

CASE NO. 24189

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

EXHIBIT LIST (3rd Revised – Final)

PART I

1. Pooling Checklist
2. Landman's Affidavit
 - 2-A: C-102, Tract Map, Ownership List, and Pooling List
 - 2-B: Proposal Letters and AFE
3. Geologist's Affidavit
 - 3-A: Structure Map
 - 3-B: Cross-Section
 - 3-C: Horizontal Drilling Plan

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)

jamesbruc@aol.com

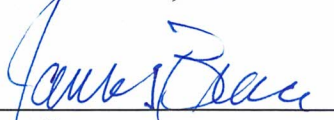
June 6, 2024

NOTICE OF FILING A REVISED EXHIBIT PACKAGE

Case No. 24189

This revised exhibit package is filed to include:

- A. Exhibit 1, the pooling checklist, using the Division's new form;
- B. Revised Exhibit 2, the landman's affidavit, regarding the complicated title;
- C. Revised Exhibit 2-A, containing (i) a revised C-102 containing the correct pool name and pool code, (ii) a revised and updated ownership list of all owners in Sections 8 and 9, and (iii) a listing of all parties being pooled.
- D. Revised Exhibit 2-B containing sample proposal letters sent in January 2023 and December 2023.
- E. Revised Exhibits 4 and 4-A containing a notice letter recently mailed, and a revised and updated Exhibit 4-B, the certified notice spreadsheet.
- F. Exhibit 5, a new affidavit of publication.



James Bruce
Attorney for Mewbourne Oil Company

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24189

APPLICANT'S RESPONSE

Date: June 13, 2024

Applicant

Mewbourne Oil Company

Designated Operator & OGRID (affiliation if applicable)

14744

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

Formation/Pool

Formation Name(s) or Vertical Extent:

Bone Spring formation

Primary Product (Oil or Gas):

Oil

Pooling this vertical extent:

Entire Bone Spring formation

Pool Name and Pool Code (Only if NSP is requested):

EXHIBIT !

Well Location Setback Rules (Only if NSP is Requested):

Spacing Unit

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, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-A
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	Sandlot 9/8 Fee Well No. 554H API No. 30-015-54493

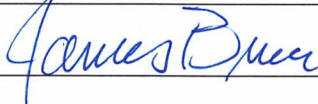
4

Horizontal Well First and Last Take Points	SHL: 315 FNL & 560 FWL §10 BHL: 2310 FNL & 100 FWL §8 FTP: 2310 FNL & 100 FEL §9 LTP: 2310 FNL & 100 FWL §8
Completion Target (Formation, TVD and MD)	Second Bone Spring/TVD 7918 feet/MD 18550 feet
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2
Requested Risk Charge	Cost + 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

5

Ownership Determination	
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-B/Working Interest
Unlocatable Parties to be Pooled	Yes
Ownership Depth Severance (including percentage above & below)	No depth severance
Joinder	
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-B
Geology	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 2-A

6

Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-B
Well Orientation (with rationale)	Exhibit 3
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-A
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-A
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-B
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:	June 4, 2024

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 (REVISED)

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 previously 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 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 well. 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.

The well unit is in the City of Carlsbad, so title is very complex and required extensive time to finalize.

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.

EXHIBIT

2

8

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 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.

June 4, 2024
Date

/s/ Carson Cullen
Carson Cullen

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 Street
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 30-015-54493		2 Pool Code 10380	3 Pool Name Esperanza CASDRAW; BONE SPRING
4 Property Code 334840	5 Property Name SANDLOT 9/8 FEE		6 Well Number 554H
7 OGRID NO. 14744	8 Operator Name MEWBOURNE OIL COMPANY		9 Elevation 3097'

