

CASE NO. 24660

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

EXHIBIT LIST - Part I

1. Pooling Checklist
2. Landman's Affidavit
 - 2-A: Plat and C-102
 - 2-B: Title Opinion/List of Interest Owners
 - 2-C: Proposal Letter and Summary of Communications
 - 2-D: AFE
3. Geologist's Affidavit
 - 3-A: Structure Map
 - 3-B: Cross-Section
 - 3-C: Horizontal Drilling Plans

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24660

Date: July 25, 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

EXHIBIT |

Entries of Appearance/Intervenors:

MRC Delaware Resources, LLC/Holland & Hart LLP

Well Family

Milkshake 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):

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

Spacing Unit

Type (Horizontal/Vertical)

Horizontal

Size (Acres)

320 acres

Building Blocks:

40 acres

Orientation:

West-East

Description: Tracts/County	S/2S/2 §9 and S/2S/2 §10, Township 18 South, Range 30 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-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	Milkshake 9/10 Fed. Com. Well No. 528H API No. 30-015-55219

Horizontal Well First and Last Take Points	660 feet FSL and 100 feet FWL \$9 6600 feet FSL and 100 feet FEL \$10
Completion Target (Formation, TVD and MD)	Second Bone Spring Sand TVD 8116 feet, MVD 18780 feet
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10000
Production Supervision/Month \$	\$1000
Justification for Supervision Costs	Exhibit 2
Requested Risk Charge	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

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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 and Exhibit 4-A/Working Interest and Record Title
Unlocatable Parties to be Pooled	
Ownership Depth Severance (including percentage above & below)	No 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	\$10000/\$1000/Exhibit 2-C
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	Exhibit 2-A and Exhibit 3-A

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Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-B
Well Orientation (with rationale)	Exhibit 3
Target Formation	Second Bone Spring Sand
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 2-A
Tracts	Exhibit 2-B
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 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:	July 18, 2024

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

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

24660
Case No. ~~24560~~

SELF-AFFIRMED STATEMENT OF JOSH ANDERSON

Josh Anderson, being duly sworn upon his oath, 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. Pursuant to Division Rules, the following information is submitted in support of this compulsory pooling application.
3. The purpose of this application is to force pool working interest owners into the Bone Spring horizontal spacing unit described below, and in wells to be drilled in the unit.
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/2S/2 of Section 9 and the S/2S/2 of Section 10, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the Milkshake 9/10 Fed. Com. Well No. 528H, a horizontal well with a first take point in the SW/4SW/4 of Section 9 and a last take point in the SE/4SE/4 of Section 10.
5. There is no depth severance in the Bone Spring formation.
6. A plat and C-102 outlining the unit being pooled are submitted as Exhibit 2-A.
7. The tracts in the unit, the leases, and the parties being pooled and their interests are set forth in Exhibit 2-B. The persons noted with an asterisk are being pooled.
8. The interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests to the well.

EXHIBIT 2

9. In order to locate the interest owners, Mewbourne examined the county and federal records, performed internet searches, checked telephone records, and searched Accurint and Whitepages. Mewbourne has made a good faith effort to locate all interest owners.

10. Exhibit 2-C contains sample copies of the proposal letters sent to the interest owners. Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well.

11. Exhibit 2-D is the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and comparable to the cost of other wells of similar depth and length drilled in this area of Eddy County.

12. Mewbourne requests overhead and administrative rates of \$10000/month for a drilling well and \$1000/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.

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

14. Mewbourne requests that it be designated operator of the well.

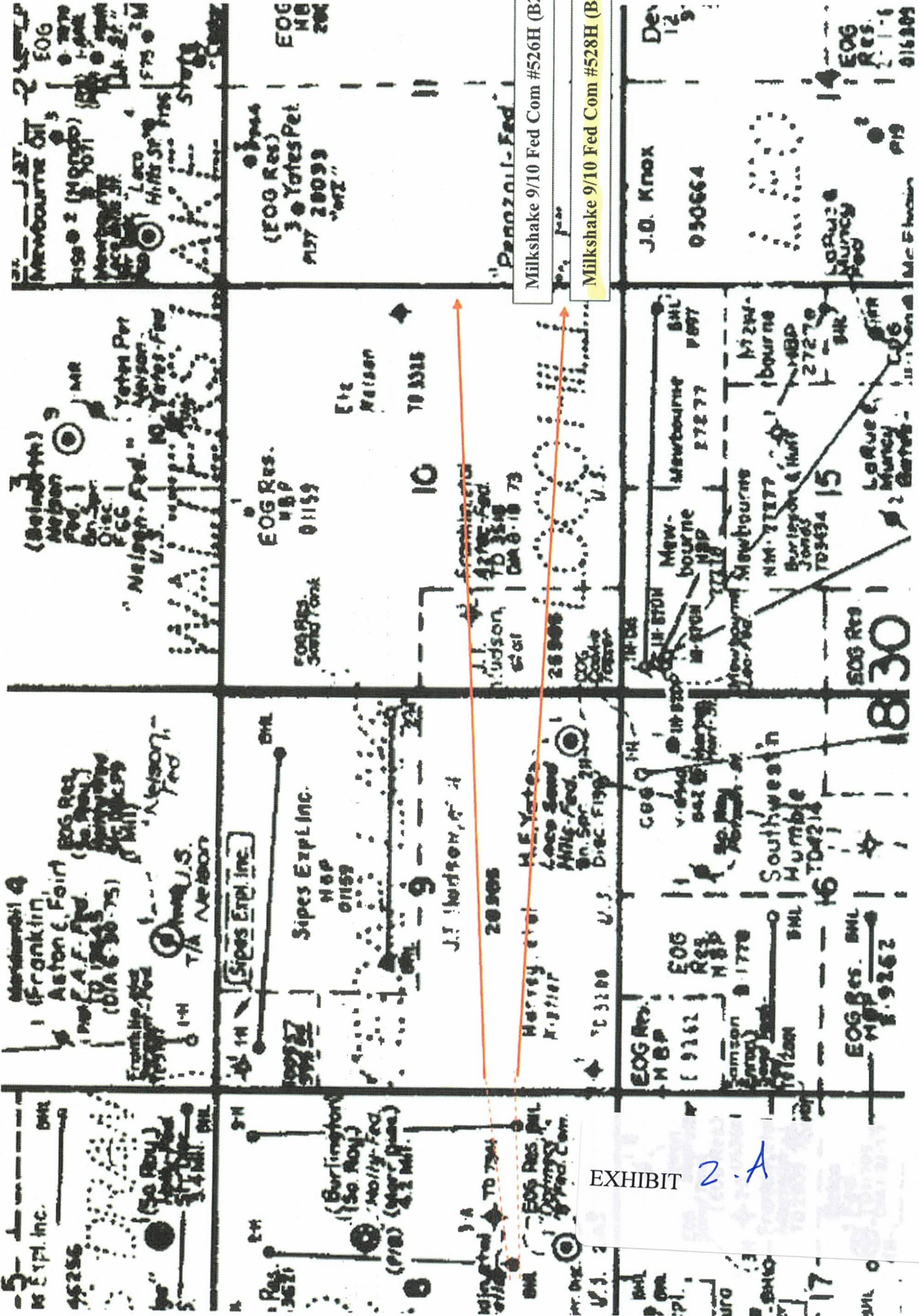
15. The attachments to this affidavit were prepared by me or compiled from company business records.

