

CASE NO. 24381

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

EXHIBITS – Part I

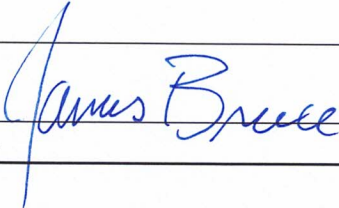
1. Pooling Checklist
2. Landman's Affidavit
Exhibit 2-A: C-102s
Exhibit 2-B: Plat and Interest Owner Lists
Exhibit 2-C: Summary of Communications and Proposal Letter
Exhibit 2-D: AFEs
3. Geologist's Affidavit
Exhibit 3-A: Structure Map
Exhibit 3-B: Cross-section
Exhibit 3-C: Horizontal Drilling Plans

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24381	APPLICANT'S RESPONSE
Date: May 2, 2024	
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID 14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Burlington Resources Oil & Gas Company/Holland & Hart LLP
Well Family	Kings Landing Bone Spring wells
Formation/Pool	
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:	Querecho Plains; Lower Bone Spring/Pool Code 50510
Well Location Setback Rules:	Statewide Rules for horizontal wells – 330' and 100' setbacks
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	W/2 §25 and W/2 §24, Township 18 South, Range 32 East, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	No. Approval of an NSP has been requested administratively.
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N

EXHIBIT

Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
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	<p>Kings Landing 25/24 Fed. Com. Well No. 511H API No. 30-025-Pending SHL: 250 FSL & 1280 FWL §25 BHL: 100 FNL & 660 FWL §24 FTP: 100 FSL & 660 FWL §25 LTP: 100 FNL & 660 FWL §24 Second Bone Spring/TVD 9340 feet/MD 19555 feet</p> <p>Kings Landing 25/24 Fed. Com. Well No. 513H API No. 30-025-Pending SHL: 250 FSL & 1300 FWL §25 BHL: 100 FNL & 1980 FWL §24 FTP: 100 FSL & 1980 FWL §25 LTP: 100 FNL & 1980 FWL §24 Second Bone Spring/TVD 9342 feet/MD 19638 feet</p>
Well #2	
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost plus 200%
Notice of Hearing	
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
Ownership Determination	

Land Ownership Schematic of the Spacing Unit	Exhibit 2-B
Tract List (including lease numbers and owners)	Exhibit 2-B
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-B; Working Interest Owners
Unlocatable Parties to be Pooled	
Ownership Depth Severance (including percentage above & below)	No Depth Severance
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2-B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D
Cost Estimate for Production Facilities	Exhibit 2-D
Geology	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibits 2-A and 3-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-B
Well Orientation (with rationale)	South-North; Exhibits 3 and 3-A
Target Formation	Second Bone Spring Sand
HSU Cross Section	Exhibit 3-B
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 2-A
Tracts	Exhibit 2-B

Summary of Interests, Unit Recapitulation (Tracts)	Exhibits 2-B
General Location Map (including basin)	Exhibit 3-A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3-A
Cross Section (including Landing Zone)	Exhibit 3-B
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	April 28, 2024

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

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

Case No. 24381

SELF-AFFIRMED STATEMENT OF HUDSON BRUNSON

Hudson Brunson 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 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.

4. In this case Mewbourne seeks an order pooling the Bone Spring formation underlying a non-standard horizontal spacing unit comprised of the W/2 of Section 25 and the W/2 of Section 24, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Mewbourne proposes to drill the following wells to depths sufficient to test the Bone Spring formation:

(a) the Kings Landing 25/24 Fed. Com. Well Nos. 511H, with a first take point in the SW/4SW/4 of Section 25 and a last take point in the NW/4NW/4 of Section 24; and

(b) the Kings Landing 25/24 Fed. Com. Well Nos. 531H, with a first take point in the SE/4SW/4 of Section 25 and a last take point in the NE/4NW/4 of Section 24.

5. C-102s for the wells are marked as Exhibit 2-A. Land plats and information on the parties being pooled, and their interests, are set forth in Exhibit 2-B.

6. Exhibit 2-C contains a summary of communications with the uncommitted party, and a copy of the proposal letter sent to the interest owner.

AFE's for the wells are marked Exhibit 2-D. The costs in the AFE's are fair and reasonable for wells of this depth and length in this area of Lea County.

7. 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.

EXHIBIT 2

8. 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 Lea 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.

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

10. Applicant requests that it be designated operator of the wells.

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

12. 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 12 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.