10 Surface Location

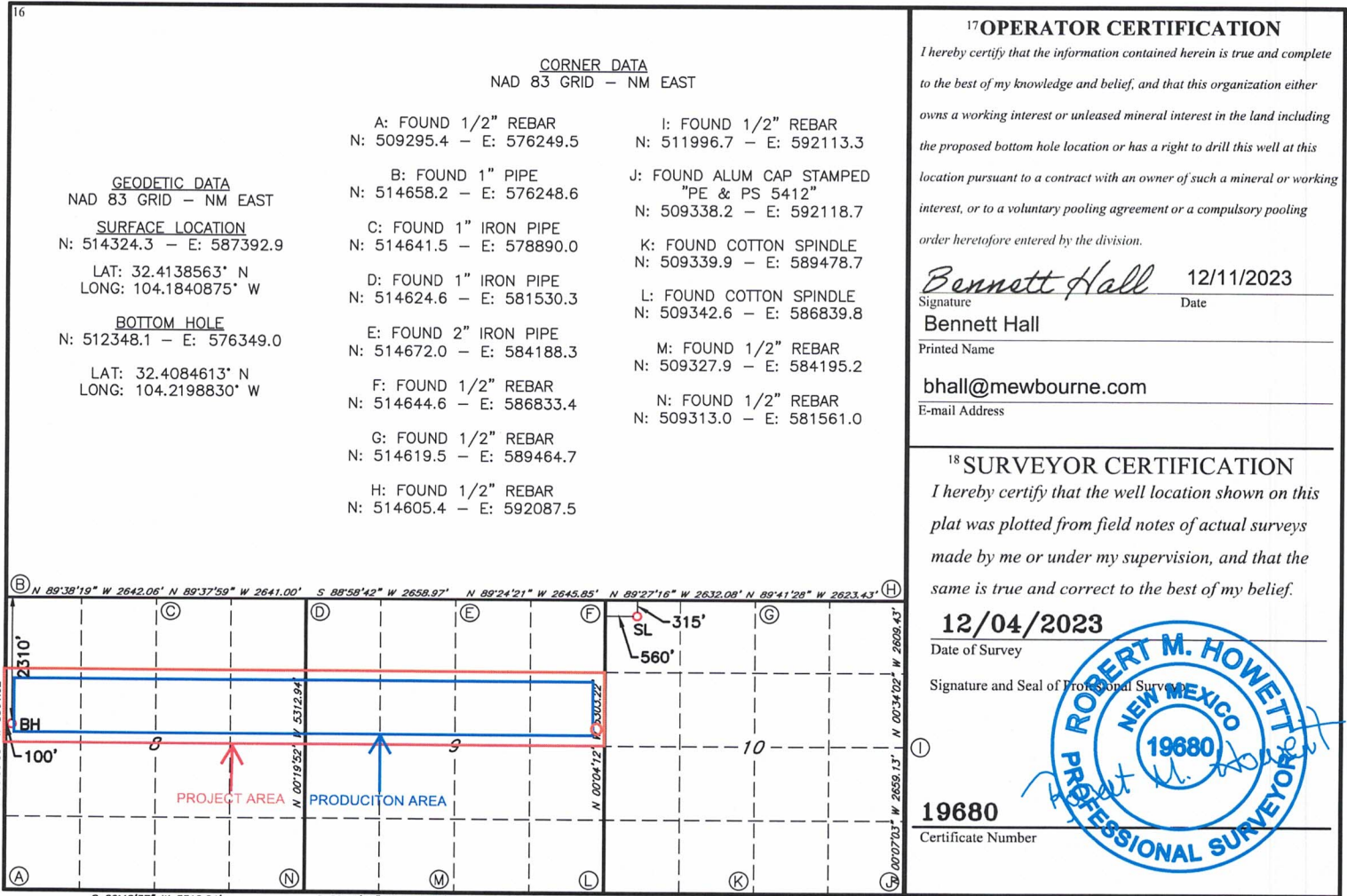
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
D	10	22S	27E		315	NORTH	560	WEST	EDDY

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
E	8	22S	27E		2310	NORTH	100	WEST	EDDY

12 Dedicated Acres 320	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.



Job No.: LS23121017

10.

