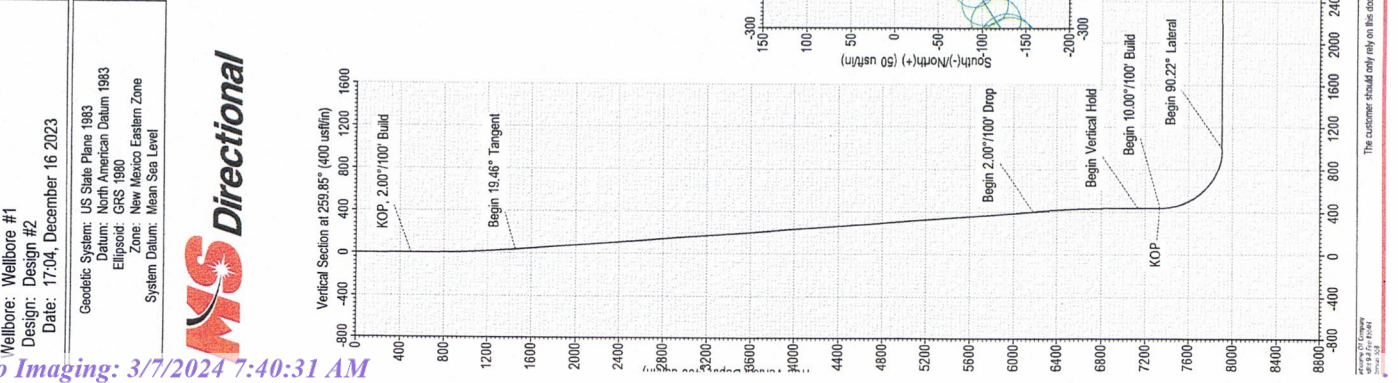
**1671' FNL Hard Line**  
**330' N FCL Hard Line**  
**100' FWL Hard Line**  
**100' FEL Hard Line**

**MWB**  
**Mewbourne Oil Company**  
 Well: Sandlot 9-8 Fee #554H  
 County: Eddy County, New Mexico (NAD 83)  
 Rig: Patterson 558  
 Wellbore: Wellbore #1  
 Design: Design #2  
 Date: 17/04, December 16 2023

Geodetic System: US State Plane 1983  
 Datum: North American Datum 1983  
 Ellipsoid: GRS 1980  
 Zone: New Mexico Eastern Zone  
 System Datum: Mean Sea Level



Depth From	Depth To	Survey/Plan	Tool
0.00	18939.75	Design #2 (Wellbore #1)	MWD+HRGM



**Page 21 of 21**

True North: -0.000°  
 Magnetic North: 6.687°  
 Magnetic Declination: 6.687°  
 Dip Angle: 5°  
 Date: 12/31/2023  
 Model: HDGM

North  
 East  
 West  
 South

To convert a Magnetic Direction to a Grid Direction, Add 6.687°  
 To convert a Magnetic Direction to a True Direction, Add 6.787° East  
 To convert a True Direction to a Grid Direction, Subtract 0.080°

The customer should only use this document (and independently) verifying all points, targets, coordinates, base and hard line representation. Any decisions made in wellbore planning are the sole risk and responsibility of the customer. MS Directional is not responsible for the accuracy of this schematic or the information contained herein.