

**CASE NO. 24190**

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

**EXHIBIT LIST (3<sup>rd</sup> 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](mailto:jamesbruc@aol.com)

June 6, 2024

NOTICE OF FILING A REVISED EXHIBIT PACKAGE

Case No. 24190

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: 24190

Date: June 13, 2024

## APPLICANT'S RESPONSE

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

N/2S/2 §8 and N/2S/2 §9, Township 22 South,  
Range 27 East, NMPPM, Eddy County

Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?

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

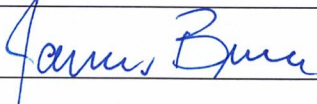
Sandlot 9/8 Fee Well No. 525H  
API No. 30-015-48079



Well #2	
Horizontal Well First and Last Take Points	SHL: 1355 FSL & 355 FWL §10 BHL: 2310 FSL & 100 FWL §8 FTP: 2310 FSL & 100 FEL §9 LTP: 2310 FSL & 100 FWL §8
Completion Target (Formation, TVD and MD)	Second Bone Spring/TVD 7318 feet/MD 18000 feet
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2
Requested Risk Charge	Cost + 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

**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
<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-B
<b>Geology</b>	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 2-A

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
<b>Forms, Figures and Tables</b>	
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
<b>Additional Information</b>	
Special Provisions/Stipulations	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	James Bruce
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	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. 24190**

**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 N/2S/2 of Section 9 and the N/2S/2 Section 8, Township 22 South, Range 27 East, NMPM. Applicant proposes to drill the Sandlot 9/8 Fee Well No. 525H, with a first take point in the NE/4SE/4 of Section 9 and a last take point in the NW/4SW/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

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.

March 5, 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  
EXHIBIT 2A  
1220 South 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

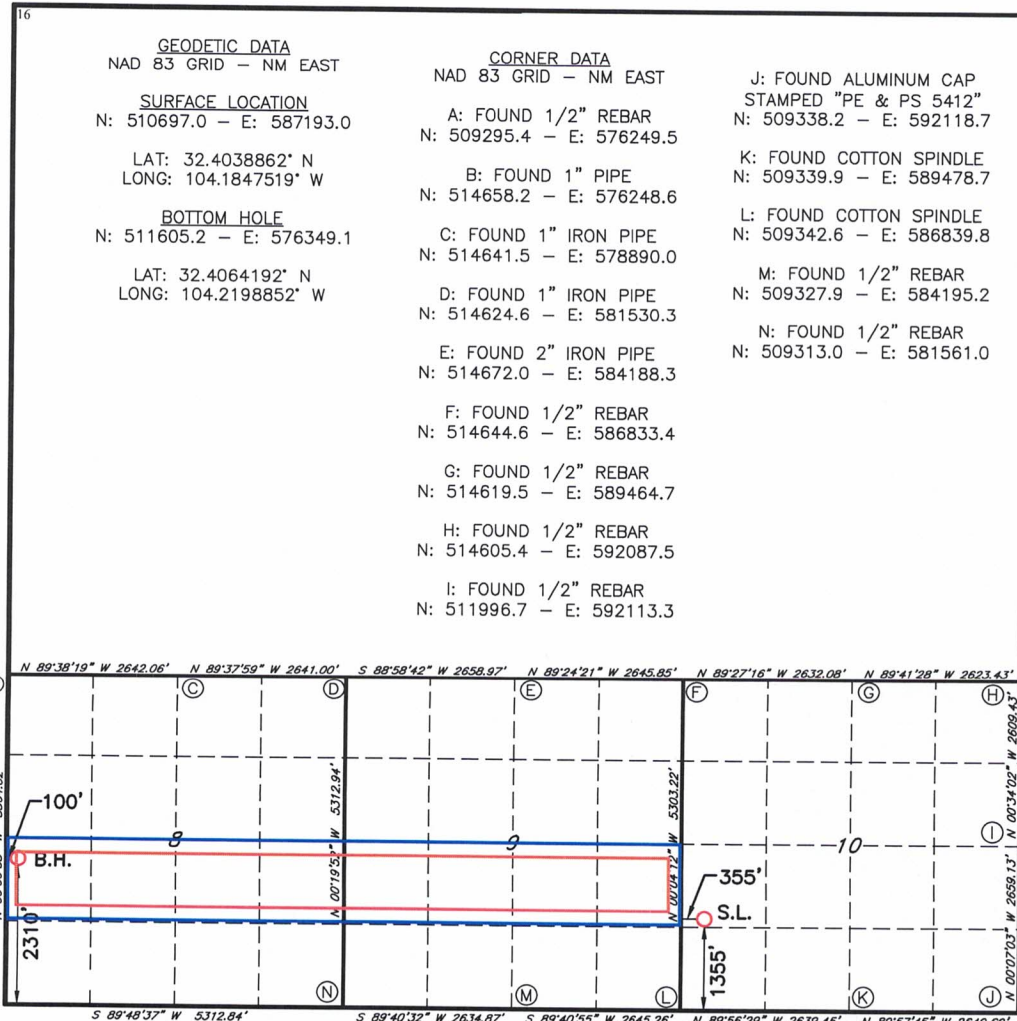
1 API Number <b>30-015-48079</b>		2 Pool Code <b>10380</b>		3 Pool Name <b>Esperanza; CASS DRAW; BONE SPRING</b>	
4 Property Code		5 Property Name <b>SANDLOT 9/8 FEE</b>			6 Well Number <b>525H</b>
7 GRID NO. <b>14744</b>		8 Operator Name <b>MEWBOURNE OIL COMPANY</b>			9 Elevation <b>3082'</b>