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

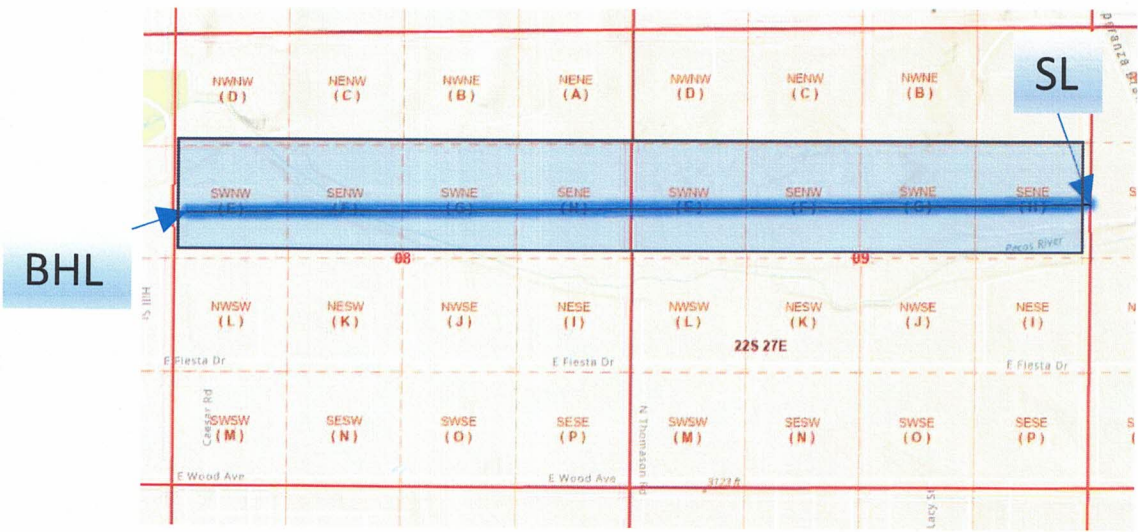


EXHIBIT 2A

EXHIBIT

11

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	17.154070%	54.89	91.666667%	293.33	20.019960%	64.06	100%	320	57.210174%	732.29
OXY USA WTP LP	81.285078%	260.11	3.125000%	10.00		0.00			21.102520%	270.11
Sheldon K. Beren, et ux Miriam Beren	0.217207%	0.70				0.00			0.054302%	0.70
Robert M. Beren, ssp	0.108604%	0.35				0.00			0.027151%	0.35
Joan S. Beren, ssp	0.108604%	0.35				0.00			0.027151%	0.35
Frits Markus, et ux Marie E.S.A. Markus	0.173766%	0.56				0.00			0.043441%	0.56
David S. Gottesman et ux, Ruth L. Gottesman	0.173766%	0.56				0.00			0.043441%	0.56
Ruth D. Roberts	0.185677%	0.59				0.00			0.046419%	0.59
Tumbler Operating Partners LLC	0.185677%	0.59				0.00			0.046419%	0.59
Wesley Keith Roberts	0.185677%	0.59				0.00			0.046419%	0.59
Heirs of Ella Loving	0.221875%	0.71				0.00			0.055469%	0.71
COG Operating					61.265015%	196.05			15.316254%	196.05
Pozo Rico Partners, Ltd.					0.259452%	0.83			0.064863%	0.83
Featherstone Development Corporation			5.208333%	16.67	4.166668%	13.33			2.343750%	30.00
Concho Oil & Gas					3.224474%	10.32			0.806119%	10.32
Joann Sivley Ruppert Trust					0.666176%	2.13			0.166544%	2.13
Red River Energy Partners					2.083334%	6.67			0.520834%	6.67
EOG Resources, Inc.					0.395657%	1.27			0.098914%	1.27
Osprey Oil & Gas IV, LLC					1.978398%	6.33			0.494600%	6.33
Estate of David J. Sorenson					1.000251%	3.20			0.250063%	3.20
Thomas Ray Sivley Trust					0.666176%	2.13			0.166544%	2.13
Sharbro Energy Ltd.					1.186971%	3.80			0.296743%	3.80
Williamson Enterprises					0.600150%	1.92			0.150038%	1.92
Cody Energy, Inc.					0.395115%	1.26			0.098779%	1.26
Tex-OK Limited Partnership					0.395115%	1.26			0.098779%	1.26
Lanita C. Williamson Family Trust					0.266745%	0.85			0.066686%	0.85
BK Exploration Corporation					0.690845%	2.21			0.172711%	2.21
Marathon Oil Permian, LLC					0.586725%	1.88			0.146681%	1.88
Wanwick-Ares, LLC					0.152773%	0.49			0.038193%	0.49
Total	100.000000%	320.00	100.000000%	320.00	100.0000%	320.00	100%	320.00	100.000000%	1280.00

EXHIBIT

12

CASE NOS. 24189 and 24190

All persons being pooled are listed below

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

OXY USA WTP LP 5 Greenway Plaza, Suite 110 Houston, Texas 77046	21.102520%
Featherstone Development Corporation PO Box 429 Roswell, New Mexico 88202	2.343750%
Red River Energy Partners, LLC P.O. Box 2455 Midland, Texas 79702	0.520833%
T.J. & Mary Sivley Trust Bank of America, N.A., Trustee P.O. Box 840738 Dallas, Texas 75284-0783	0.333088%
David Sorenson P.O. Box 1453 Roswell, New Mexico 88202	0.250063%
Red Bird Ventures, Inc. 15814 Champion Forest Drive, PMB 250 Spring, Texas 77379	0.246731%

EXHIBIT

Pozo Rico Partners, LTD PO Box 2258 Cleburne, Texas 76033	0.194589%
Williamson Enterprises P.O. Box 32570 Santa Fe, New Mexico 87504	0.150038%
Osprey Oil & Gas IV, LLC 707 N. Carrizo St. Midland, Texas 79701	0.118142%
Cody Energy, Inc. P.O. Box 3010 Cody, Wyoming 82414	0.098779%
Tex-Ok Energy, Limited Partnership P.O. Box 3010 Cody, Wyoming 82414	0.098779%
Lanita C. Williamson Family Living Trust Mary Carol Green, Trustee 5910 N. Central Expressway, Suite 1662 Dallas, Texas 75206	0.066686%
Ella G. Loving, deceased (Unleased)	0.055469%
Sheldon K. Beren, deceased 1635 Tennyson St Denver, Colorado 80204	0.054302%
Ruth D. Roberts, deceased P.O. Box 6368 Austin, Texas 75701	0.046419%
Tumbler Operating Partners, LLC 1150 N. Kimball Avenue, Suite 100 Southlake, Texas 76092	0.046419%