16. Granting 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 this case. I affirm that my testimony in paragraphs 1 through 16 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: July 18, 2024

/s/ Josh Anderson
Josh Anderson



Milkshake 9/10 Fed Com #526H (B2LI)

Milkshake 9/10 Fed Com #528H (B2MP)

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
 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 30-015-55219	² Pool Code 5640539513	³ Pool Name Loco Hills SHUGART NORTH; BONE SPRING, East
⁴ Property Code 336073	⁵ Property Name MILKSHAKE 9/10 B2MP FED COM	
⁷ OGRID NO. 14744	⁸ Operator Name MEWBOURNE OIL COMPANY	⁶ Well Number 1H
		⁹ Elevation 3509'

¹⁰ Surface Location

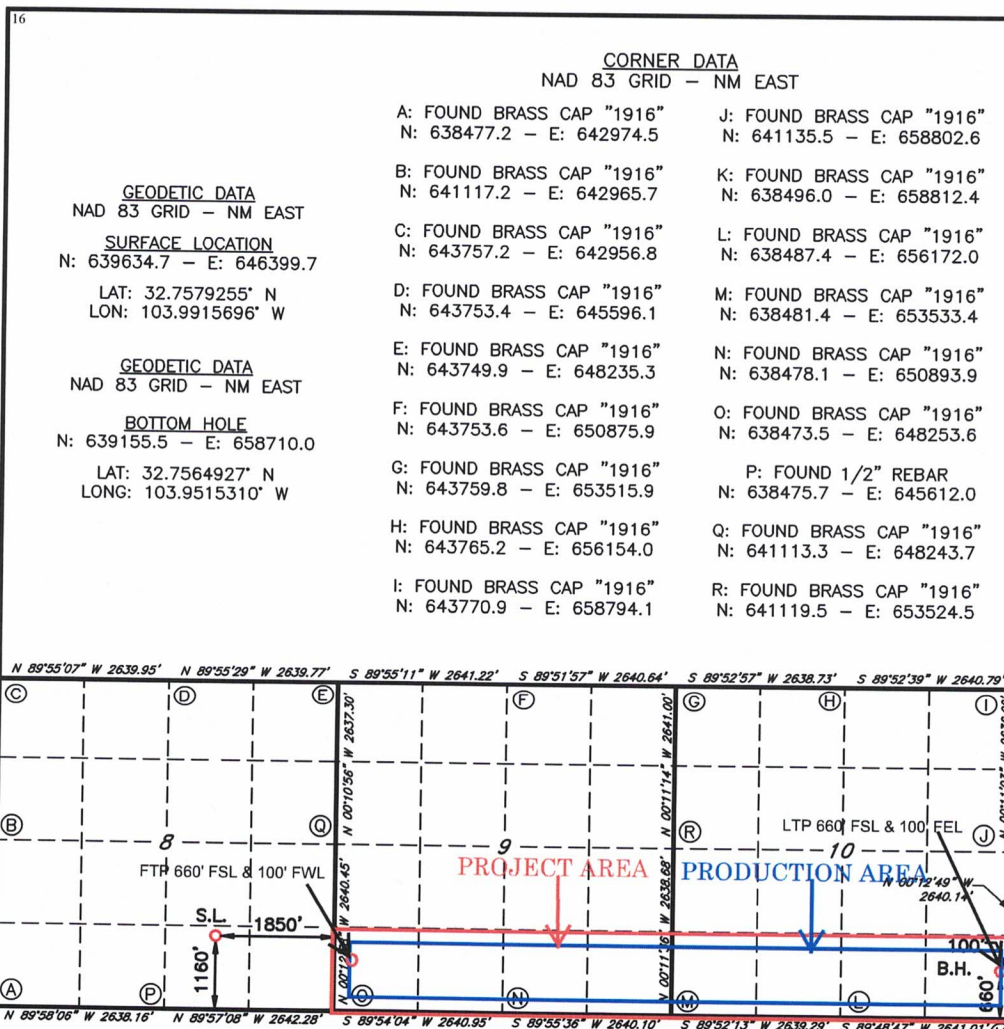
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
0	8	18S	30E		1160	SOUTH	1850	EAST	EDDY

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
P	10	18S	30E		660	SOUTH	100	EAST	EDDY

¹² Dedicated Acres 320	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.



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.

Ryan McDaniel 8/29/22
 Signature Date
RYAN MCDANIEL
 Printed Name
RMCDANIEL@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.

03/14/2022
 Date of Survey
 Signature and Seal of Professional Surveyor

19680
 Certificate Number
S.L. & PAD MOVE - 06/14/22
 Job No.: **LS22030279R**

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		2 Pool Code 56405		3 Pool Name SHUGART NORTH; BONE SPRING	
4 Property Code		5 Property Name MILKSHAKE 9/10 FED COM			6 Well Number 528H
7 GRID NO. 14744		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3509'

10 Surface Location

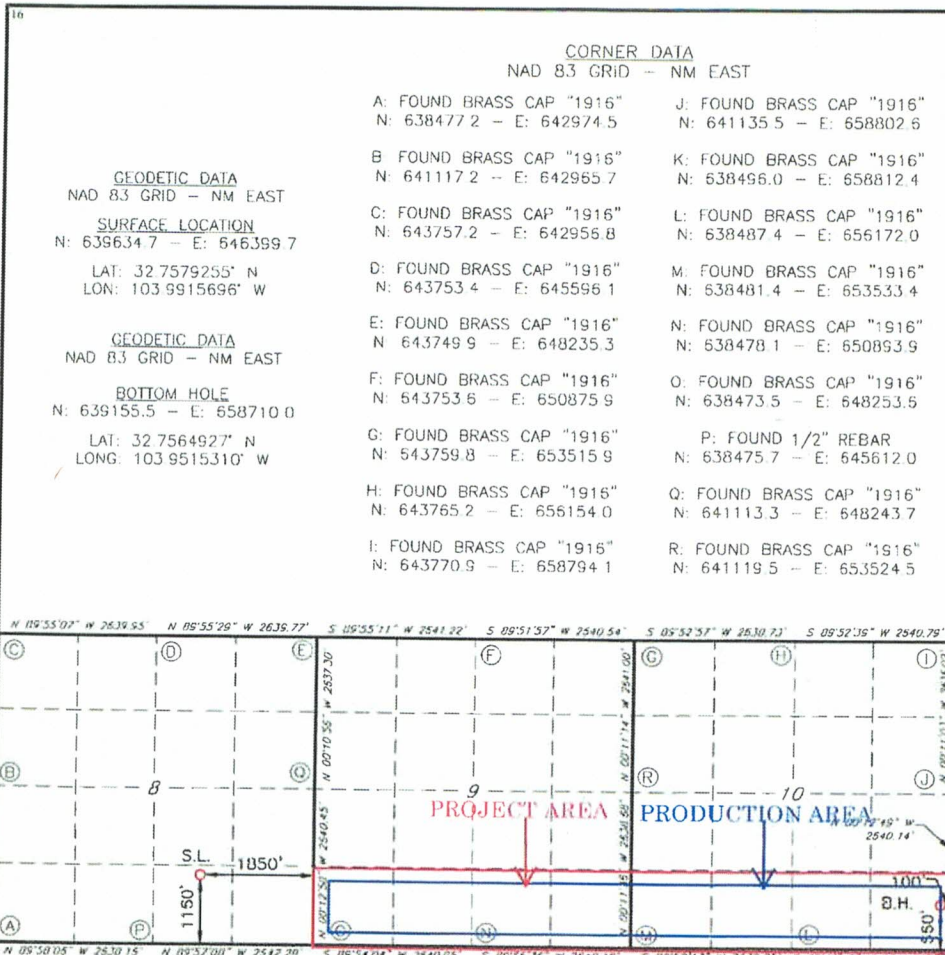
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
0	8	18S	30E		1160	SOUTH	1850	EAST	EDDY

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
P	10	18S	30E		660	SOUTH	100	EAST	EDDY

12 Dedicated Acres 320	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.



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.

Ryan McDaniel 8/29/22
Signature Date
RYAN MCDANIEL
Printed Name
RMCDANIEL@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.

03/14/2022
Date of Survey
Signature and Seal of Professional Surveyor
19680
Certificate Number
S.L. & PAD MOVE - 05/14/22

PROF. ROBERT M. HOWETT
NEW MEXICO
19680
PROFESSIONAL SURVEYOR

Job No.: LS22030279R

Section Plat
Milkshake 9/10 Fed Com #528H (B2MP)
S/2S/2 of Section 9 & S/2S/2 of Section 10

T18S-R30E, Eddy County, NM

Section 9		Section 10	
		<div style="border: 1px solid black; padding: 10px; display: inline-block;"> EXHIBIT 2-B </div>	
Tract 1	Tract 2	Tract 3	Tract 4

Tract 1: S/2SW/4 & SW/4SE/4 of Section 9 - Federal Lease NMNM 26385

Mewbourne Oil Company
Yates Energy Corporation
Canyon Captial Holdings, LLC
Jalapeno Corp.
Javelina Partners
MRC Delaware Resources, LLC
Redfern Oil Co.
Lindy's Living Trust
Ard Energy, LLC
S.P.E.L.L., Inc.
Josephine T. Hudson Testamentary Trust FBO J Terrel Ard
Delmar Hudson Lewis Living Trust
Zorro Partners
Southpaw Land & Timber, LLC
Arden R. Grover
Garland C. Lamb
Calvin W. Osborn
Wayne F. Reser
Marvin D. Witcher
8 Way Oil & Gas, Inc.
Victoria Trading Company, LLC
Argo Energy Partners, Ltd.
Rosemary Avery Estate
S. W. Crosby, III
Diamond Head Properties, L.P.
McCombs Exploration, LLC
Skillet Shot, LLC
Chi Energy, Inc.
NexGen Capital Resources, LLC