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>L</b>	<b>10</b>	<b>22S</b>	<b>27E</b>		<b>1355</b>	<b>SOUTH</b>	<b>355</b>	<b>WEST</b>	<b>EDDY</b>

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>L</b>	<b>8</b>	<b>22S</b>	<b>27E</b>		<b>2310</b>	<b>SOUTH</b>	<b>100</b>	<b>WEST</b>	<b>EDDY</b>

12 Dedicated Acres <b>320</b>	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.



**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.

*Andrew W Taylor* 11/20/2023  
Signature Date  
**Andrew Taylor**  
Printed Name  
ataylor@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.

**08/02/2023**  
Date of Survey  
Signature and Seal of Professional Surveyor  
**19680**  
Certificate Number  
REV: BH MOVE, NAME CHANGE 11/17/23  
Job No.: LS23080658R



**Sandlot 9/8 FEE #525H**  
**Sections 8 (N/2S/2) & 9 (N/2S/2), T22S, R27E**  
**EDDY COUNTY, NM**

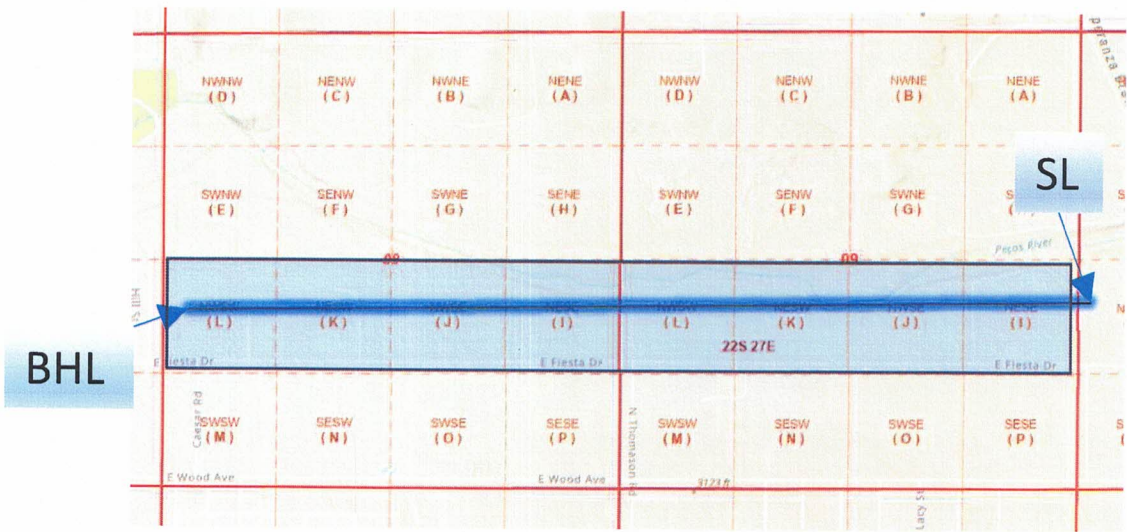


EXHIBIT 2-A

EXHIBIT A

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	
Warwick-Ares, LLC							0.152773%	0.49					0.038193%	0.49	
<b>Total</b>	100.000000%	320.00		100.000000%	320.00		100.0000%	320.00		100%	320.00		100.000000%	1280.00	

EXHIBIT



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](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

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'.

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 ("AFEs") 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: **SANDLOT 9/8 FEE #525H (B2IL)** Prospect: **SANDLOT**  
 Location: **SL: 1355 FSL & 355 FWL (10); BHL: 2310 FSL & 100 FWL (8)** County: **Eddy** ST: **NM**  
 Sec. **10** Blk:  Survey:  TWP: **22S** RNG: **27E** Prop. TVD: **7318** TMD: **18000**

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 drig / 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	\$236,000
Alternate Fuels		0180-0115		0180-0215	\$54,000
Mud, Chemical & Additives		0180-0120	\$40,000	0180-0220	
