

**CASE NO. 24659**

**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

**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)

July 30, 2024

NOTICE OF FILING REVISED EXHIBIT PACKAGES

Case Nos. 24659 and 24660

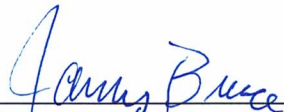
The revised exhibit packages contain the following changes:

Exhibit 1, the pooling checklist, correcting the property description. Case No. 24659 ONLY.

Supplemental Exhibit 4-A, the mailed notice exhibit, containing additional green cards received.

Revised Exhibit 4-B, the certified pooling checklist, reflecting the additional green cards received.

Replacement Exhibit 5 the 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: 24659

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

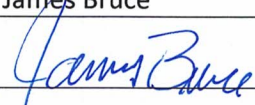
Description: Tracts/County	N/2S/2 §9 and N/2S/2 §10, Township 18 South, Range 30 East, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-B
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Milkshake 9/10 Fed. Com. Well No. 526H API No. 30-015-55220

Well #2	
Horizontal Well First and Last Take Points	1980 feet FSL and 100 feet FWL §9 1980 feet FSL and 100 feet FEL §10
Completion Target (Formation, TVD and MD)	Second Bone Spring Sand TVD 8041 feet, MVD 18701 feet
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$10000
Production Supervision/Month \$	\$1000
Justification for Supervision Costs	Exhibit 2
Requested Risk Charge	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

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Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-B
Tract List (including lease numbers and owners)	Exhibit 2-B
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	
Pooled Parties (including ownership type)	Exhibit 2-B 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
<b>Forms, Figures and Tables</b>	
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
<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>	July 18, 2024

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.

Case No. ~~24559~~ 24/659

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 N/2S/2 of Section 9 and the N/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. 526H, a horizontal well with a first take point in the NW/4SW/4 of Section 9 and a last take point in the NE/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.

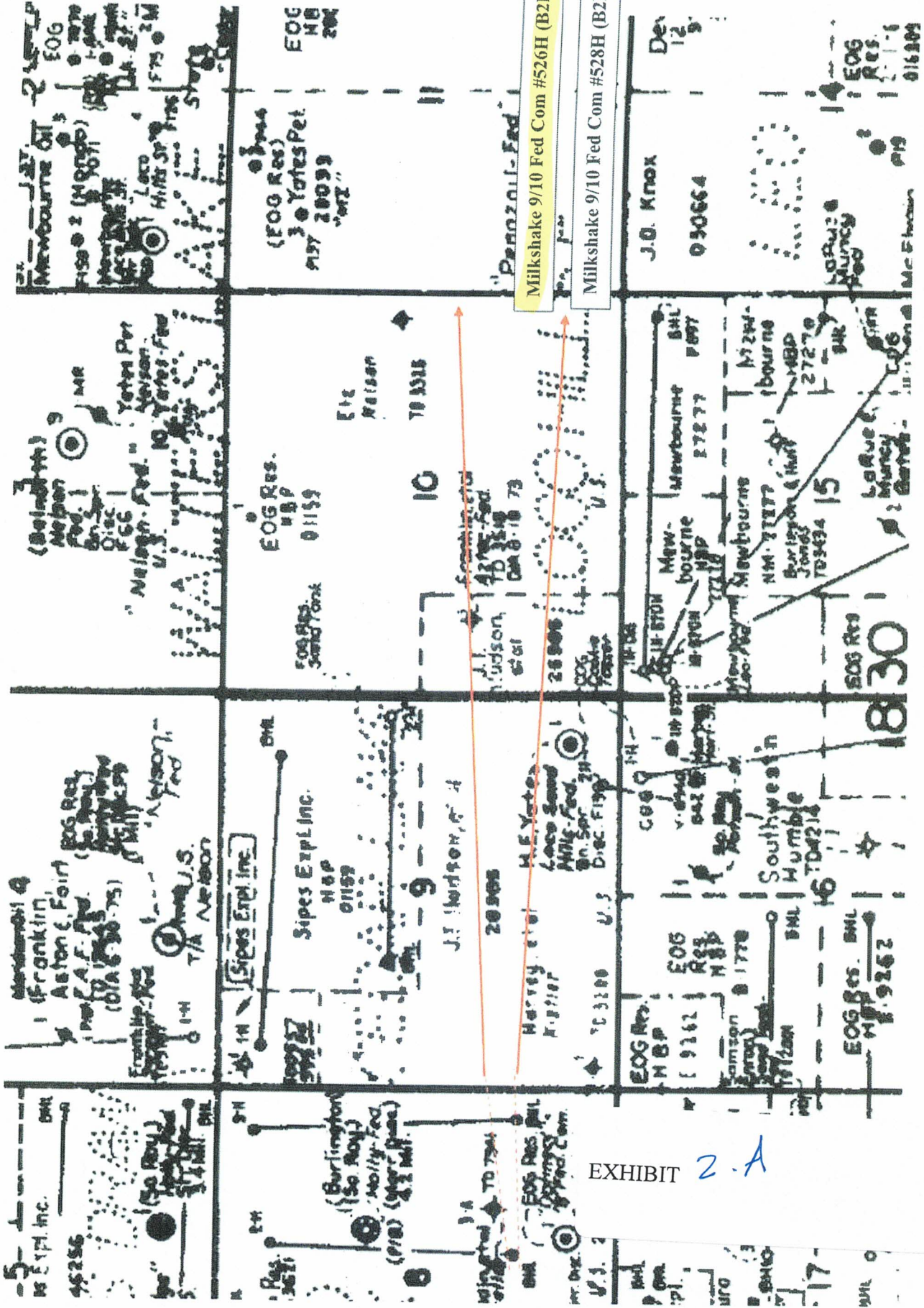
15. The attachments to this affidavit were prepared by me or compiled from company business records.