April 26, 2024
Date



Hudson Brunson

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number Pending		2 Pool Code 50510		3 Pool Name Querecho Plains; Lower Bone Spring					
4 Property Code		5 Property Name KINGS LANDING 25/24 FED COM						6 Well Number 511H	
7 GRID NO 14744		8 Operator Name MEWBOURNE OIL COMPANY						9 Elevation 3738'	
10 Surface Location									
UL or lot no. M	Section 25	Township 18S	Range 32E	Lot Idn	Feet from the 250	North/South line SOUTH	Feet From the 1280	East/West line WEST	County LEA
11 Bottom Hole Location If Different From Surface									
UL or lot no. D	Section 24	Township 18S	Range 32E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 660	East/West line WEST	County LEA
12 Dedicated Acres 640		13 Joint or Infill		14 Consolidation Code		15 Order No			

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

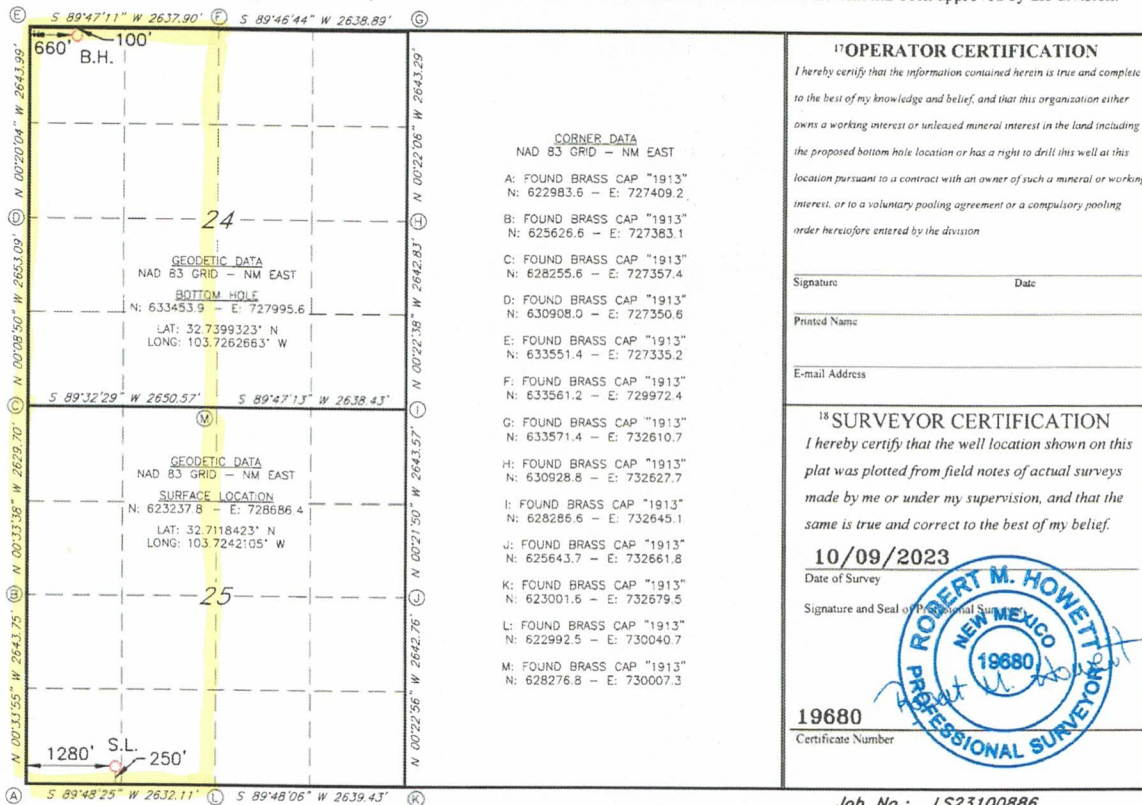


EXHIBIT 2-A

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
1230 S St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