Wesley Keith Roberts 418 Forest Hills Drive League City, Texas 77573-5760	0.046419%
David S. Gottesman, deceased 18 Indian Rock Rd. Nashua, NH 03063	0.043441%
Frits Markus, deceased 437 Madison Ave. APT 30 New York, New York 10022	0.043441%
Robert M. Beren, SSP, deceased 2020 North Bramblewood Wichita, Kansas 67206	0.027151%
Joan S. Beren, SSP, deceased 573 N. Armour St. Wichita, Kansas 67206	0.027151%
Jay R. Nunnally 3553 Green Meadows Dr. Glen Rose, Texas 76043	0.016669%

Total interest being pooled: 26.326536%

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 if you have any questions or concerns. I look forward to hearing from you.

Sincerely,

MEWBOURNE OIL COMPANY



Carson Cullen
Landman

17

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020
Midland, Texas 79701
Phone (432) 682-3715
Fax (432) 685-4170

December 4, 2023

Via: Certified Mail

Warwick-Ares LLC
6608 N. Western Avenue, Box 417
Oklahoma City, Oklahoma 73116

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

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'.

18

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's") 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 if you have any questions or concerns. I look forward to hearing from you.

Sincerely,

MEWBOURNE OIL COMPANY



Carson Cullen
Landman

MEWBORNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

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

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
TOTAL			\$2,828,400		\$4,974,200

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
TOTAL			\$453,700		\$1,165,700
SUBTOTAL			\$3,282,100		\$6,139,900
TOTAL WELL COST			\$9,422,000		

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: Ryan McDaniel Date: 11/29/2023
 Company Approval: M. Whittier Date: 11/30/2023

Joint Owner Interest: _____ Amount: _____
 Joint Owner Name: _____ 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**