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

<sup>1</sup> API Number <b>30-015-55220</b>		<sup>2</sup> Pool Code <b>5640539513</b>		<sup>3</sup> Pool Name <b>Loco Hills SHUGART NORTH; BONE SPRING, East</b>	
<sup>4</sup> Property Code <b>336074</b>		<sup>5</sup> Property Name <b>MILKSHAKE 9/10 B2LI FED COM</b>			<sup>6</sup> Well Number <b>1H</b>
<sup>7</sup> GRID NO. <b>14744</b>		<sup>8</sup> Operator Name <b>MEWBOURNE OIL COMPANY</b>			<sup>9</sup> Elevation <b>3510'</b>

<sup>10</sup> Surface Location

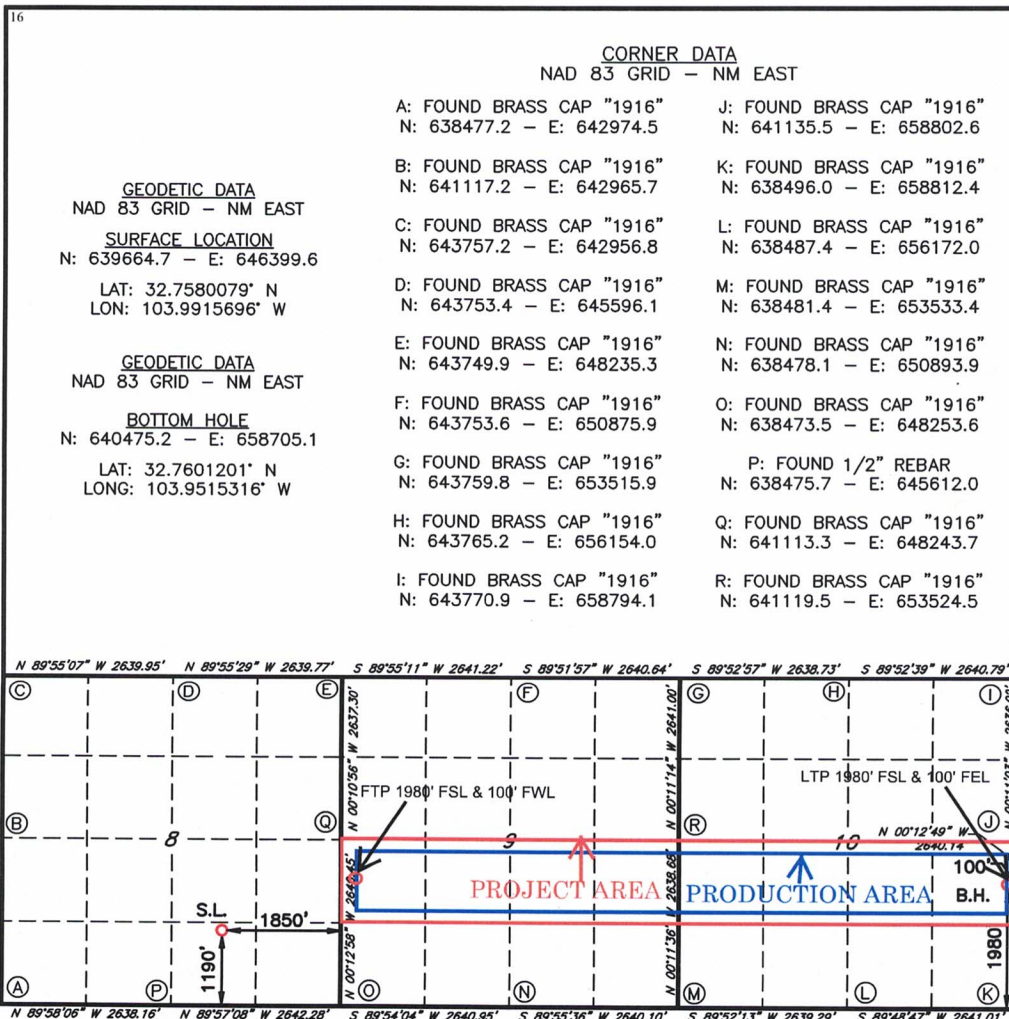
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>0</b>	<b>8</b>	<b>18S</b>	<b>30E</b>		<b>1190</b>	<b>SOUTH</b>	<b>1850</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>I</b>	<b>10</b>	<b>18S</b>	<b>30E</b>		<b>1980</b>	<b>SOUTH</b>	<b>100</b>	<b>EAST</b>	<b>EDDY</b>

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



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

*Ryan McDaniel* 8/29/22  
 Signature Date  
**RAYAN 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.: **LS22030278R**

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 526H
7 GRID NO. 14744		8 Operator Name MEWBOURNE OIL COMPANY			9 Elevation 3510'

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		1190	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
I	10	18S	30E		1980	SOUTH	100	EAST	EDDY

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

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