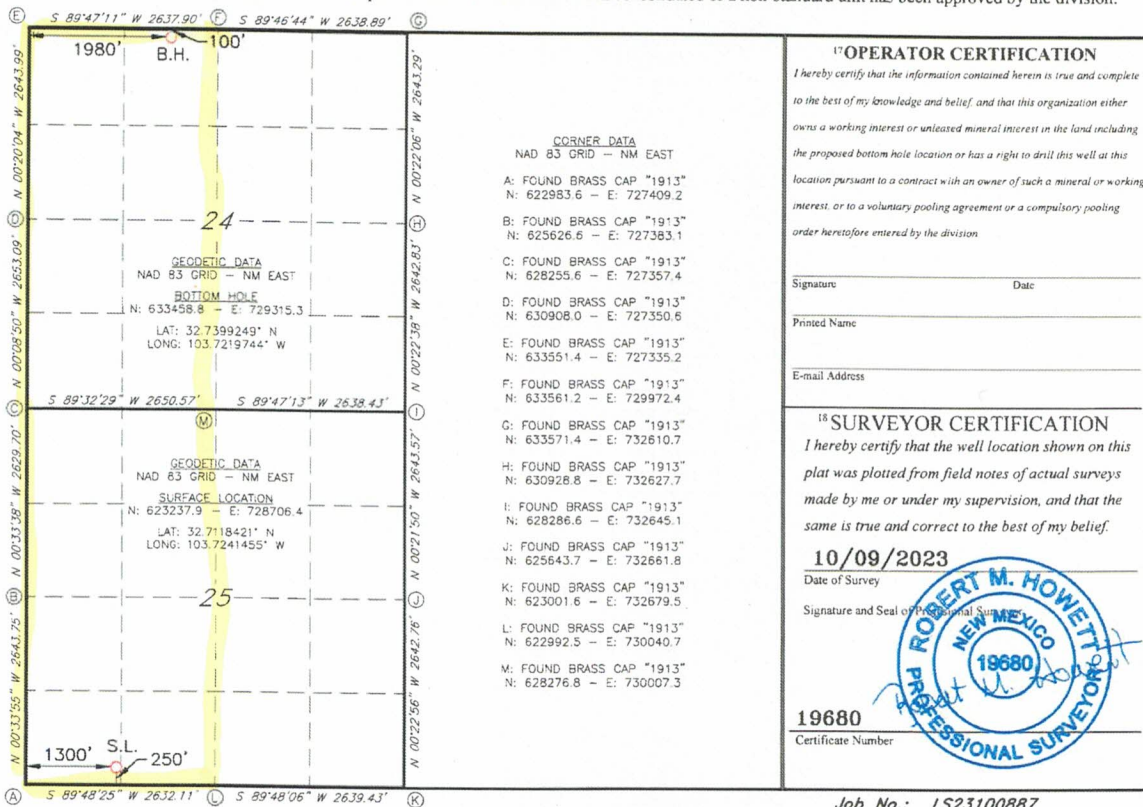
¹ API Number Pending	² Pool Code 50510	³ Pool Name Querecho Plains; Lower Bone Spring Pool
⁴ Property Code	⁵ Property Name KINGS LANDING 25/24 FED COM	
⁷ GRID NO 14744	⁸ Operator Name MEWBOURNE OIL COMPANY	⁶ Well Number 513H
		⁹ Elevation 3738'

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
M	25	18S	32E		250	SOUTH	1300	WEST	LEA

¹¹ 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
C	24	18S	32E		100	NORTH	1980	WEST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No
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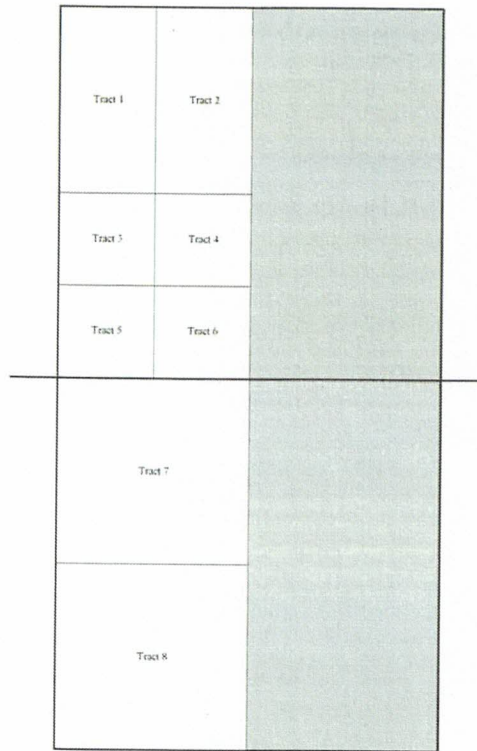
No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



Section Plat
Kings Landing 25/24 Fed Com #511H
Kings Landing 25/24 Fed Com #513H
W/2 of Section 24 and W/2 of Section 25

T18S-R32E, Lea County, NM

Section 24



Section 25

Tract 1: W/2NW/4 of Section 24- Federal Lease NMNM 93432 out of NMNM 0392867
BTA Oil Producers, LLC

Tract 2: E/2NW/4 of Section 24- Federal Lease NMNM 94193 out of NMNM 0392867
BTA Oil Producers, LLC

Tract 3: NW/4SW/4 of Section 24- Federal Lease NMNM 94093
Mewbourne Oil Company

Tract 4: NE/4SW/4 of Section 24- Federal Lease NMNM 53292
Mewbourne Oil Company, et al

Tract 5: SW/4SW/4 of Section 24- Federal Lease NMNM 2945
Mewbourne Oil Company, et al
BTA Oil Producers, LLC
Burlington Resources Oil & Gas Company
PBEX LLC
Skocco, L.P

Tract 6: SE/4SW/4 of Section 24- Federal Lease NMNM 94195 out of NMNM 2945
Mewbourne Oil Company, et al
BTA Oil Producers, LLC
PBEX LLC
Skocco, L.P