Tract 2: SE/4SE/4 of Section 9 - Federal Lease NMNM 26385

Mewbourne Oil Company
Yates Energy Corporation
Canyon Captial Holdings, LLC
Jalapeno Corp.
Javelina Partners
MRC Delaware Resources, LLC

Tract 3: SW/4SW/4 of Section 10 - Federal Lease NMNM 26385

Mewbourne Oil Company
Yates Energy Corporation
Canyon Captial Holdings, LLC
Jalapeno Corp.
Javelina Partners
MRC Delaware Resources, LLC
Redfern Oil Co.
Lindy's Living Trust
Ard Energy, LLC
S.P.E.L.L., Inc.
Josephine T. Hudson Testamentary Trust FBO J Terrel Ard
Delmar Hudson Lewis Living Trust
Zorro Partners
Southpaw Land & Timber, LLC
Arden R. Grover
Garland C. Lamb
Calvin W. Osborn
Wayne F. Reser
Marvin D. Witcher
ACS-ODC Oil & Gas, Inc.
Victoria Trading Company, LLC
Argo Energy Partners, Ltd.
Rosemary Avery Estate
S. W. Crosby, III
Diamond Head Properties, L.P.
McCombs Exploration, LLC
Skillet Shot, LLC
Chi Energy, Inc.
NexGen Capital Resources, LLC

Tract 4: SE/4SW/4 & S/2SE/4 of Section 10 - Federal Lease NMNM 01159

Mewbourne Oil Company
EOG Resources, Inc.
Rio Pecos Croporation
Ellipsis Oil & Gas, Inc.
Cannon Exploration Co.
The Roger T. and Holly L. Elliott Family Limited Partnership, L.P.
Tara Jon Corporation

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Redfern Oil Co.
Lindy's Living Trust
Ard Energy, LLC
S.P.E.L.L., Inc.
Josephine T. Hudson Testamentary Trust FBO J Terrel Ard
Delmar Hudson Lewis Living Trust
Zorro Partners
Southpaw Land & Timber, LLC
Arden R. Grover
Garland C. Lamb
Calvin W. Osborn
Wayne F. Reser
Marvin D. Witcher
ACS-ODC Oil & Gas, Inc.
Victoria Trading Company, LLC
Argo Energy Partners, Ltd.
Rosemary Avery Estate
S. W. Crosby, III
Diamond Head Properties, L.P.
McCombs Exploration, LLC
Skillet Shot, LLC
Chi Energy, Inc.
NexGen Capital Resources, LLC

Slayton Investments, LLC
Rialto Production Company
COG Operating, LLC
Concho Oil & Gas, LLC

RECAPITULATION FOR MILKSHAKE 9/10 FED COM #528H (B2MP)

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
1	120	37.500000%
2	40	12.500000%
3	40	12.500000%
4	120	37.500000%
TOTAL	320	100.000000%

T18S-R30E, Eddy County, NM

Section 9

Section 10

Tract 1	Tract 2	Tract 3	Tract 4

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TRACT OWNERSHIP
S/2S/2 of Section 9 & S/2S/2 of Section 10

Bone Spring Formation:

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al.	61.869862%
*MRC Delaware Resources, LLC 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240	30.804403%
*Redfern Oil Co. P.O. Box 2127 Midland, TX 79702	0.757726%
*S.P.E.L.L., Inc. P.O. Box 2127 Midland, TX 79702	0.757726%
*Josephine T. Hudson Testamentary Trust FBO J Terrell Ard 640 Taylor Street, 17th Floor Fort Worth, TX 76102	0.096843%
*Delmar Hudson Lewis Living Trust 301 Commerce Street, STE 2400 Fort Worth, TX 76102	0.581054%
*Arden R. Grover P.O. Box 2127 Midland, TX 79702	0.156250%
*Calvin W. Osborn RR 2, Box 48 Lovington, NM 88260	0.187500%
*Wayne F. Reser 1512 W. Aspen Lovington, NM 88260	0.187500%
*Marvin D. Witcher P.O. Box 1983 Midland, TX 79702	0.265625%
*8 Way Oil & Gas, Inc. P.O. Box 371 Midland, TX 79701	0.187500%
*ACS-ODC Oil & Gas, Ltd. 3602 South Washington Amarillo, TX 79110	0.041667%
*Rosemary Avery Estate P.O. Box 470 Presidio, TX 79845	0.234375%
*Diamond Head Properties, L.P. P.O. Box 2127 Midland, TX 79702	3.015798%
*NexGen Capital Resources, LLC 4000 N. Big Spring St., Suite 210 Midland, TX 79705	0.856173%
TOTAL	38.130138%
Total Interest Being Pooled:	38.130138%

OWNERSHIP BY TRACT**S/2SW/4 & SW/4SE/4 of Section 9**

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al	39.780945%
MRC Delaware Resources, LLC	49.287044%
Redfern Oil Co.	1.212362%
S.P.E.L.L., Inc.	1.212362%
Josephine T. Hudson Testamentary Trust FBO	0.154948%
Delmar Hudson Lewis Living Trust	0.929687%
Arden R. Grover	0.250000%
Calvin W. Osborn	0.030000%
Wayne F. Reser	0.030000%
Marvin D. Witcher	0.042500%
8 Way Oil & Gas, Inc.	0.500000%

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Rosemary Avery Estate	0.375000%
Diamond Head Properties, L.P.	4.825276%
NexGen Capital Resources, LLC	1.369876%

TOTAL 100.000000%

SE/4SE/4 of Section 9

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al	40.114278%
MRC Delaware Resources, LLC	49.287044%
Redfern Oil Co.	1.212362%
S.P.E.L.L., Inc.	1.212362%
Josephine T. Hudson Testamentary Trust FBO	0.154948%
Delmar Hudson Lewis Living Trust	0.929687%
Arden R. Grover	0.250000%
Calvin W. Osborn	0.030000%
Wayne F. Reser	0.030000%
Marvin D. Witcher	0.042500%
ACS-ODC Oil & Gas, Ltd.	0.166667%
Rosemary Avery Estate	0.375000%
Diamond Head Properties, L.P.	4.825276%
NexGen Capital Resources, LLC	1.369876%

TOTAL 100.000000%

SW/4SW/4 of Section 10

Owner	% of Leasehold Interest
Mewbourne Oil Company, et al	39.780945%
MRC Delaware Resources, LLC	49.287044%
Redfern Oil Co.	1.212362%
S.P.E.L.L., Inc.	1.212362%
Josephine T. Hudson Testamentary Trust FBO	0.154948%
Delmar Hudson Lewis Living Trust	0.929687%
Arden R. Grover	0.250000%
Calvin W. Osborn	0.030000%
Wayne F. Reser	0.030000%
Marvin D. Witcher	0.042500%
8 Way Oil & Gas, Inc.	0.500000%
Rosemary Avery Estate	0.375000%
Diamond Head Properties, L.P.	4.825276%
NexGen Capital Resources, LLC	1.369876%

TOTAL 100.000000%

SE/4SW/4 & S/2SE/4 of Section 10

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

TOTAL 100.000000%

MEWBOURNE OIL COMPANY

500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

February 15, 2024

Via Certified Mail

MRC Delaware Resources, LLC
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240
Attn: Clay Wooten

Re: Proposed Horizontal Wells
Milkshake "9/10" Fed Com #526H
Milkshake "9/10" Fed Com #528H
Section 9 & 10, T18S, R30E
Eddy County, New Mexico

EXHIBIT 2.C

To Whom It May Concern:

Mewbourne Oil Company ("Mewbourne") as Operator, proposes to form a 1280 acre Working Interest Unit ("WIU") covering all of the captioned Section 9, and all of the captioned Section 10 for oil and gas production. Mewbourne hereby proposes to drill the captioned wells at the below referenced surface locations (SL) to the below referenced bottom hole locations (BHL). The N/2S/2 of the captioned Section 9, and the N/2S/2 of the captioned Section 10 will be dedicated to the Milkshake 9/10 Fed Com #526H well as the proration unit and the S/2S/2 of the captioned Section 9, and the S/2S/2 of the captioned Section 10 will be dedicated to the Milkshake 9/10 Fed Com #528H well as the proration unit. Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the following horizontal wells:

- Milkshake 9/10 Fed Com #526H will have a surface location 1190' FSL & 1850' FEL in Section 8-T18S-R30E and a bottom hole location approximately 1980' FSL & 100' FEL in the captioned Section 10. We anticipate drilling to an approximate total vertical depth of 8,041' and an approximate total measured depth of 18,701'. The N/2S/2 of Section 9 and the N/2S/2 of Section 10 will be dedicated to the well as the proration unit.
- Milkshake 9/10 Fed Com #528H will have a surface location 1160' FSL & 1850' FEL in Section 8-T18S-R30E and a bottom hole location approximately 660' FSL & 100' FEL in the captioned Section 10. We anticipate drilling to an approximate total vertical depth of 8,116' and an approximate total measured depth of 18,780'. The S/2S/2 of Section 9 and the S/2S/2 of Section 10 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our AFEs dated November 8, 2023 for the captioned proposed wells. In the event your firm elects to participate in the proposed WIU and well, please execute the enclosed AFE and extra set of signature pages and return to me within thirty (30) days.