**CORNER DATA**  
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1916" N: 638477.2 - E: 642974.5	J: FOUND BRASS CAP "1916" N: 641135.5 - E: 658802.5
B: FOUND BRASS CAP "1916" N: 641117.2 - E: 642965.7	K: FOUND BRASS CAP "1916" N: 638496.0 - E: 658812.4
C: FOUND BRASS CAP "1916" N: 643757.2 - E: 642955.8	L: FOUND BRASS CAP "1916" N: 638487.4 - E: 656172.0
D: FOUND BRASS CAP "1916" N: 643753.4 - E: 645596.1	M: FOUND BRASS CAP "1916" N: 638481.4 - E: 653533.4
E: FOUND BRASS CAP "1916" N: 643749.9 - E: 648235.3	N: FOUND BRASS CAP "1916" N: 638478.1 - E: 650893.9
F: FOUND BRASS CAP "1916" N: 643753.6 - E: 650875.9	O: FOUND BRASS CAP "1916" N: 638473.5 - E: 648253.5
G: FOUND BRASS CAP "1916" N: 643759.8 - E: 653515.9	P: FOUND 1/2" REBAR N: 638475.7 - E: 645612.0
H: FOUND BRASS CAP "1916" N: 643765.2 - E: 656154.0	Q: FOUND BRASS CAP "1916" N: 641113.3 - E: 648243.7
I: FOUND BRASS CAP "1916" N: 643770.9 - E: 658794.1	R: FOUND BRASS CAP "1916" N: 641119.5 - E: 653524.5

**GEODETIC DATA**  
NAD 83 GRID - NM EAST

**SURFACE LOCATION**  
N: 639664.7 - E: 646399.6  
LAT: 32 75 00 079" N  
LONG: 103 59 15 696" W

**GEODETIC DATA**  
NAD 83 GRID - NM EAST

**BOTTOM HOLE**  
N: 640475.2 - E: 658705.1  
LAT: 32 76 01 201" N  
LONG: 103 59 15 316" W

**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.*

*Conner Whitley* 06/17/2024  
Signature Date  
Conner Whitley  
Printed Name  
cwhitley@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

**PROJECT AREA**

**PRODUCTION AREA**

100' B.H.