21

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

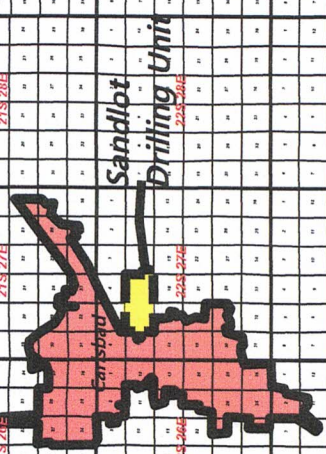
Tyler Hill



Lea

Eddy

Texas



Sandlot Drilling Unit

Lewing

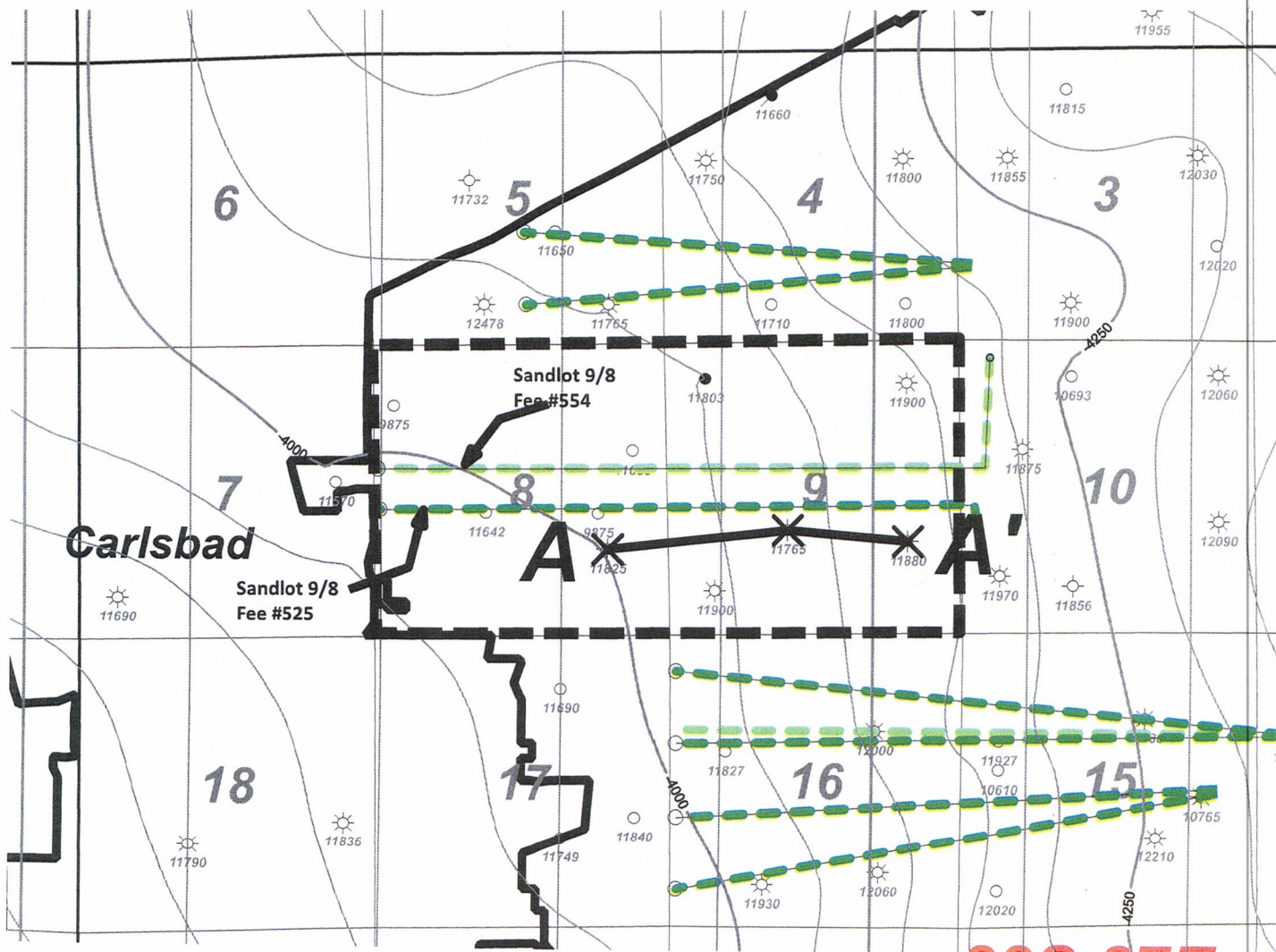


Sandlot 9/8
Eddy County Locator Map

Author: T. Hill	NM/TX	Date: 25 January, 2014
		Scale: 1.0" = 3.868'



EXHIBIT 3.A



Horizontal Activity

 2nd BS Sd.