Mud - Specialized		0180-0121	\$250,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$25,000
Cementing		0180-0125	\$120,000	0180-0225	\$55,000
Logging & Wireline Services		0180-0130	\$40,000	0180-0230	\$305,000
Casing / Tubing / Snubbing Services		0180-0134	\$40,000	0180-0234	\$16,000
Mud Logging		0180-0137	\$15,000		
Stimulation	51 Stg 20.2 MM gal / 20.2 MM lb			0180-0241	\$2,279,000
Stimulation Rentals & Other				0180-0242	\$232,000
Water & Other	80% PW f/ NGL @ \$0/bbl, 20% FW f/ Aris @ \$0	0180-0145	\$35,000	0180-0245	\$21,000
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	\$68,000
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	\$4,700	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	\$36,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$131,200	0180-0299	\$199,500
<b>TOTAL</b>			<b>\$2,754,800</b>		<b>\$4,189,200</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")	6750' - 7" 29# HPP110 BT&C @ \$38.93/ft	0181-0796	\$280,600		
Casing (4.1" - 6.0")	11450' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$21.65/ft			0181-0797	\$264,700
Tubing	6500' - 2 7/8" 6.5# N-80 Tbg @ \$13/ft			0181-0798	\$90,200
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	(1/3) TP/CP/Circ pump			0181-0886	\$8,000
Storage Tanks	(1/3) (6)OT/(5)WT/(1)GB			0181-0890	\$102,000
Emissions Control Equipment	(1/3) (3)VRT/(1)VYRU/(1)FLARE/(3)KO/(1)AIR			0181-0892	\$85,000
Separation / Treating Equipment	(1/3) (3)TEST H SEP 600#/(1)V SEP 500#/(2)VHT			0181-0895	\$55,000
Automation Metering Equipment				0181-0898	\$47,000
Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0900	\$15,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	\$4,000
On-site Valves/Fittings/Lines&Misc				0181-0906	\$105,000
Wellhead Flowlines - Construction				0181-0907	\$18,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$84,000
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>\$428,700</b>		<b>\$1,073,900</b>
<b>SUBTOTAL</b>			<b>\$3,183,500</b>		<b>\$5,263,100</b>