S.L. 1850'

1190'

1980'

Job No.: LS22030278R

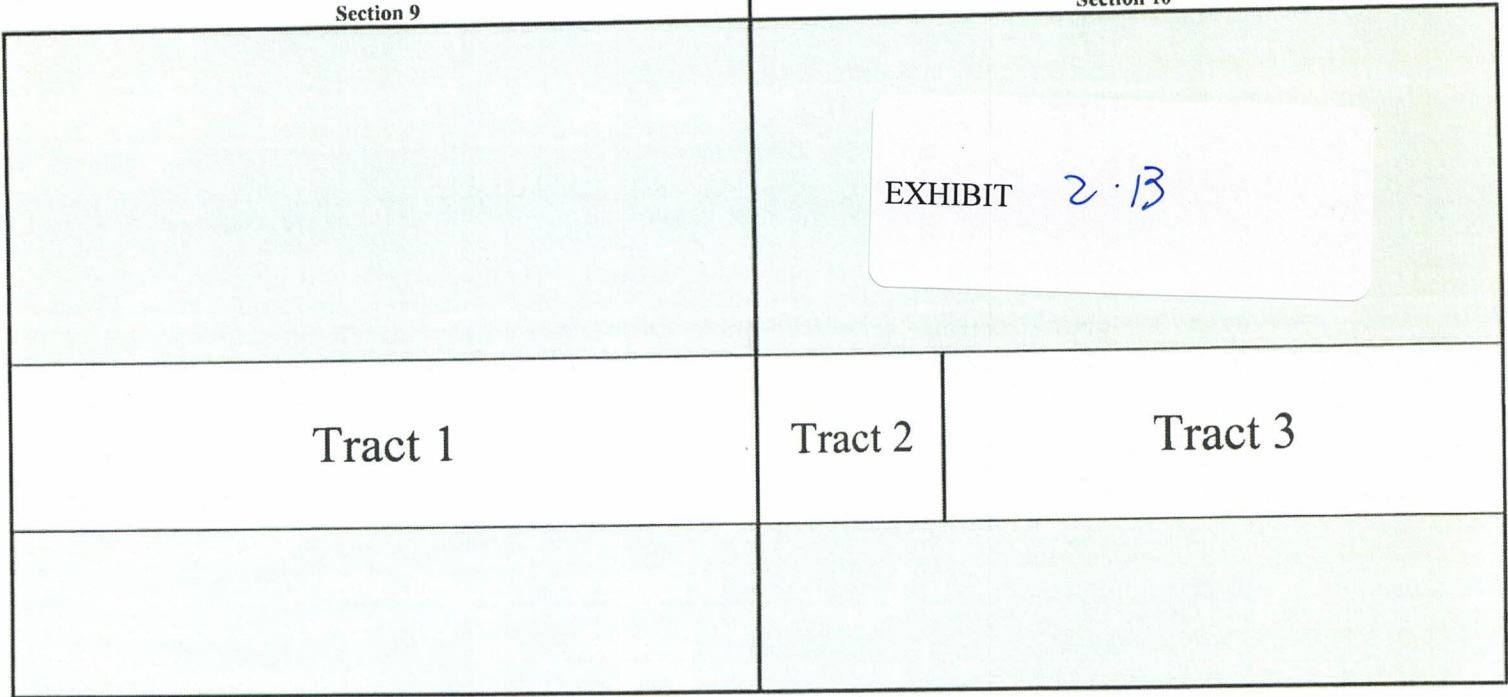
Section Plat

Milkshake 9/10 Fed Com #526H (B2LI)  
N/2S/2 of Section 9 & N/2S/2 of Section 10

T18S-R30E, Eddy County, NM

Section 9

Section 10



**Tract 1: N/2S/2 of Section 9 - Federal**

**Lease NMNM 26385**

- Mewbourne Oil Company
- Yates Energy Corporation
- Canyon Capital 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: NW/4SW/4 of Section 10 - Federal Lease NMNM 26385**

- Mewbourne Oil Company
- Yates Energy Corporation
- Canyon Capital 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: NE/4SW/4 & N/2SE/4 of Section 10 - Federal Lease NMNM 01159**

- Mewbourne Oil Company
- EOG Resources, Inc.