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

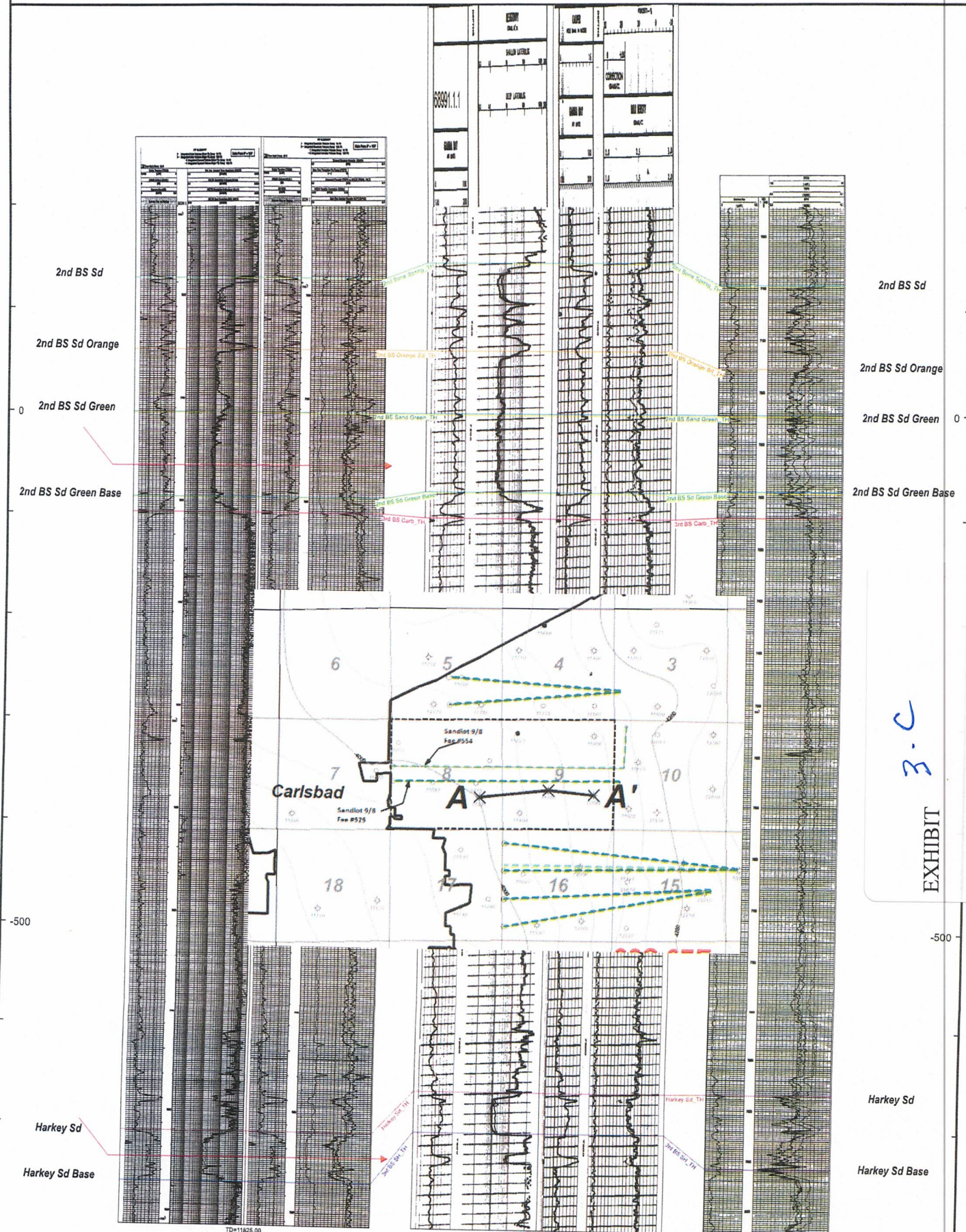
EXHIBIT 3-B

24

CHEVRON MIDCONTINENT
MEAD 8
1555 FSL 1129 FEL
Datum=3111.00
Reference=KB
TWP: 22 S - Range: 27 E - Sec. 8

UNION OIL CO OF CA
CALVIN COM 1
1840 FSL 2130 FVL
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=3093.00
Reference=KB
TWP: 22 S - Range: 27 E - Sec. 9



3-C
EXHIBIT

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

25

DESIGN TARGET DETAILS

Name	KOP - Sandlot 9-8 Fee #525H
PBHL - Sandlot 9-8 Fee #525H	
TVD	+N-S 6517.12 +E-W 7120.00
Longitude	+E-W 32.406517 -104.206419
Latitude	+N-S 511653.97 +E-W 511605.20
Well Details:	Sandlot 9-8 Fee #525H
GL @ 3082.00	Well @ 3110.00usft (Patterson 244)