Tract 7: NW/4 of Section 25- Federal Lease NMNM 140716
Mewbourne Oil Company

Tract 8: SW/4 of Section 25- Federal Lease NMNM 45225
Mewbourne Oil Company, et al
Estate of Shirley B. Wynn
Gahr Energy Company
J.M. Gahr
M.C. and J.M. Gahr (JT W RT SURV)
Gardinia Investments Ltd
Matazor Resources Company
V-F Petroleum Inc.
F Petroleum Inc. (Record Title)
S Rhett Gust

EXHIBIT 2.B

RECAPITULATION FOR
Kings Landing 25/24 Fed Com #511H
Kings Landing 25/24 Fed Com #513H

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
1	80	12.500000%
2	80	12.500000%
3	40	6.250000%
4	40	6.250000%
5	40	6.250000%
6	40	6.250000%
7	160	25.000000%
8	160	25.000000%
TOTAL	640	100.000000%

TRACT OWNERSHIP

Kings Landing 25/24 Fed Com #511H
Kings Landing 25/24 Fed Com #513H
W/2 of Section 24 & W/2 of Section 25

W/2 of Section 24 & W/2 of Section 25
Bone Spring Formation:

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al	48.674440%
*BTA Oil Producers, LLC	25.781250%
*V.F Petroleum Inc	7.649032%
*PBEX LLC	6.250000%
*Gahr Energy Company	5.649719%
*Burlington Resources Oil & Gas Company	1.562500%
*J.M Gahr	1.166208%
*S Rhett Gist	1.055837%
*Gardena Investments Ltd	1.055837%
*Skecco L.P	0.781250%
*M.C. and J.M Gahr (JT W RT SURV)	0.211167%
*Matador Resources Company	0.097656%
*Estate of Shirley B Wynn	0.065104%
TOTAL	100.000000%
*Total Interest Being Pooled:	51.315560%

OWNERSHIP BY TRACT

W/2NW/4 of Section 24

Owner	% of Leasehold Interest
BTA Oil Producers, LLC	100.000000%
TOTAL	100.000000%

E/2NW/4 of Section 24

Owner	% of Leasehold Interest
BTA Oil Producers, LLC	100.000000%
TOTAL	100.000000%

NW/4SW/4 of Section 24

Owner	% of Leasehold Interest
Mewbourne Oil Company	100.000000%
TOTAL	100.000000%

NE/4SW/4 of Section 24

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

SW/4SW/4 of Section 24

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al	12.500000%
PBEX LLC	30.000000%
Burlington Resources Oil & Gas Company	25.000000%
BTA Oil Producers, LLC	6.250000%
Skecco, L.P	6.250000%
TOTAL	100.000000%

SE/4SW/4 of Section 24

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al	37.500000%
PBEX LLC	50.000000%
BTA Oil Producers, LLC	6.250000%
Skecco, L.P	6.250000%
TOTAL	100.000000%

NW/4 of Section 25

Owner	% of Leasehold Interest
Mewbourne Oil Company	100.000000%
TOTAL	100.000000%

SW/4 of Section 25

Owner	% of Leasehold Interest
Mawbourne Oil Company, et al.	32.197762%
V-F Petroleum Inc	30.596127%
Gahr Energy Company	22.598876%
J.M. Gahr	4.664832%
Gardenia Investments Ltd	4.223346%
S Rhett Gust	4.223346%
M.C. and J.M. Gahr (JT W RT SURV)	0.844669%
Matador Resources Company	0.390625%
Estate of Shirley B Wynn	0.260417%
	100.000000%

Burlington Resources Oil & Gas Company:

2/6/2024: Mailed Working Interest Unit, Well Proposal and Joint Operating Agreement to above listed party.
2/8/2024: Emailed an employee of the above listed party.
2/12/2024: Emailed an employee of the above listed party.
2/21/2024: Phone call with an employee of the above listed party.
3/12/2024: Emailed an employee of the above listed party.
4/17/2024: In person conversation with an employee of the above listed party.

J.M. Gahr:

1/11/2024: Mailed Working Interest Unit, Well Proposal and Joint Operating Agreement to above listed party.
1/23/2024: Emailed an employee of the above listed party.
1/24/2024: Emailed an employee of the above listed party.
1/25/2024: Emailed an employee of the above listed party.
1/29/2024: Emailed an employee of the above listed party.
2/7/2024: Emailed an employee of the above listed party.
2/9/2024: Emailed an employee of the above listed party.
3/4/2024: Emailed an employee of the above listed party.
4/8/2024: Called an employee of the above listed party.

Gardenia Investments Ltd.:

1/11/2024: Mailed Working Interest Unit, Well Proposal and Joint Operating Agreement to above listed party.
1/23/2024: Called an employee of the above listed party.
4/3/2024: Called a different phone number of an employee of the above listed party.
4/8/2024: Called another phone number for the above listed party.
4/8/2024: Called another phone number for the above listed party.