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Rio Pecos Croporation  
Ellipsis Oil & Gas, Inc.  
Cannon Exploration Co.  
The Roger T. and Holly L. Elliott Familly Limited Partnership, L.P.  
Tara Jon Corpooration  
Slayton Investments, LLC  
Rialto Production Company  
COG Operating, LLC  
Concho Oil & Gas, LLC

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**RECAPITULATION FOR MILKSHAKE 9/10 FED COM #526H (B2LI)**

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
1	160	50.000000%
2	40	12.500000%
3	120	37.500000%
<b>TOTAL</b>	<b>320</b>	<b>100.000000%</b>

T18S-R30E, Eddy County, NM

Section 9

Section 10

Section 9		Section 10	
Tract 1		Tract 2	Tract 3

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**TRACT OWNERSHIP****N/2S/2 of Section 9 & N/2S/2 of Section 10****Bone Spring Formation:**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al.	61.911529%
*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%
*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%
<b>TOTAL</b>	<b>38.088472%</b>
<b>Total Interest Being Pooled:</b>	<b>38.088472%</b>

**OWNERSHIP BY TRACT****N/2S/2 of Section 9**

<b>Owner</b>	<b>% of Leasehold Interest</b>
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%
<b>TOTAL</b>	<b>100.000000%</b>

**NW/4SW/4 of Section 10**

<b>Owner</b>	<b>% of Leasehold Interest</b>
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%
<b>TOTAL</b>	<b>100.000000%</b>

**NE/4SW/4 & N/2SE/4 of Section 10**

<b>Owner</b>	<b>% of Leasehold Interest</b>
Mewbourne Oil Company, et al	100.000000%
<b>TOTAL</b>	<b>100.000000%</b>

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**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](mailto: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](mailto:janderson@mewbourne.com) or call me at (432) 682-3715.

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Sincerely,  
**MEWBOURNE OIL COMPANY**



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](mailto: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.

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**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.

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**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**

**AUTHORIZATION FOR EXPENDITURE**

Well Name: **MILKSHAKE 9/10 FED COM #526H** Prospect: **2BSS (2.0 Mile Lateral)**  
 Location: **SL: 1190 FSL & 1850 FEL (8); BHL: 1980 FSL & 100 FEL (10)** County: **Eddy** ST: **NM**  
 Sec. **9/10** Blk:  Survey:  TWP: **18S** RNG: **30E** Prop. TVD: **8041** TMD: **18701**

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
<b>TOTAL</b>			<b>\$3,837,225</b>		<b>\$4,651,185</b>

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")	7600' - 7" 29# HPP110 BT&C @ \$38.93/ft	0181-0796	\$316,000		
Casing (4.1" - 6.0")	11550' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$21.65/ft			0181-0797	\$267,100
Tubing	7400' - 2 7/8" 6.5# N-80 Tbg @ \$13/ft			0181-0798	\$102,700
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 OT/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
<b>TOTAL</b>			<b>\$456,000</b>		<b>\$1,136,800</b>
<b>SUBTOTAL</b>			<b>\$4,293,225</b>		<b>\$5,787,985</b>

**TOTAL WELL COST \$10,081,210**

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 27

(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.