Our proposed Operating Agreement will have COPAS rates of \$10,000/month while drilling, \$1,000/month for a producing well, and a non-consent penalty of 100%/300%. Should you wish to participate, please email me at janderson@mewbourne.com and I will promptly email you a copy of the Milkshake 9/10 Operating Agreement dated February 1, 2024, for your review.

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

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Sincerely,
MEWBOURNE OIL COMPANY

A handwritten signature in black ink, appearing to read "Josh Anderson", with a long horizontal flourish extending to the right.

Josh Anderson, RPL
Landman

MEWBOURNE OIL COMPANY
500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

February 29, 2024

Via Certified Mail

MRC Delaware Resources, LLC
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240
Attn: Clay Wooten

Re: Working Interest Unit
Mewbourne's Milkshake 9/10 Prospect
Section 9 & 10, T18S, R30E
Eddy County, New Mexico

To Whom It May Concern:

Enclosed for your further handling regarding the captioned prospect and lands, is our Operating Agreement dated February 1, 2024, along with an extra set of signature/notary pages. The Operating Agreement is to coincide with the well proposals/AFEs I sent by letters dated February 15, 2024.

Regarding the above, please have the AFEs, Operating Agreement extra set of signature pages executed, notarized, and return only the extra set of signature pages and AFEs to me whereby you will retain the Operating Agreement for your file.

As previously stated in the well proposals our proposed Operating Agreement has COPAS rates of \$10,000/month while drilling, \$1,000/month for a producing well, and a non-consent penalty of 100%/300%.

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

Sincerely,

MEWBOURNE OIL COMPANY



Josh Anderson, RPL
Landman

Summary of Communications

Milkshake 9/10 Fed Com #526H (B2LI) N/2S/2 of Section 9 & 10-T18S-R30E, Eddy County, NM & Milkshake 9/10 Fed Com #528H (B2MP) S/2S/2 of Section 9 & 10-T18S-R30E, Eddy County, NM

MRC Delaware Resources, LLC:

2/15/2024: Mailed Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Well Proposals to the above listed party.

2/22/2024: The above listed party received and signed for the certified mailing of the above captioned Well Proposals.

2/29/2024: Mailed a Working Interest Unit Milkshake 9/10 Joint Operating Agreement to the above listed party.

3/6/2024: The above listed party received and signed for the certified mailing of the above captioned Joint Operating Agreement.

5/6/2024: Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals.

5/15/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

5/30/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

6/19/2024: Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals.

Ongoing: Mewbourne is currently negotiating with MRC Delaware Resources, LLC to acquire all or a portion of their interest or execute the Joint Operating Agreement.

Diamond Head Properties, L.P.:

4/5/2024: Mailed a Working Interest Unit Milkshake 9/10 Joint Operating Agreement, as well as, Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Well Proposals to the above listed party.

4/8/2024: The above listed party received and signed for the certified mailing of the above captioned Joint Operating Agreement and Well Proposals.

6/18/2024: Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals.

6/18/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

Ongoing: Mewbourne is currently negotiating with Diamond Head Properties, L.P. to acquire all or a portion of their interest or execute the Joint Operating Agreement.

NexGen Capital Resources, LLC:

5/1/2024: Mailed a Working Interest Unit Milkshake 9/10 Joint Operating Agreement, as well as, Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Well Proposals to the above listed party.

5/2/2024: The above listed party received and signed for the certified mailing of the above captioned Joint Operating Agreement and Well Proposals.

5/6/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

5/7/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

5/8/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

5/13/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

6/11/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

6/14/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

6/27/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

Ongoing: Mewbourne is currently negotiating with NexGen Capital Resources, LLC to acquire all or a portion of their interest or execute the Joint Operating Agreement.

Redfern Oil Co.:

5/15/2024: Mailed a Working Interest Unit Milkshake 9/10 Joint Operating Agreement, as well as, Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Well Proposals to the above listed party.

5/29/2024: The above listed party received and signed for the certified mailing of the above captioned Joint Operating Agreement and Well Proposals.

6/18/2024: Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals.

6/18/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

Ongoing: Mewbourne is currently negotiating with Redfern Oil Co. to acquire all or a portion of their interest or execute the Joint Operating Agreement.

S.P.E.L.L., Inc.:

5/15/2024: Mailed a Working Interest Unit Milkshake 9/10 Joint Operating Agreement, as well as, Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Well Proposals to the above listed party.

6/24/2024: The above listed party's predecessor in title's certified mailing of the above captioned Joint Operating Agreement and Well Proposals were returned.

6/18/2024: Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals.

6/18/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

Ongoing: Mewbourne is currently negotiating with S.P.E.L.L., Inc. to acquire all or a portion of their interest or execute the Joint Operating Agreement.

Delmar Hudson Lewis Living Trust:

2/15/2024: Mailed a Working Interest Unit Milkshake 9/10 Joint Operating Agreement, as well as, Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Well Proposals to the above listed party.

4/6/2024: The above listed party received and signed for the certified mailing of the above captioned Joint Operating Agreement and Well Proposals.

3/8/2023: Phone correspondence with above listed party regarding Working Interest Unit and Well Proposal and they indicated that they did not want to participate and would be forced pooled.

Ongoing: Mewbourne is force pooling the Delmar Hudson Lewis Living Trust's interest.

Rosemary Avery Estate:

2/15/2024: Mailed Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Well Proposals to the above listed party.

3/20/2024: The above listed party received and signed for the certified mailing of the above captioned Well Proposals.

Ongoing: Mewbourne is currently trying to locate the Estate of Rosemary Avery to acquire all or a portion of their interest or execute the Joint Operating Agreement.

Marvin D. Witcher:

5/15/2024: Mailed a Working Interest Unit Milkshake 9/10 Joint Operating Agreement, as well as, Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Well Proposals to the above listed party.

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5/23/2024: The above listed party's predecessor in title's certified mailing of the above captioned Joint Operating Agreement and Well Proposals were returned.

Ongoing: Mewbourne is currently trying to locate the Estate of Marvin D. Witcher to acquire all or a portion of their interest or execute the Joint Operating Agreement.

Calvin W. Osborn:

5/15/2024: Mailed a Working Interest Unit Milkshake 9/10 Joint Operating Agreement, as well as, Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Well Proposals to the above listed party.

5/25/2024: The above listed party's predecessor in title's certified mailing of the above captioned Joint Operating Agreement and Well Proposals were returned.

Ongoing: Mewbourne is currently trying to locate the Estate of Calvin W. Osborn to acquire all or a portion of their interest or execute the Joint Operating Agreement.

Wayne F. Reser:

5/15/2024: Mailed a Working Interest Unit Milkshake 9/10 Joint Operating Agreement, as well as, Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Well Proposals to the above listed party.

5/25/2024: The above listed party's predecessor in title's certified mailing of the above captioned Joint Operating Agreement and Well Proposals were returned.

Ongoing: Mewbourne is currently trying to locate the Estate of Wayne F. Reser to acquire all or a portion of their interest or execute the Joint Operating Agreement.

Arden R. Grover:

5/15/2024: Mailed a Working Interest Unit Milkshake 9/10 Joint Operating Agreement, as well as, Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Well Proposals to the above listed party.

5/28/2024: The above listed party's predecessor in title's certified mailing of the above captioned Joint Operating Agreement and Well Proposals were returned.