+N-S 0.00	+E-W 587193.00
+N-S 510697.00	+E-W 587193.00
+N-S 0.00	+E-W 587193.00
Longitude	-104.184752

SURVEY PROGRAM

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

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
1325.94	10.52	353.27	1322.99	47.81	-5.65	9.62	48.14	Hold 10.52° Inc, 353.27° Azm
6978.82	10.52	353.27	5994.13	909.16	-107.35	182.85	915.48	Begin 2.00°/100' Drop
6602.86	0.00	0.00	6517.12	956.97	-113.00	192.47	963.62	Begin Vertical Hold
6602.86	0.00	0.00	6717.12	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	11694.63	PBHL

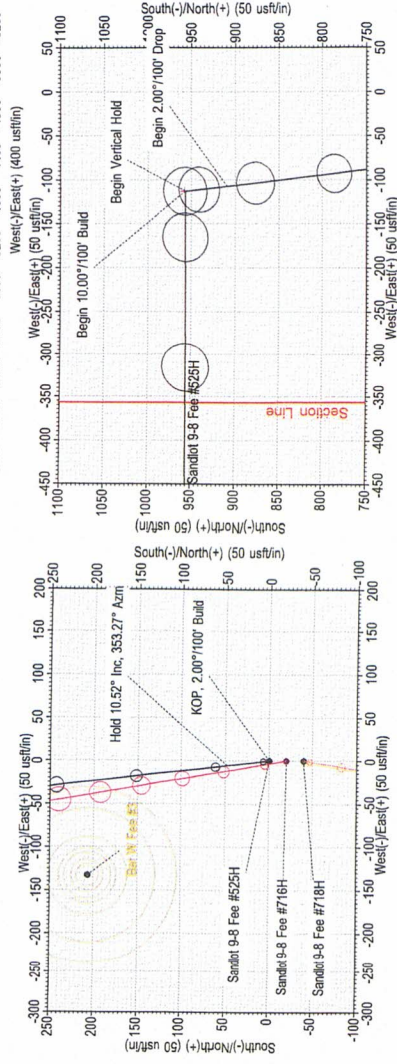
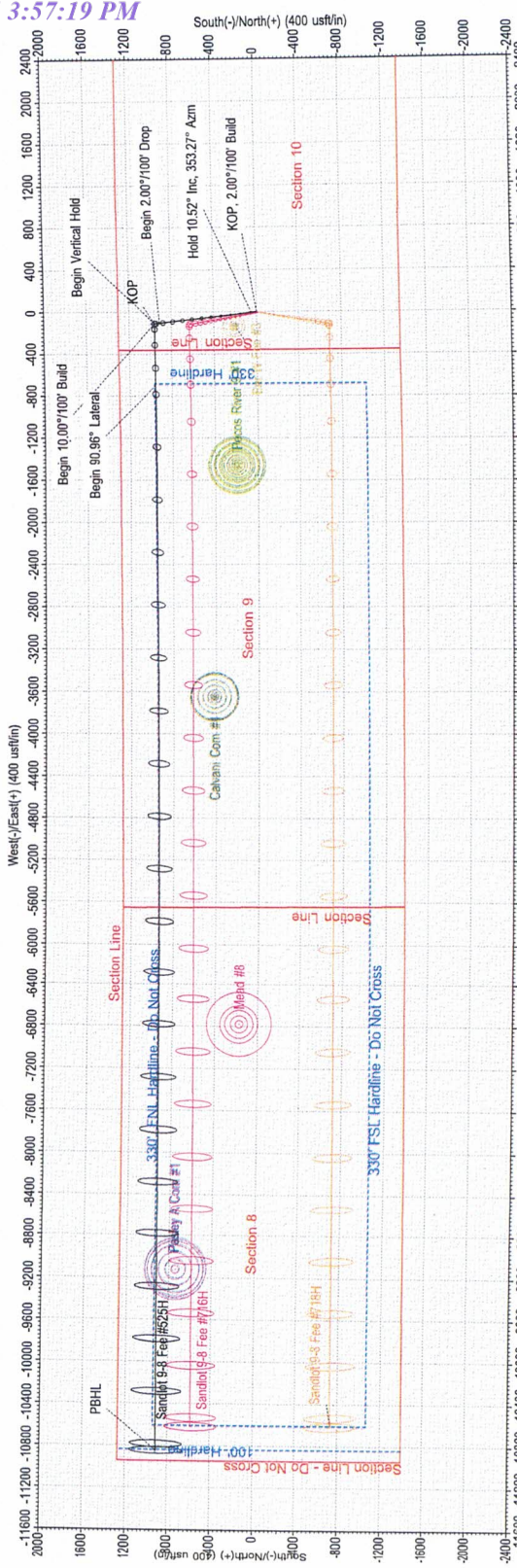
330' FSL Hard Line
330' FNL Hard Line
100' FWL Hard Line
330' FEL Hard Line