**TOTAL WELL COST \$8,446,600**

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. Whittall* 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

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





**MOC** Mewbourne Oil Company

Sandlot 9/8

Eddy County Locator Map

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

Lea

Eddy

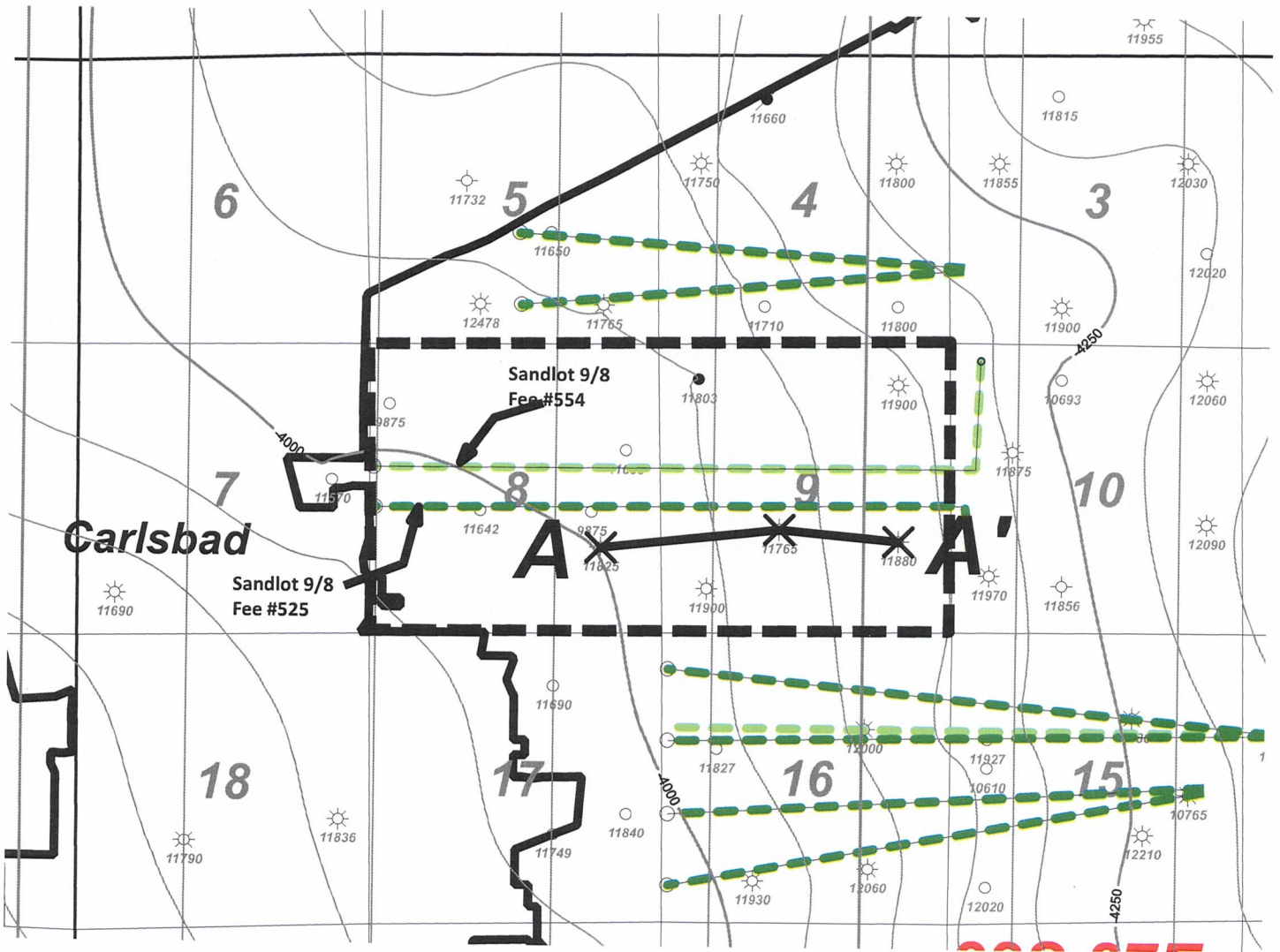
Sandlot Drilling Unit

Loving

EXHIBIT

3-A

Texas



Horizontal Activity

 2<sup>nd</sup> BS Sd




 <b>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 1129 FEL  
Datum=3111.00  
Reference=KB  
TWP: 22 S - Range: 27 E - Sec: 8