6/18/2024: Phone correspondence with above listed party regarding Working Interest Unit and Well Proposals.

6/18/2024: Correspondence with above listed party regarding Working Interest Unit and Well Proposals.

Ongoing: Mewbourne is currently negotiating with Arden R. Grover to acquire all or a portion of their interest or execute the Joint Operating Agreement.

8 Way Oil & Gas, Inc.:

5/15/2024: Mailed a Working Interest Unit Milkshake 9/10 Joint Operating Agreement, as well as, Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Well Proposals to the above listed party.

5/28/2024: The above listed party's predecessor in title's certified mailing of the above captioned Joint Operating Agreement and Well Proposals were returned.

Ongoing: Mewbourne is currently negotiating with 8 Way Oil & Gas, Inc. to acquire all or a portion of their interest or execute the Joint Operating Agreement.

ACS-ODC Oil & Gas, Inc.:

2/15/2024: Mailed Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Well Proposals to the above listed party.

2/22/2024: The above listed party received and signed for the certified mailing of the above captioned Well Proposals.

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2/29/2024: Mailed a Working Interest Unit Milkshake 9/10 Joint Operating Agreement to the above listed party.

3/11/2024: The above listed party received and signed for the certified mailing of the above captioned Joint Operating Agreement.

Ongoing: Mewbourne is currently negotiating with ACS-ODC Oil & Gas, Inc. to acquire all or a portion of their interest or execute the Joint Operating Agreement.

Josephine T. Hudson Testamentary Trust FBO J Terrell Ard:

2/15/2024: Mailed Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Well Proposals to the above listed party.

2/22/2024: The above listed party received and signed for the certified mailing of the above captioned Well Proposals.

2/29/2024: Mailed a Working Interest Unit Milkshake 9/10 Joint Operating Agreement to the above listed party.

3/11/2024: The above listed party received and signed for the certified mailing of the above captioned Joint Operating Agreement.

Ongoing: Mewbourne is currently trying to locate the Estate of Josephine T. Hudson to acquire all or a portion of their interest or execute the Joint Operating Agreement.

Record Title Owner
Summary of Communications

Milkshake 9/10 Fed Com #526H (B2LI) N/2S/2 of Section 9 & 10-T18S-R30E, Eddy County, NM &

Milkshake 9/10 Fed Com #528H (B2MP) S/2S/2 of Section 9 & 10-T18S-R30E, Eddy County, NM

Stratco Operating Co. Inc.:

4/2/2024: Mailed Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Federal Communitization Agreements to the above listed party.

4/5/2024: The above listed party received and signed for the certified mailing of the above captioned Federal Communitization Agreements.

Ongoing: Mewbourne is currently negotiating with the Stratco Operating Co. Inc. to execute the above captioned Federal Communitization Agreements.

Explorers Petro Corp.:

4/2/2024: Mailed Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Federal Communitization Agreements to the above listed party.

4/5/2024: The above listed party received and signed for the certified mailing of the above captioned Federal Communitization Agreements.

Ongoing: Mewbourne is currently negotiating with the Explorers Petro Corp. to execute the above captioned Federal Communitization Agreements.

Nadel & Gussman Heyco LLC:

4/2/2024: Mailed Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Federal Communitization Agreements to the above listed party.

4/5/2024: The above listed party received and signed for the certified mailing of the above captioned Federal Communitization Agreements.

Ongoing: Mewbourne is currently negotiating with the Nadel & Gussman Heyco LLC to execute the above captioned Federal Communitization Agreements.

Spiral Inc.:

4/2/2024: Mailed Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Federal Communitization Agreements to the above listed party.

4/5/2024: The above listed party received and signed for the certified mailing of the above captioned Federal Communitization Agreements.

Ongoing: Mewbourne is currently negotiating with the Spiral Inc. to execute the above captioned Federal Communitization Agreements.

Edward R Hudson Trust 4:

4/2/2024: Mailed Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Federal Communitization Agreements to the above listed party.

4/5/2024: The above listed party received and signed for the certified mailing of the above captioned Federal Communitization Agreements.

Ongoing: Mewbourne is currently negotiating with the Edward R Hudson Trust 4 to execute the above captioned Federal Communitization Agreements.

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Delmar Hudson Lewis:

4/2/2024: Mailed Milkshake 9/10 Fed Com #526H (B2LI) & Milkshake 9/10 Fed Com #528H (B2MP) Federal Communitization Agreements to the above listed party.

4/6/2024: The above listed party received and signed for the certified mailing of the above captioned Federal Communitization Agreements.

Ongoing: Mewbourne is currently negotiating with the Delmar Hudson Lewis to execute the above captioned Federal Communitization Agreements.

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MEWBOURNE OIL COMPANY
500 WEST TEXAS AVENUE, SUITE 1020
MIDLAND, TEXAS 79701-4279

TELEPHONE (432) 682-3715

April 2, 2024

Via Certified Mail

Stratco Operating Co. Inc.
400 Buckeye Trail
Austin, Texas 78746

Re: Milkshake "9/10" Fed Com No. 526H &
Milkshake "9/10" Fed Com No. 528H Comm Agreements
Section 9 & 10, T18S, R30E
Eddy County, New Mexico

To Whom It May Concern:

Enclosed for your further handling is our proposed Federal Communitization Agreements, both dated April, 1 2024 covering the captioned lands and 3 sets of extra signature pages of same. These agreements communitize the leases covering the captioned lands from the Bone Spring formation. The captioned wells are horizontal wells with the N/2S/2 of the captioned Section 12 & the N/2S/2 of the captioned Section 11, as well as, the S/2S/2 of the Captioned Section 12 & the S/2S/2 of the captioned Section 11, being dedicated to the wells as the proration units, respectively.

In reference to the above, please have the agreements executed and return only the extra sets of signature pages to me for further handling. Please retain the copy of the Communitization Agreements for your file.

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

Sincerely,
MEWBOURNE OIL COMPANY



Josh Anderson, RPL
Landman

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MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: MILKSHAKE 9/10 FED COM #528H Prospect: 2BSS (2.0 Mile Lateral)
 Location: SL: 1160 FSL & 1850 FEL (8); BHL: 660 FSL & 100 FEL (10) County: Eddy ST: NM
 Sec. 9/10 Blk: Survey: TWP: 18S RNG: 30E Prop. TVD: 8116 TMD: 18780

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$40,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$100,000
Daywork / Turnkey / Footage Drilling	34 days drlg / 3 days comp @ \$28000/d	0180-0110	\$1,016,700	0180-0210	\$89,700
Fuel	1700 gal/day @ \$3.9/gal	0180-0114	\$240,700	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	\$230,000	0180-0221	
Horizontal Drilling Services				0180-0222	\$200,000
Stimulation Toe Preparation				0180-0223	\$25,000
Cementing		0180-0125	\$175,000	0180-0225	\$55,000
Logging & Wireline Services		0180-0130	\$40,000	0180-0230	\$301,000
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	\$2,284,000
Stimulation Rentals & Other				0180-0242	\$232,000
Water & Other		0180-0145	\$35,000	0180-0245	\$456,000
Bits		0180-0148	\$128,200	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	\$45,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision		0180-0170	\$210,900	0180-0270	\$67,000
Directional Services	Includes Vertical Control	0180-0175	\$589,000		
Equipment Rental		0180-0180	\$217,900	0180-0280	\$100,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,900	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$1,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$10,000
Company Supervision		0180-0195	\$133,200	0180-0295	\$36,000
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$182,725	0180-0299	\$221,485
TOTAL			\$3,837,225		\$4,651,185