S. Rhett Gist:

1/11/2024: Mailed Working Interest Unit, Well Proposal and Joint Operating Agreement to above listed party.
2/5/2024: Emailed the above listed party.
2/13/2024: Called and left a message for the above listed party.
2/16/2024: Emailed the above listed party.
2/28/2024: Called and left a message for the above listed party.

Skeeco, L.P.:

1/11/2024: Mailed Working Interest Unit, Well Proposal and Joint Operating Agreement to above listed party.
1/22/2024: Emailed an employee of the above listed party.
1/22/2024: Phone call with an employee of the above listed party.
2/2/2024: Phone call with an employee of the above listed party.
2/13/2024: Phone call with an employee of the above listed party.
2/28/2024: Called and left a message with an employee of the above listed party.
3/12/2024: Emailed an employee of the above listed party.
3/13/2024: Emailed an employee of the above listed party.

M.C. and J.M. Gahr (JT W RT SURV):

1/11/2024: Mailed Working Interest Unit, Well Proposal and Joint Operating Agreement to above listed party.
1/23/2024: Emailed an employee of the above listed party.
1/24/2024: Emailed an employee of the above listed party.
1/25/2024: Emailed an employee of the above listed party.

EXHIBIT

2. C

1/29/2024: Emailed an employee of the above listed party.
2/7/2024: Emailed an employee of the above listed party.
2/9/2024: Emailed an employee of the above listed party.
3/4/2024: Emailed an employee of the above listed party.
4/8/2024: Called an employee of the above listed party.

Matador Resources Company:

2/7/2024: Mailed Working Interest Unit, Well Proposal and Joint Operating Agreement to above listed party.
2/23/2024: Phone call with an employee of the above listed party.
3/12/2024: Mailed additional information to above listed party.

Estate of Shirley B. Wynn:

2/7/2024: Mailed Working Interest Unit, Well Proposal and Joint Operating Agreement to above listed party.
3/12/2024: Mailed additional information to above listed party.
3/21/2024: Tried mailing the package to a different address.

F Petroleum Inc. (Record Title Owner):

3/12/2024: Mailed Communitization Agreement to above listed party.

Summary of Communications
Kings Landing 25/24 Fed Com #511H
Kings Landing 25/24 Fed Com #513H
W/2 of Section 24-T18S-R32E, Lea County, NM &
W/2 of Section 25-T18S-R32E, Lea County, NM

BTA Oil Producers, LLC:

1/11/2024: Mailed Working Interest Unit, Well Proposal and Joint Operating Agreement to above listed party.
1/16/2024: Emailed an employee of the above listed party.
4/12/2024: Emailed an employee of the above listed party.
4/15/2024: Emailed an employee of the above listed party.
4/22/2024: In person meeting with a few employees of the above listed party.
4/23/2024: Phone call and email with an employee of the above listed party.
4/24/2024: Phone call and email with an employee of the above listed party.
4/25/2024: Emailed an employee of the above listed party.

V-F Petroleum, Inc.:

1/11/2024: Mailed Working Interest Unit, Well Proposal and Joint Operating Agreement to above listed party.
1/23/2024: Emailed an employee of the above listed party.
1/24/2024: Emailed an employee of the above listed party.
1/25/2024: Emailed an employee of the above listed party.
1/29/2024: Emailed an employee of the above listed party.
2/7/2024: Emailed an employee of the above listed party.
2/9/2024: Emailed an employee of the above listed party.
3/4/2024: Emailed an employee of the above listed party.
4/8/2024: Called an employee of the above listed party.

PBEX LLC:

1/11/2024: Mailed Working Interest Unit, Well Proposal and Joint Operating Agreement to above listed party.
1/19/2024: Emailed an employee of the above listed party.
1/25/2024: Emailed an employee of the above listed party.
2/12/2024: Emailed an employee of the above listed party.
2/19/2024: Called an employee of the above listed party.
4/8/2024: Called an employee of the above listed party.

Gahr Energy Company:

1/11/2024: Mailed Working Interest Unit, Well Proposal and Joint Operating Agreement to above listed party.
1/23/2024: Emailed an employee of the above listed party.
1/24/2024: Emailed an employee of the above listed party.
1/25/2024: Emailed an employee of the above listed party.
1/29/2024: Emailed an employee of the above listed party.
2/7/2024: Emailed an employee of the above listed party.
2/9/2024: Emailed an employee of the above listed party.
3/4/2024: Emailed an employee of the above listed party.
4/8/2024: Called an employee of the above listed party.