UNION OIL CO OF CA  
CALVANI COM 1  
1660 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=3093.00  
Reference=KB  
TWP: 22 S - Range: 27 E - Sec: 9

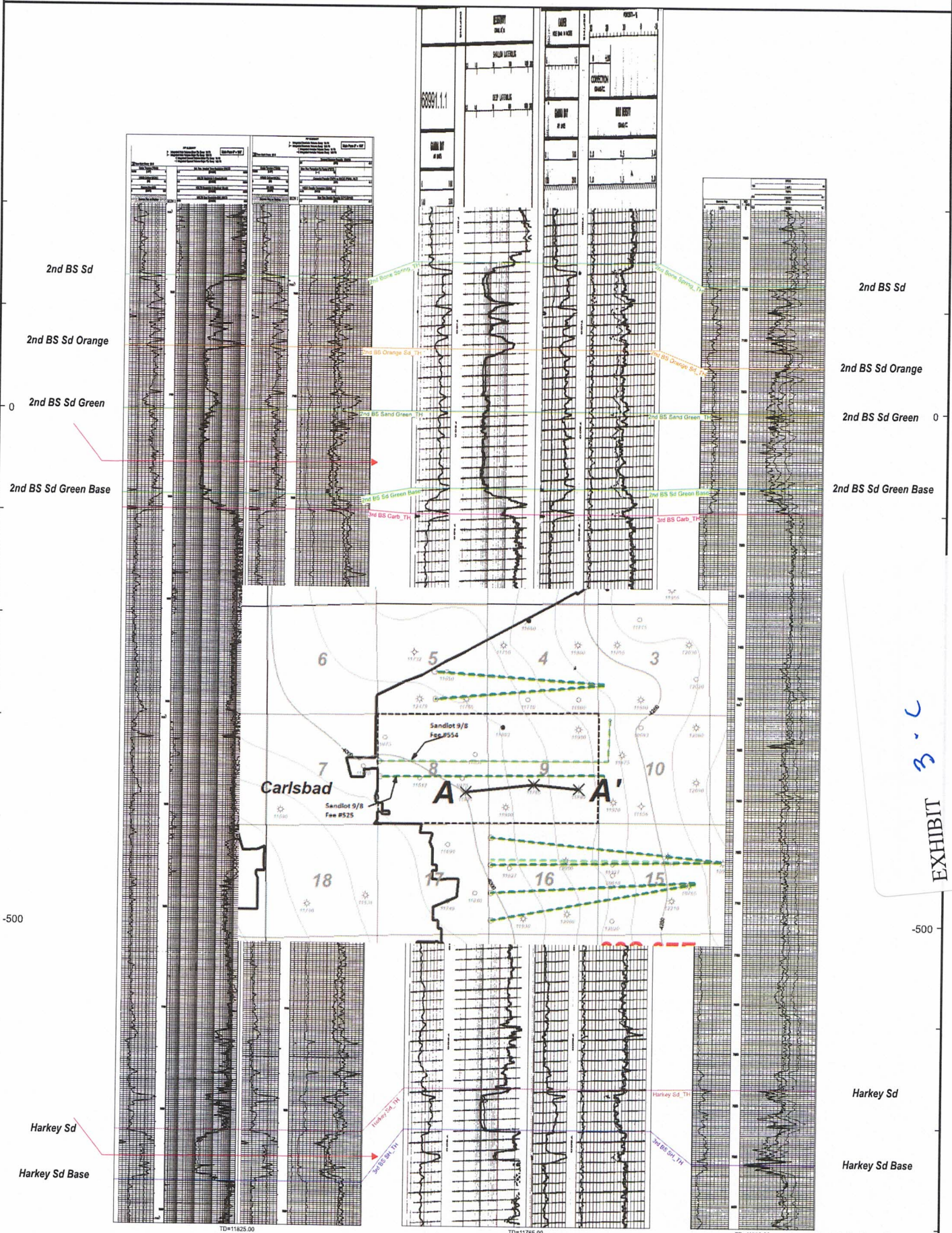


EXHIBIT 3-C