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

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



To convert a Magnetic Direction to a Grid Direction, Add 6.704°
 To convert a Magnetic Direction to a True Direction, Add 6.763° East
 To convert a True Direction to a Grid Direction, Subtract 0.089°

Azimuths to Grid North	0.00°
True North	0.00°
Magnetic North	6.763°
Magnetic Declination	6.763°
Strength	47.00%
Dip Angle	3.8°
Date	11/20/23
Model	HRGM
Version	2.0

3-D

EXHIBIT

The customer should only rely on this document after independently verifying all points, targets, coordinates, base and bond lines representation. Any decisions made in 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

Name	KOP - Sandlot 9-8 Fee #554H
MD	500.00
Inc	0.00
Azi	0.00
TVD	500.00
+N/S	0.00
+E/W	0.00
VScal	0.00
Departure	0.00
Annotation	KOP 2.00°/100' Build
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

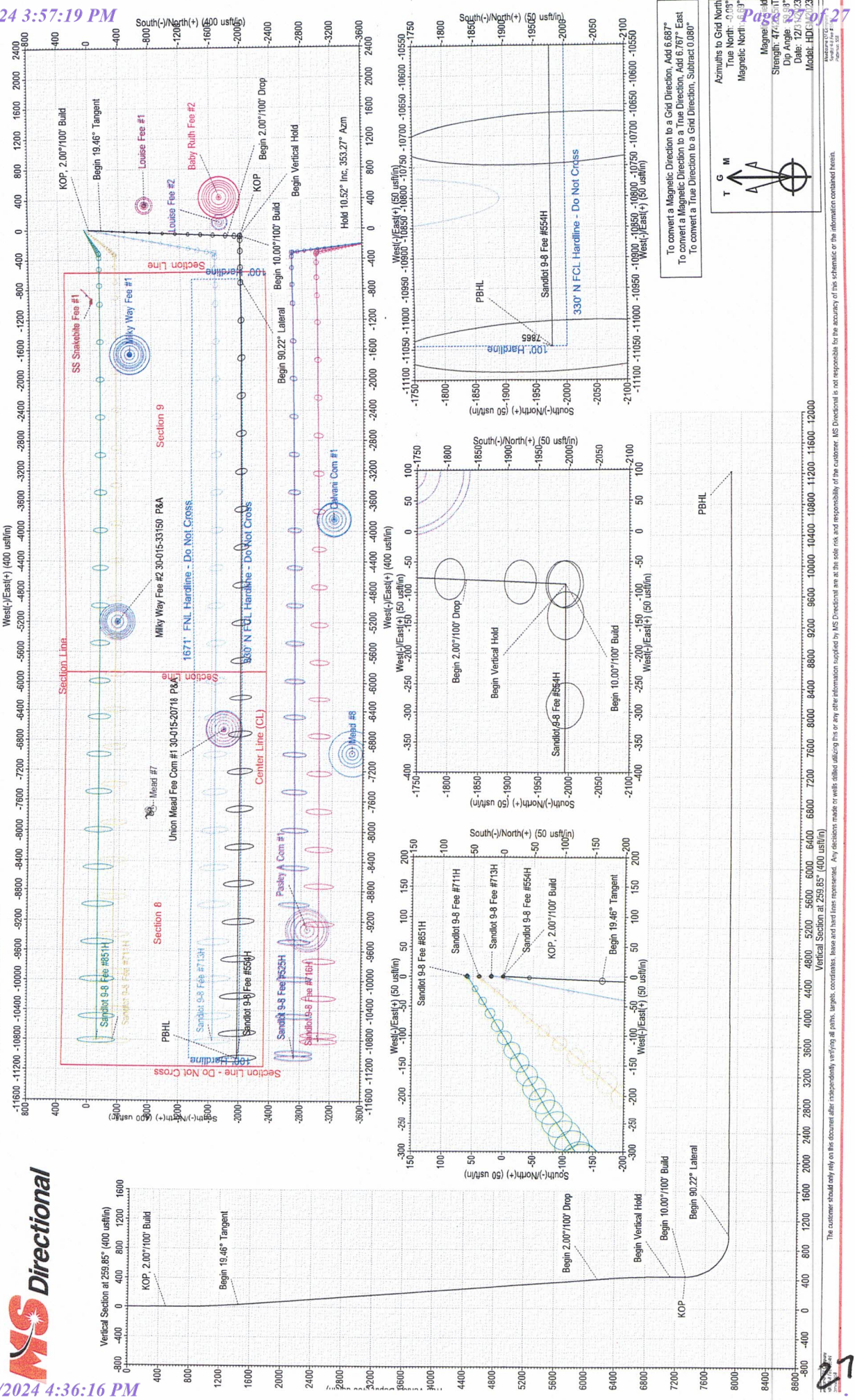
Longitude	-104.184088
Latitude	32.408375
Easting	587306.19
Northing	51229.99
+E/W	-1994.31
+N/S	-1976.20
TVD	7332.05
MD	7865.00
Inc	0.00
Azi	0.00
TVD	7332.05
+N/S	-1994.31
+E/W	-1976.20
VScal	0.00
Departure	0.00
Annotation	KOP 2.00°/100' Build
Well	Sandlot 9-8 Fee #554H
County	Eddy County, New Mexico (NAD 83)
Rig	Patterson 558
Wellbore	Wellbore #1
Design	Design #2
Date	17:04, December 16 2023

Longitude	-104.184088
Latitude	32.413656
Easting	587382.90
Northing	51424.30
+E/W	0.00
+N/S	0.00
TVD	7332.05
MD	7865.00
Inc	0.00
Azi	0.00
TVD	7332.05
+N/S	-1994.31
+E/W	-1976.20
VScal	0.00
Departure	0.00
Annotation	KOP 2.00°/100' Build
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

Well Details:	Sandlot 9-8 Fee #554H
Well @ 3125.00ust (Patterson 558)	
Wellbore #1	
Design #2	
Tool	MWD+HRGM

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

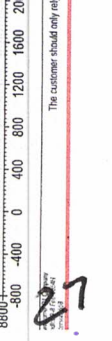
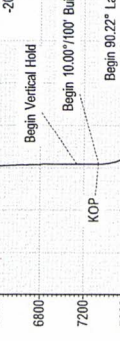
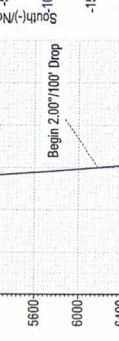
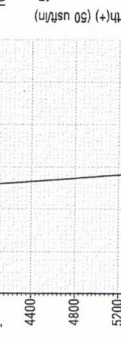
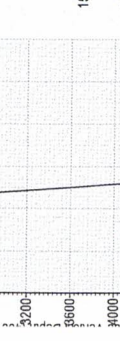
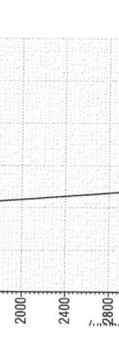
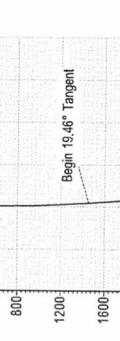
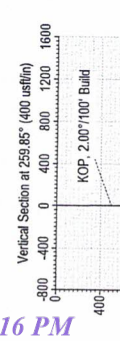
1671' FNL Hard Line
330° N FCL Hard Line
100' FWL Hard Line
100' FEL Hard Line



MS Directional

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

Company: 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



The customer should rely only on the documents after independently verifying all points, targets, coordinates, lease and hard lines represented. Any decisions made or wells drilled utilizing this or any other information supplied by MS Directional is not responsible for the accuracy of the information contained herein.