MEWBOURNE OIL COMPANY

FASKEN CENTER
500 WEST TEXAS, SUITE 1020
MIDLAND, TX 79701

TELEPHONE (432) 682-3715

January 8, 2024

Via Certified Mail

Working Interest Owner

Re: KINGS LANDING 25/24 FED COM #511H
SL: 250' FSL & 660' FWL (Section 25);
BHL: 100' FNL & 660' FWL (Section 24)

KINGS LANDING 25/24 FED COM #513H
SL: 250' FSL & 680' FWL (Section 25);
BHL: 100' FNL & 1980' FWL (Section 24)

W/2 of Section 24 & W/2 of Section 25, T18S, R32E
Lea County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 640 acre Working Interest Unit ("WIU") covering the W/2 of of the captioned Section 24 & the W/2 of the captioned Section 25 for oil and gas production.

Mewbourne as Operator hereby proposes to drill the captioned KINGS LANDING 25/24 FED COM #511H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 9,340 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 19,555 feet. The W/2W/2 of Section 24 and the W/2W/2 of Section 25 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned KINGS LANDING 25/24 FED COM #513H well at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 9,342 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 19,638 feet. The E/2W/2 of Section 24 and the E/2W/2 of Section 25 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our Operating Agreement dated January 1, 2024, along with an extra set of signature pages and our AFEs dated August 9, 2023, for the captioned proposed wells. Please sign and return said AFEs and extra set of signature pages at your earliest convenience if you elect to participate in the captioned wells and WIU and return to me within thirty (30) days.

In lieu of participation, Mewbourne is interested in discussing various options for your interest.

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

Sincerely,

MEWBOURNE OIL COMPANY

Hudson Brunson
Landman

MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: KINGS LANDING 25/24 FED COM #511H Prospect: KINGS LANDING
 Location: SL: 250 FSL & 660 FWL (25); BHL: 100 FNL & 660 FWL (24) County: LEA ST: NM
 Sec. 25 Blk: Survey: TWP: 18S RNG: 32E Prop. TVD: 9340 TMD: 19555

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$50,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$140,000	0180-0206	\$50,000
Daywork / Turnkey / Footage Drilling	23 days drlg / 3 days comp @ \$28,000/d	0180-0110	\$687,800	0180-0210	\$89,700
Fuel	1700 gal/day @ \$3.90/gal	0180-0114	\$162,900	0180-0214	\$238,800
Alternate Fuels		0180-0115		0180-0215	\$54,000
Mud, Chemical & Additives		0180-0120	\$35,000	0180-0220	
Mud - Specialized		0180-0121	\$240,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$25,000
Cementing		0180-0125	\$150,000	0180-0225	\$50,000
Logging & Wireline Services		0180-0130	\$33,000	0180-0230	\$302,300
Casing / Tubing / Snubbing Service		0180-0134	\$30,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$15,000		
Stimulation	51 Stg 20.2 MMgal & 20.2 MMlbs			0180-0241	\$2,284,000
Stimulation Rentals & Other				0180-0242	\$232,000
Water & Other		0180-0145	\$35,000	0180-0245	\$385,200
Bits		0180-0148	\$83,300	0180-0248	\$5,000
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	\$15,000
Welding, Construction, & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision		0180-0170	\$149,900	0180-0270	\$73,100
Directional Services	Includes vertical control	0180-0175	\$384,500		
Equipment Rental		0180-0180	\$160,200	0180-0280	\$30,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,200	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$5,000	0180-0290	\$10,000
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$97,200	0180-0295	\$34,200
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$137,600	0180-0299	\$211,000
TOTAL			\$2,889,600		\$4,431,300

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	1320' - 13 3/8" 54.5# J-55 ST&C @ \$58.21/ft	0181-0794	\$82,100		
Casing (8.1" - 10.0")	3005' - 9 5/8" 40# HCL80 LT&C @ \$56.93/ft	0181-0795	\$182,700		
Casing (6.1" - 8.0")	8950' - 7" 29# HPP110 BT&C @ \$51.82/ft	0181-0796	\$495,300		
Casing (4.1" - 6.0")	10755' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$29.55/ft			0181-0797	\$339,400
Tubing	9000' - 2 7/8 6.5# L-80 IPC Tbg @ \$13.00/ft			0181-0798	\$125,000
Drilling Head		0181-0860	\$50,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools				0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Service Pumps	(1/2) TP/CP/Circ pump			0181-0886	\$16,000
Storage Tanks	(1/2) 4 OT/ 3 WT/ 1 GB			0181-0890	\$142,000
Emissions Control Equipment	(1/2) 2 VRT/1 VRU/Flare/3 KOs/AIR			0181-0892	\$138,000
Separation / Treating Equipment	(1/2) 2 H Sep/V Sep/2 VHT			0181-0895	\$77,000
Automation Metering Equipment				0181-0898	\$90,000
Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0900	\$28,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	\$54,000
On-site Valves/Fittings/Lines&Misc				0181-0906	\$200,000
Wellhead Flowlines - Construction				0181-0907	\$36,000
Cathodic Protection				0181-0908	\$0
Electrical Installation				0181-0909	\$236,000
Equipment Installation				0181-0910	\$150,000
Oil/Gas Pipeline - Construction				0181-0920	\$28,000
Water Pipeline - Construction				0181-0921	\$43,000
TOTAL			\$810,100		\$1,761,400
SUBTOTAL			\$3,699,700		\$6,192,700

TOTAL WELL COST \$9,892,400

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

I elect to purchase my own well control insurance policy.