**MEMBOURNE OIL COMPANY**  
 Company: Membourne 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

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

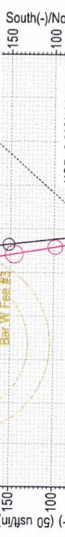
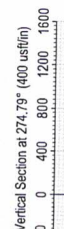
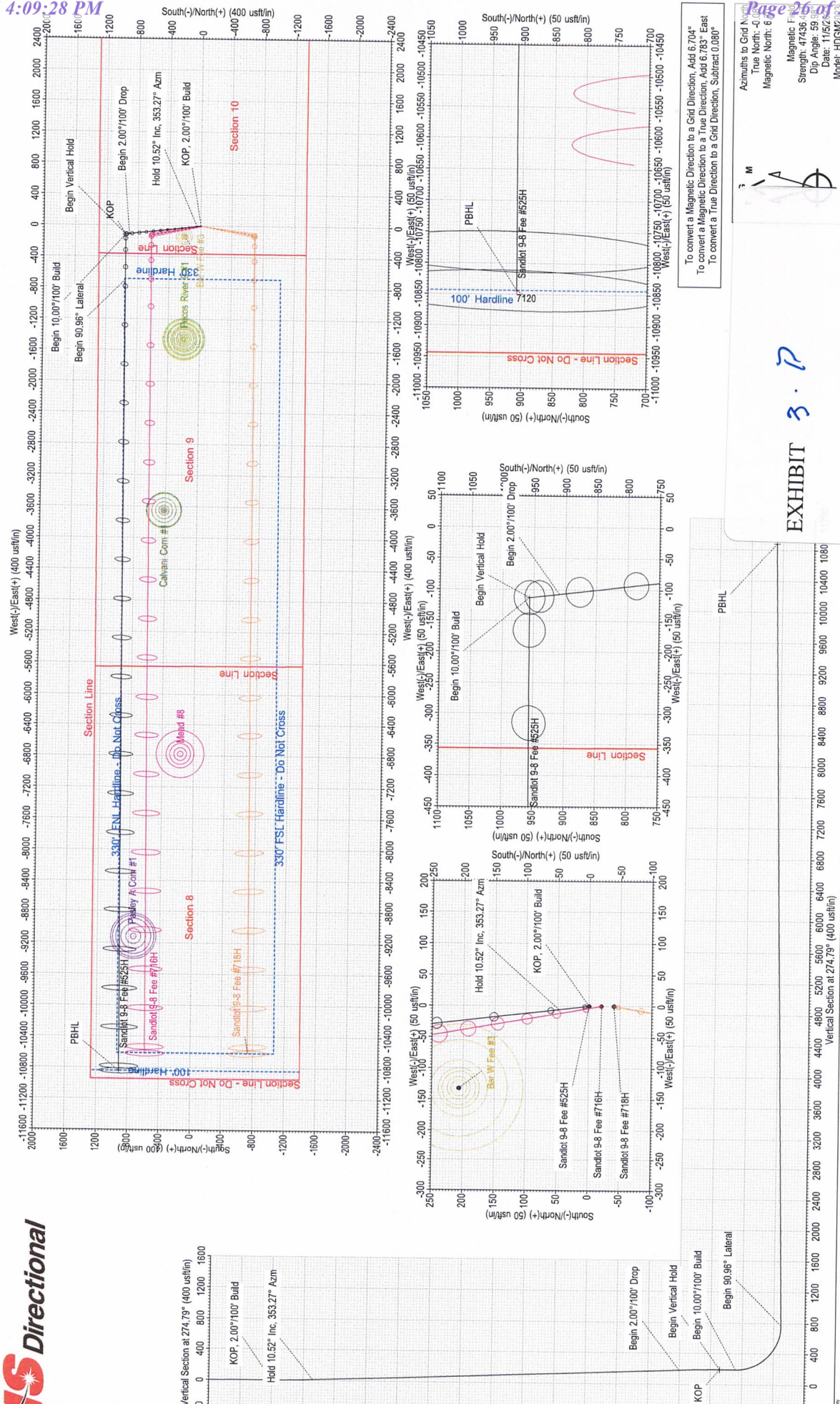