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	575' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft	0181-0794	\$29,400		
Casing (8.1" - 10.0")	1740' - 9 5/8" 40# HCL80 LT&C @ \$40.67/ft	0181-0795	\$75,600		
Casing (6.1" - 8.0")	7700' - 7" 29# HPP110 BT&C @ \$38.93/ft	0181-0796	\$320,100		
Casing (4.1" - 6.0")	11550' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$21.65/ft			0181-0797	\$267,100
Tubing	7500' - 2 7/8" 6.5# N-80 Tbg @ \$13/ft			0181-0798	\$104,100
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871	
Subsurface Equip. & Artificial Lift	ESP			0181-0880	\$40,000
Pumping Unit Systems				0181-0885	\$4,000
Service Pumps	(1/3) TP/CP/Circ pump			0181-0886	\$50,000
Storage Tanks	(1/3) 6 QT/5 WT/GB			0181-0890	\$34,000
Emissions Control Equipment	(1/3) VRT's/VRU/Flare/KO's			0181-0892	\$44,000
Separation / Treating Equipment	(1/3) H sep/V sep/HT			0181-0895	\$66,000
Automation Metering Equipment				0181-0898	\$31,000
Line Pipe & Valves - Gathering	(1/3) Facility work			0181-0900	\$1,000
Fittings / Valves & Accessories				0181-0906	\$105,000
Wellhead Flowlines - Construction				0181-0908	\$136,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$113,000
Equipment Installation				0181-0910	\$82,000
Oil/Gas Pipeline - Construction	(1/3) Gas Line			0181-0920	\$29,000
Water Pipeline - Construction	(1/3) SWDL			0181-0921	\$2,000
TOTAL			\$460,100		\$1,138,200
SUBTOTAL			\$4,297,325		\$5,789,385

TOTAL WELL COST \$10,086,710

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: G. Edington Date: 11/8/2023
 Company Approval: _____ Date: _____
 Joint Owner Interest: _____ Amount: _____
 Joint Owner Name: _____ Signature: _____

EXHIBIT 2-D

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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 Nos. 24659 - 24660

SELF-AFFIRMED STATEMENT OF CHARLES CROSBY

COUNTY OF MIDLAND)
) ss.
STATE OF TEXAS)

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 these cases. I have been qualified by the Division as an expert petroleum geologist.
3. These cases involve the Bone Spring formation underlying horizontal spacing units collectively comprising the S/2 of Sections 9 and 10, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. Applicant proposes to drill four wells to depths sufficient to test the Bone Spring formation in the subject lands.
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-southeast. It also shows a west-east 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 units. 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 units.
5. I conclude from the maps that:
 - (a) The horizontal spacing units are justified from a geologic standpoint.
 - (b) The target zone is continuous and of relatively uniform thickness across the well units.

EXHIBIT 3

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(c) Each quarter-quarter section in each well unit will contribute more or less equally to production from a well.

(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 in the area are predominantly laydown wells. Mewbourne believes laydown well units are reasonable.

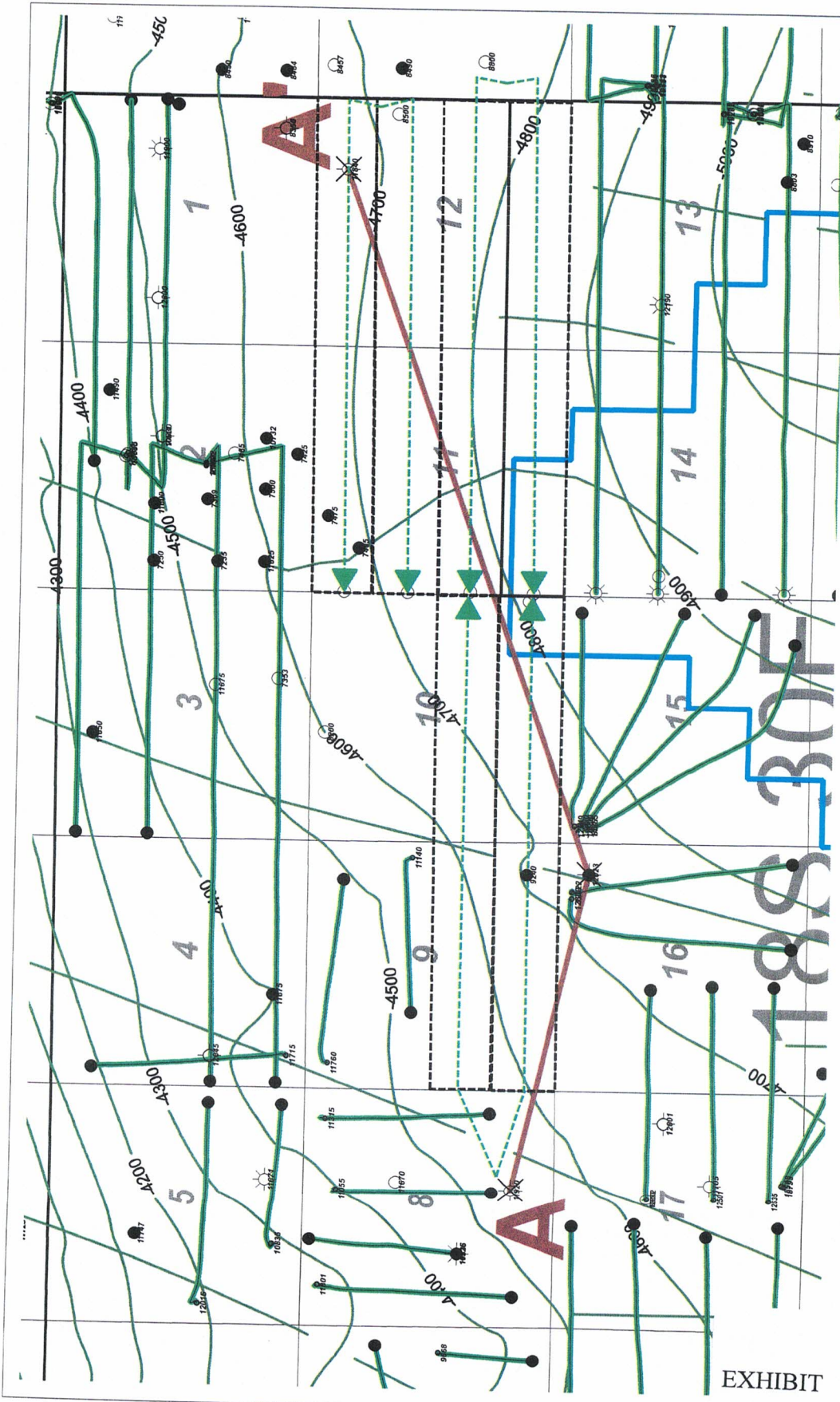
7. Exhibit 3-C contains horizontal drilling plans for the proposed wells. The producing intervals of the wells will be orthodox.

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.

July 18, 2024
Date

Charles Crosby
Charles Crosby

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Mewbourne Oil Company

Milkshake - Sandbox
Horizontal Activity Map
Base 2nd BSPG SD Structure (C.I. 100')

7/17/24	Edley County	New Mexico
	Wellb. TD - 5000' Filtered out	Geoff C. Crawley

1:37000

1450 0 1450 2900 4350 us ft

Horizontal Activity Color Code
2nd BSPG SD

Milkshake-Sandbox Wells

Proration Unit

EXHIBIT 3.A

3001532720000
EGG RESOURCES INC
CATMEAL & FEDERAL.COM 1
Datum=3529.00
NW SW SE
TWP: 18 S - Range: 30 E - Sec. 8

6945 ft

3001536330000
MARBOB ENERGY CORP
HURL STATE CCM 001
Datum=3434.00
660 FNL660 FEL
TWP: 18 S - Range: 30 E - Sec. 16

15873 ft

30015319720000
READ & STEVENS INC
ARENA 12 FEDERAL 1
Datum=3573.00
660 FNL 1500 FEL
TWP: 18 S - Range: 30 E - Sec. 12

80

16A

12B

Top 2nd BSPG SD

500

500

Milkshake Sanbox Target

Base 2nd BSPG SD

Top 3rd BSPG Carbonate

TD=11920.00

TD=12023.00

TD=11840.00

Milkshake - Sandbox 2nd BSPG SD Cross Section (A-A')

EXHIBIT

3-B



Company: Mewbourne Oil Company
 Well: Milkshake 9-10 Fed Com 526H
 County: Eddy County, New Mexico (NAD 83)
 Rig: Patterson 558
 Wellbore: Wellbore #1
 Design: Design #1
 Date: 17:45, June 25 2024



Azimuths to Grid North
 True North: -0.18°
 Magnetic North: 6.70°

Magnetic Field
 Strength: 47515.5nT
 Dip Angle: 60.40°
 Date: 6/30/2024
 Model: HDGM2024

To convert a Magnetic Direction to a Grid Direction, Add 6.698°
 To convert a Magnetic Direction to a True Direction, Add 6.883° East
 To convert a True Direction to a Grid Direction, Subtract 0.185°

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

WELL DETAILS: Milkshake 9-10 Fed Com 526H

	GL @ 3510.00	Well @ 3538.00usft (Patterson 558)		
+N/-S	+E/-W	Northing	Easting	Latitude
0.00	0.00	639664.70	646399.60	32.758008
				Longitude
				-103.991570