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

Prepared by: H. Buckley Date: 08/09/2023
 Company Approval: _____ Date: _____

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

EXHIBIT 2-D

MEWBORNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE

Well Name: <u>KINGS LANDING 25/24 FED COM #513H</u>		Prospect: <u>KINGS LANDING</u>	
Location: <u>SL: 250 FSL & 680 FWL (25); BHL: 100 FNL & 1980 FWL (24)</u>		County: <u>LEA</u>	ST: <u>NM</u>
Sec.: <u>25</u>	Blk: <u> </u>	Survey: <u> </u>	TWP: <u>18S</u> RNG: <u>32E</u> Prop. TVD: <u>9342</u> TMD: <u>19638</u>

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$50,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$140,000	0180-0206	\$50,000
Daywork / Turnkey / Footage Drilling 23 days drlg / 3 days comp @ \$28,000/d		0180-0110	\$687,800	0180-0210	\$89,700
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Mud - Specialized		0180-0121	\$240,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$25,000
Cementing		0180-0125	\$150,000	0180-0225	\$50,000
Logging & Wireline Services		0180-0130	\$33,000	0180-0230	\$302,300
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Stimulation 51 Stg 20.2 MMgal & 20.2 MMlbs				0180-0241	\$2,284,000
Stimulation Rentals & Other				0180-0242	\$232,000
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Horizontal Completion Tools				0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Service Pumps (1/2) TP/CP/Circ pump				0181-0886	\$16,000
Storage Tanks (1/2) 4 OT/ 3 WT/ 1 GB				0181-0890	\$142,000
Emissions Control Equipment (1/2) 2 VRT/1 VRU/Flare/3 KOs/AIR				0181-0892	\$138,000
Separation / Treating Equipment (1/2) 2 H Sep/1 VHT				0181-0895	\$77,000
Automation Metering Equipment				0181-0898	\$90,000
Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0900	\$28,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	\$54,000
On-site Valves/Fittings/Lines&Misc				0181-0906	\$200,000
Wellhead Flowlines - Construction				0181-0907	\$36,000
Cathodic Protection				0181-0908	\$0
Electrical Installation				0181-0909	\$236,000
Equipment Installation				0181-0910	\$150,000
Oil/Gas Pipeline - Construction				0181-0920	\$28,000
Water Pipeline - Construction				0181-0921	\$43,000
TOTAL			\$810,100		\$1,764,100
SUBTOTAL			\$3,699,700		\$6,195,400

TOTAL WELL COST		\$9,895,100	
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Extra Expense Insurance

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

I elect to purchase my own well control insurance policy.

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

Prepared by: H. Buckley Date: 08/09/2023

Company Approval: _____ Date: _____

Joint Owner Interest: _____ Amount: _____

Joint Owner Name: _____ Signature: _____

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

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

Case No. 24381

SELF-AFFIRMED STATEMENT OF CHARLES CROSBY

COUNTY OF MIDLAND)
STATE OF TEXAS) ss.
)

Charles Crosby deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Mewbourne Oil Company ("Mewbourne"), and I am familiar with the geological matters involved in this case. I have been qualified by the Division as an expert petroleum geologist.
3. This case involves the Bone Spring formation underlying a non-standard horizontal spacing unit comprised of the W/2 of Section 25 and the W/2 of Section 24, Township 18 South; Range 32 East, N.M.P.M., Lea County, New Mexico. Applicant proposes to drill the following wells to depths sufficient to test the Bone Spring formation:
 - (a) the Kings Landing 25/24 Fed. Com. Well Nos. 511H, with a first take point in the SW/4SW/4 of Section 25 and a last take point in the NW/4SW/4 of Section 24; and
 - (b) the Kings Landing 25/24 Fed. Com. Well Nos. 513H, with a first take point in the SE/4SW/4 of Section 25 and a last take point in the NE/4SW/4 of Section 24.
4. The following geological plats are attached hereto:
 - (a) Exhibit 3-A is a structure map on the base of the Second Bone Spring Sand. It shows that structure dips gently to the south. It also shows a north-south line of cross-section.
 - (b) Exhibit 3-B is a cross section showing the Second Bone Spring Sand, the target zone for the wells proposed in the well unit. The well logs on the cross-section give a representative sample of the Second Bone Spring Sand in this area. The target zone in the sand is continuous and uniformly thick across the well unit.