**ANNOTATIONS**

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
6076.32	0.00	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

**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**



**Page 26 of 27**

Acquints to Grid North  
 True North: 0.00°  
 Magnetic North: 6.704°

Magnetic Field  
 Strength: 47436.06  
 Dip Angle: 59.00  
 Date: 11/6/2023  
 Model: HDGM2  
 Version: 1.00

To convert a Magnetic Direction to a Grid Direction, Add 6.704°  
 To convert a Magnetic Direction to a True Direction, Add 6.703° East  
 To convert a True Direction to a Grid Direction, Subtract 0.080°

**EXHIBIT 3.17**

The customer should only rely on the document after independently verifying all paths, targets, coordinates, lease and hard lines represented. Any decisions made or wells drilled utilizing this or any other information supplied by MS Directional are at the sole risk of the customer.



MEWBORNE OIL COMPANY  
 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 18 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



**DESIGN TARGET DETAILS**

Name	TIWD	+N-S	+E-W	Northing	Easting	Latitude
KOP - Sandlot 9-8 Fee #554H	7332.05	-1994.31	-86.71	512229.99	587306.19	32.408375
PBHL - Sandlot 9-8 Fee #554H	7865.00	-1976.20	-11043.90	512348.10	576349.00	32.408461

**WELL DETAILS: Sandlot 9-8 Fee #554H**

GL @ 3097.00	Well @ 3125.00ustf (Patterson 558)
+N-S	+E-W
0.00	0.00
Normaling	Latitude
514324.30	32.413856
Longitude	
-104.184088	