DESIGN TARGET DETAILS

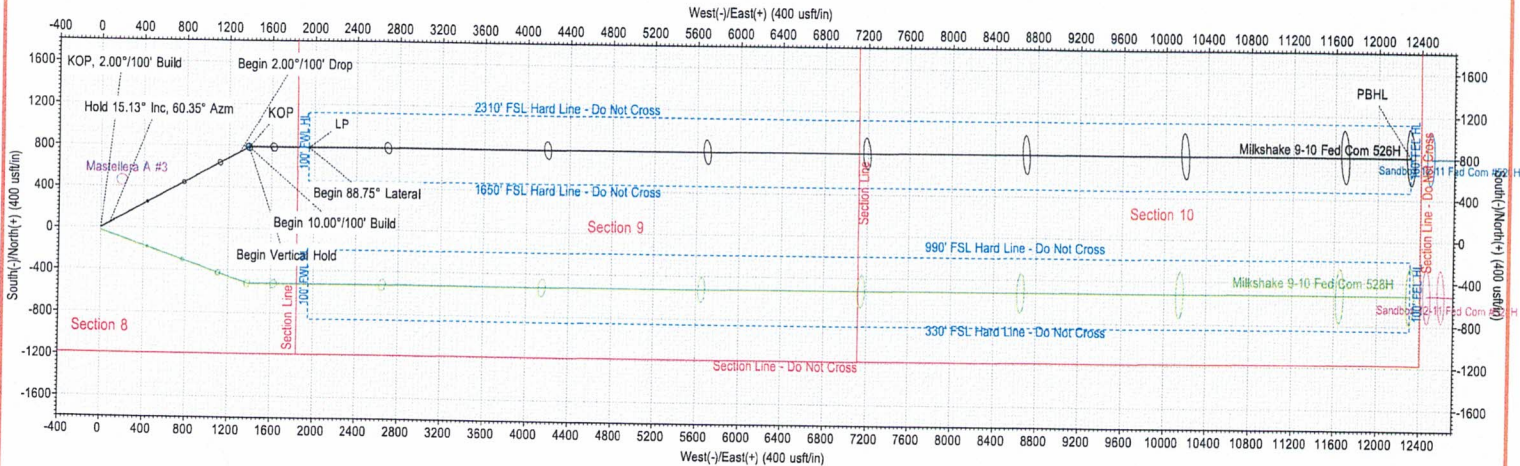
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
VP	7262.18	789.22	1386.57	640453.92	647786.17	32.760165	-103.987051
PBHL	8261.00	810.50	12305.50	640475.20	658705.10	32.760120	-103.951531
KOP	7462.18	789.22	1386.57	640453.92	647786.17	32.760165	-103.987051
LP	8035.00	790.31	1947.13	640455.01	648346.73	32.760163	-103.985227

SURVEY PROGRAM

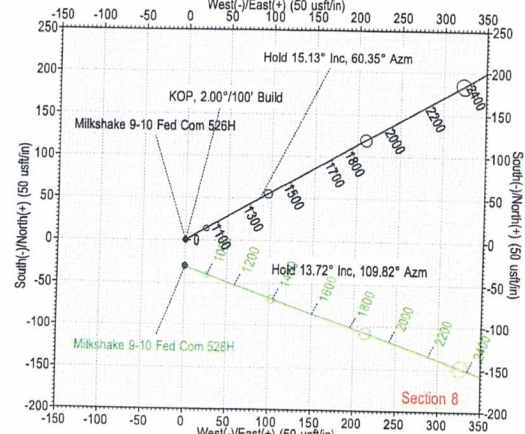
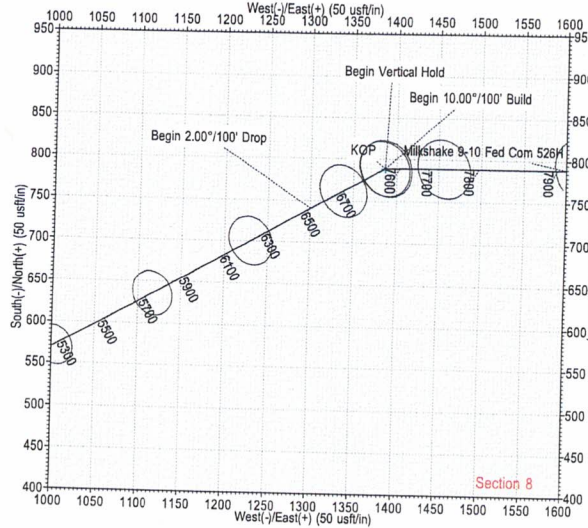
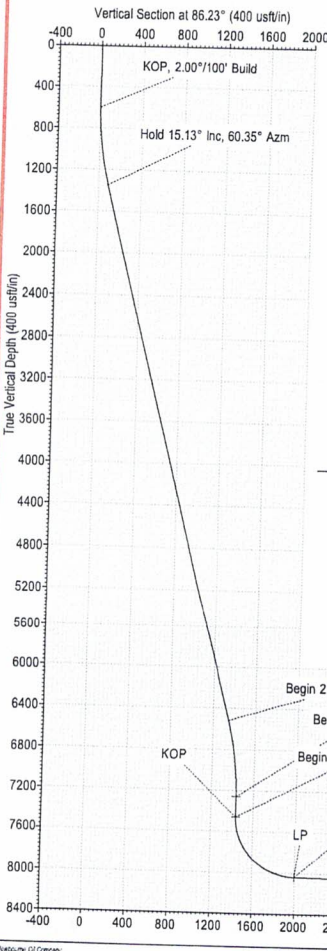
Depth From	Depth To	Survey/Plan	Tool
0.00	18913.65	Design #1 (Wellbore #1)	MWD+HRGM



Milkshake 9-10 Fed Com 526H
 SHL: 1190' FSL & 1850' FEL
 PBHL: 1980' FSL & 100' FEL



100' FEL/FWL Hard Line
 1650' FSL Hard Line
 2310' FSL Hard Line



SECTION DETAILS									
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dieg	TFace	V Sect	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.00	
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.000	0.00	
1356.42	15.13	60.35	1347.66	49.11	86.29	2.00	60.352	89.33	KOP, 2.00"/100' Build
6708.77	15.13	60.35	6514.52	740.10	1300.29	0.00	0.000	1346.12	Hold 15.13" Inc, 60.35° Azm
7465.19	0.00	0.00	7262.18	789.22	1386.57	2.00	180.000	1435.45	Begin 2.00"/100' Drop
7665.19	0.00	0.00	7462.18	789.22	1386.57	0.00	0.000	1435.45	Begin Vertical Hold
8552.69	88.75	89.89	8035.00	790.31	1947.03	10.00	89.888	1994.77	Begin 10.00"/100' Build
18913.65	88.75	89.89	8261.00	810.50	12305.50	0.00	0.000	12332.16	Begin 88.75° Lateral PBHL

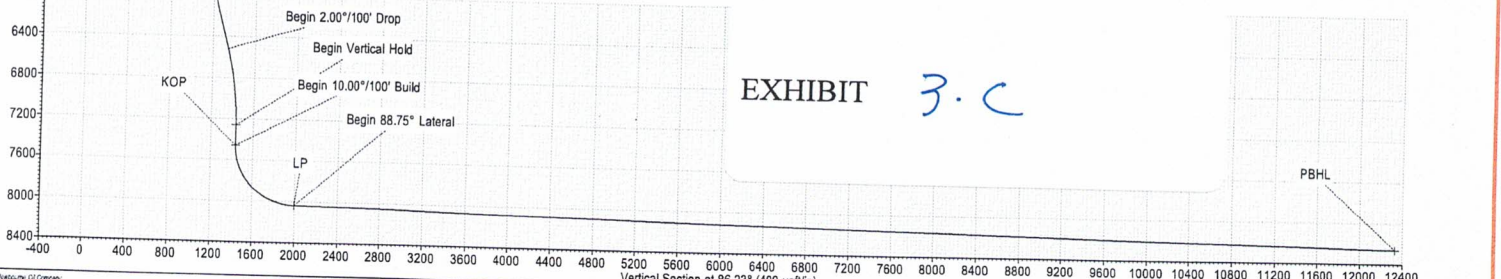
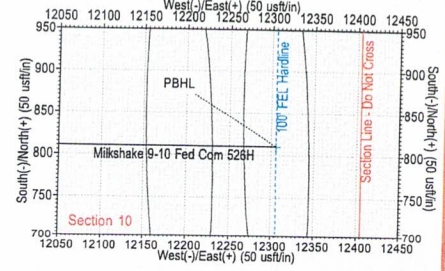