EXHIBIT

3

5. I conclude from the maps that:

- (a) The horizontal spacing unit is justified from a geologic standpoint.
- (b) The target zone is continuous and of relatively uniform thickness across the well unit.
- (c) Each quarter-quarter section in the well unit 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.

6. Exhibit 3-A shows that Second Bone Spring Sand wells nearest the proposed well unit is a standup well. There is also offsetting data indicating standup wells are proper. Mewbourne believes a standup well unit is reasonable.

7. Exhibit 3-C contains horizontal drilling plans for the proposed wells. The producing intervals of the wells will be orthodox.

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 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.

4/26/24

Date



Charles Crosby

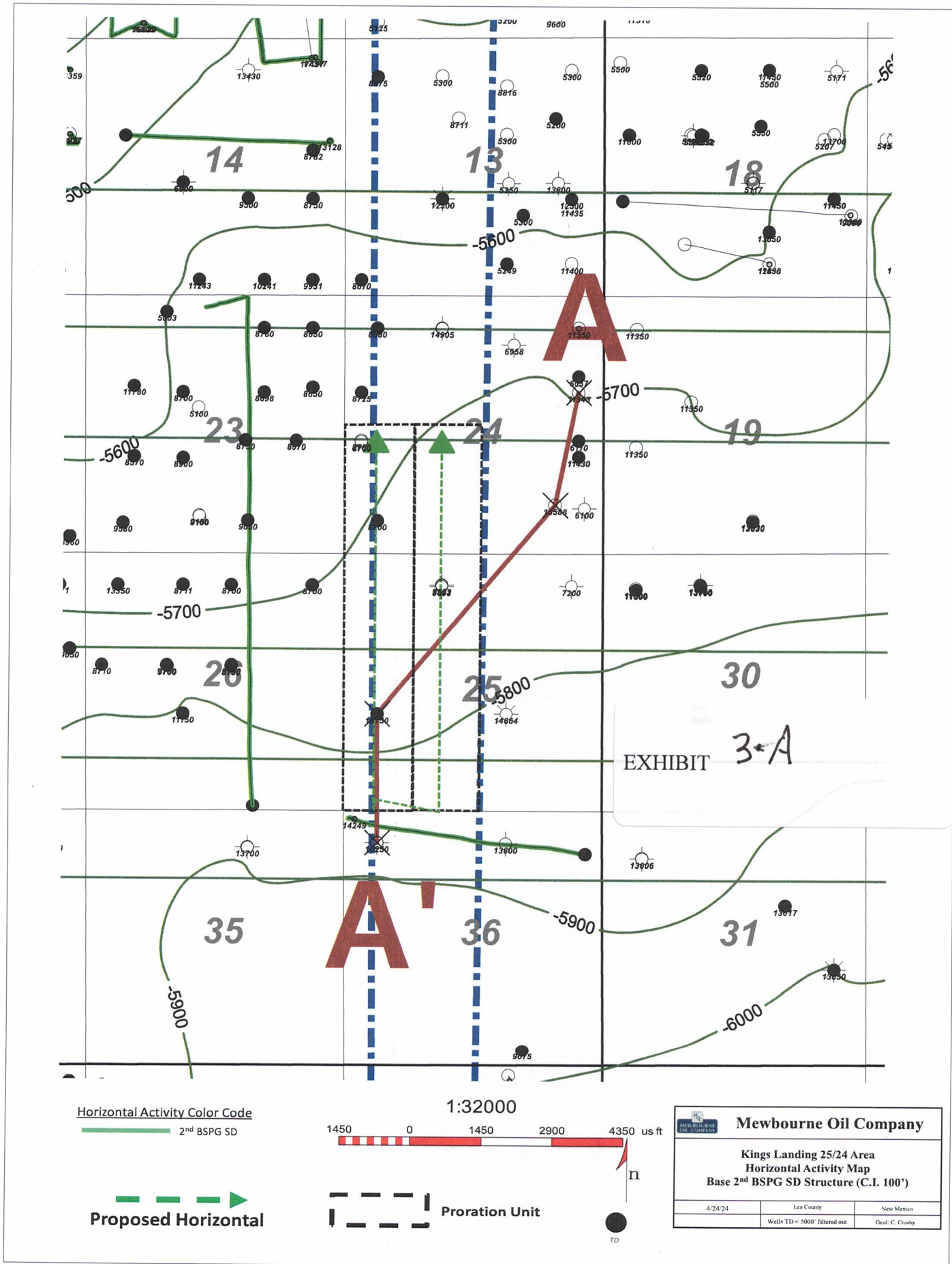


EXHIBIT 3-B