**DEPTH PROGRAM**

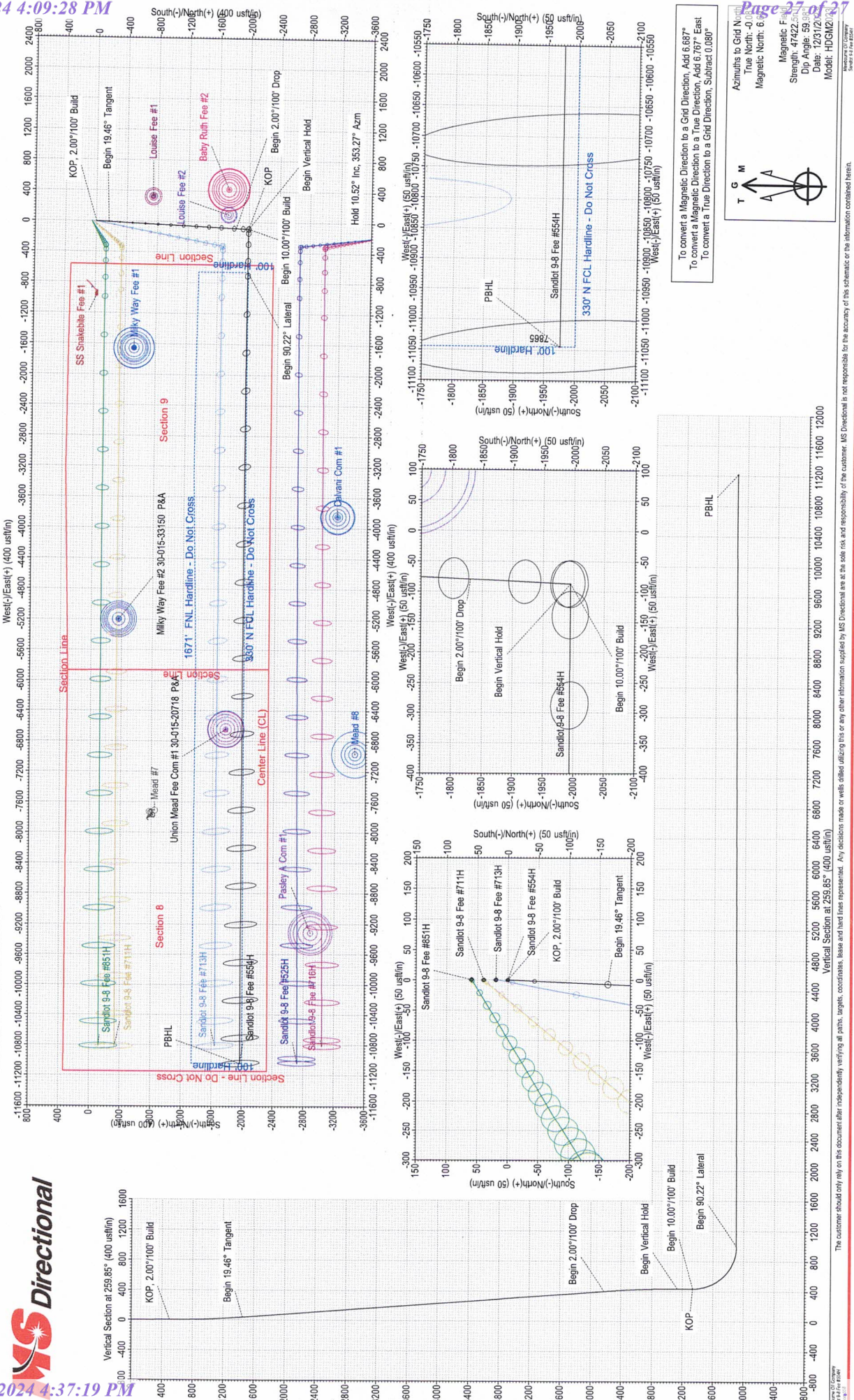
Depth From	Survey/Plan	Tool
0.00	18839.75	MWD+HRGM
	Design #2 (Wellbore #1)	

**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**

**ANNOTATIONS**

MD	Inc	Azi	TVL	+N-S	+E-W	Vsect	Departure	Annotation
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
6482.41	19.46	182.49	6177.64	-1830.81	-79.60	400.84	1832.54	Begin 2.00°/100' Drop
7455.42	0.00	0.00	7132.05	-1994.31	-86.71	436.63	1996.20	Begin Vertical Hold
8557.63	90.22	270.09	7302.05	-1994.31	-86.71	436.63	1996.20	Begin 10.00°/100' Build
18939.75	90.22	270.09	7865.00	-1976.20	-11043.90	11219.32	12953.41	PBHL



**ASUMPTS TO GRID N**

True North: 0.00°  
 Magnetic North: 6.687°  
 Magnetic Declination: 6.687°  
 Magnetic North: 6.687°

Shengrui: 47422.51°  
 Dip Angle: 59.99°  
 Date: 12/17/2023  
 Model: HDGM2011

To convert a Magnetic Direction to a Grid Direction, Add 6.687°  
 To convert a Magnetic Direction to a True Direction, Add 6.767° East  
 To convert a True Direction to a Grid Direction, Subtract 0.080°