EXHIBIT 3.C



Company: Mewbourne Oil Company
 Well: Milkshake 9-10 Fed Com 528H
 County: Eddy County, New Mexico (NAD 83)
 Rig: Patterson 558
 Wellbore: Wellbore #1
 Design: Design #1
 Date: 17:41, June 25 2024



Azimuths to Grid North
 True North: -0.18°
 Magnetic North: 6.70°

Magnetic Field
 Strength: 475.16 nT
 Dip Angle: 80.40°
 Date: 6/30/2024
 Model: HDGM2024

To convert a Magnetic Direction to a Grid Direction, Add 6.698°
 To convert a Magnetic Direction to a True Direction, Add 6.883° East
 To convert a True Direction to a Grid Direction, Subtract 0.185°

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

WELL DETAILS: Milkshake 9-10 Fed Com 528H

+N/-S	+E/-W	GL @ 3509.00	Well @ 3537.00usft (Patterson 558)	Longitude	Slot
0.00	0.00	Northing 639634.70	Easting 646399.70	Latitude 32.757925	-103.991570

DESIGN TARGET DETAILS

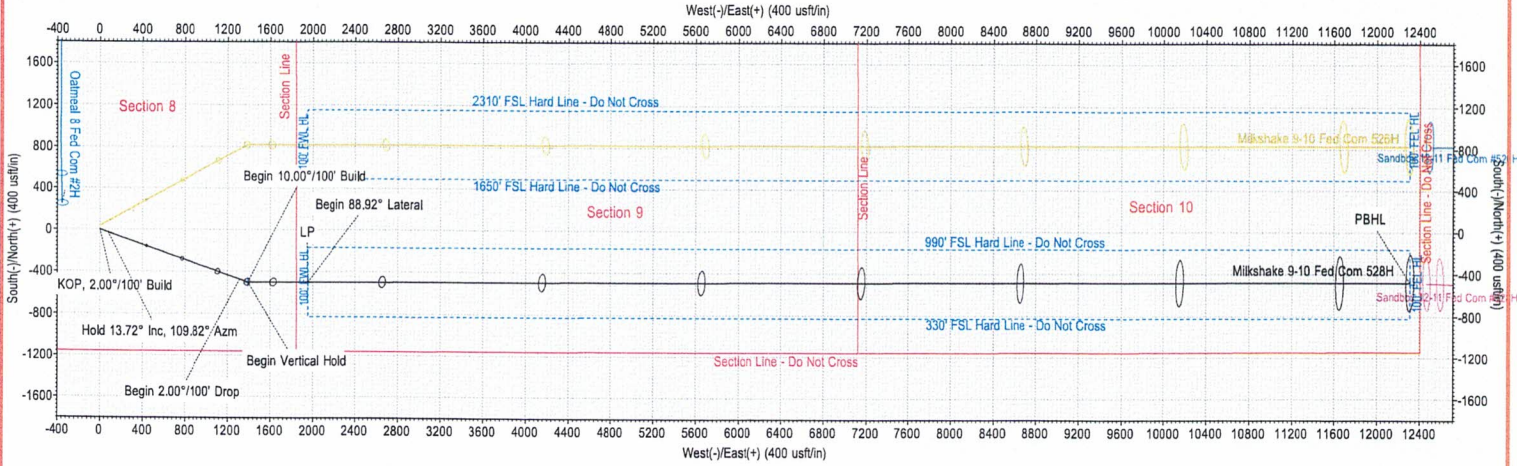
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
VP	7337.14	-500.79	1389.42	639133.91	647789.12	32.756537	-103.987055
PBHL	8305.00	-479.20	12310.30	639155.50	658710.00	32.756493	-103.961531
KOP	7537.14	-500.79	1389.42	639133.91	647789.12	32.756537	-103.987055
LP	8110.00	-499.68	1951.61	639135.02	648351.31	32.756534	-103.985227

SURVEY PROGRAM

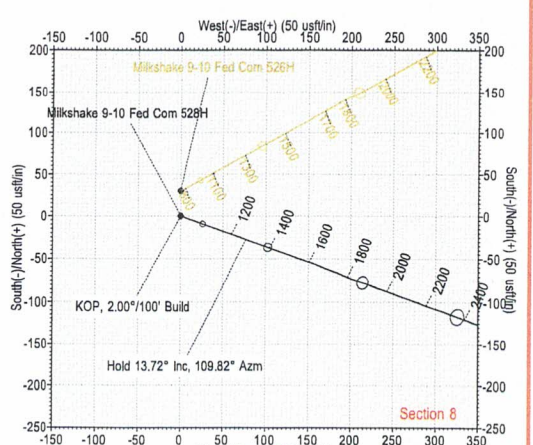
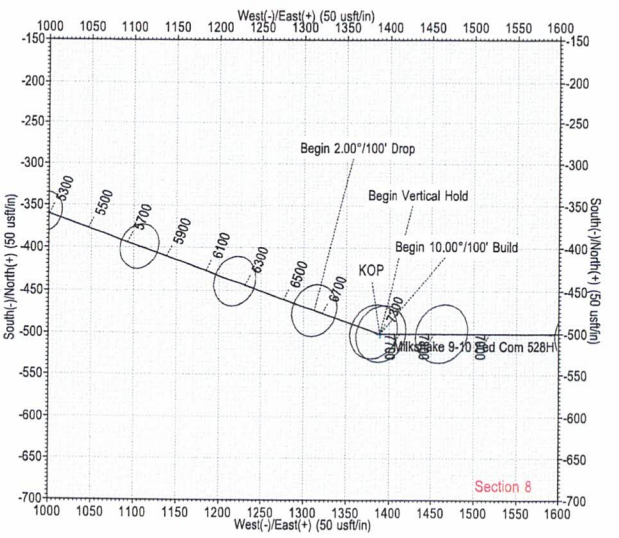
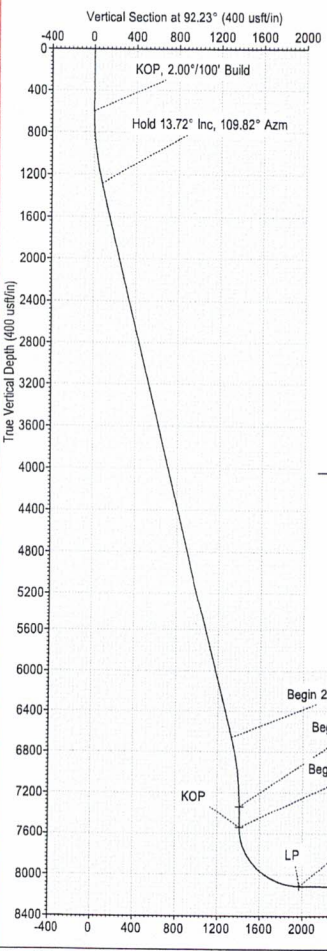
Depth From	Depth To	Survey/Plan	Tool
0.00	18958.02	Design #1 (Wellbore #1)	MWD+HRGM



Milkshake 9-10 Fed Com 528H
 SHL: 1160' FSL & 1850' FEL
 PBHL: 660' FSL & 100' FEL



330' FSL Hard Line
 990' FSL Hard Line
 100' FWL/FEL Hard Line



SECTION DETAILS										
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	Vsect	Annotation	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	KOP, 2.00°/100' Build	
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	Hold 13.72° Inc, 109.82° Azm	
1286.19	13.72	109.82	1279.65	-27.73	76.94	2.00	109.821	77.96	Begin 2.00°/100' Drop	
6822.08	13.72	109.82	6657.49	-473.06	1312.48	0.00	0.000	1329.89	Begin Vertical Hold	
7708.27	0.00	0.00	7337.14	-500.79	1389.42	2.00	180.000	1407.85	Begin 10.00°/100' Build	
7708.28	0.00	0.00	7537.15	-500.79	1389.42	0.00	0.000	1407.85	Begin Vertical Hold	
8597.49	88.92	88.89	8110.00	-499.68	1951.60	10.00	89.887	1969.56	Begin 10.00°/100' Build	
18958.05	88.82	88.89	8305.00	-479.20	12310.30	0.00	0.000	12319.62	Begin 88.92° Lateral PBHL	