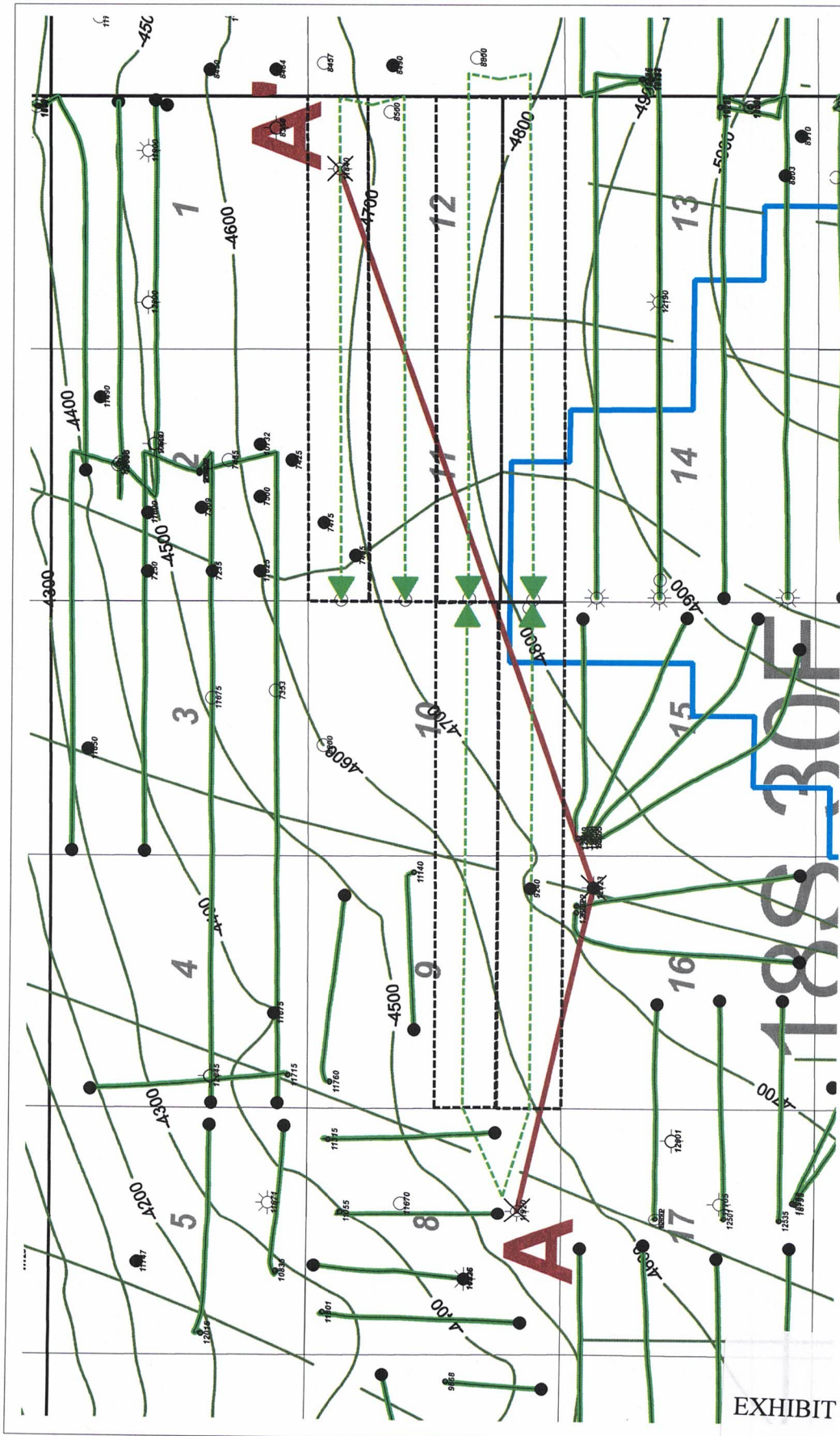
7. Exhibit 3-C contains horizontal drilling plans for the proposed wells. The producing intervals of the wells will be orthodox.

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 2<sup>nd</sup> BSPG SD Structure (C.I. 100')

7/17/24	Edly County	New Mexico
	Well: TD - 500' filtered out	Geol: C. Crawly

1:37000

1450 0 1450 2900 4350 us ft

Horizontal Activity Color Code  
2<sup>nd</sup> BSPG SD

Milkshake-Sandbox Wells

Proration Unit

EXHIBIT

3.A

29

30015322720000  
EGG RESOURCES INC  
OATMEAL & FEDERAL COM 1  
Datum=3529.00  
NW SW SE  
TWP: 18 S - Range: 30 E - Sec. 8

6945 ft

30015363030000  
MARBOB ENERGY CORP  
HURL STATE COM 001  
Datum=3484.00  
660 FW-1600 FEL  
TWP: 18 S - Range: 30 E - Sec. 16

15873 ft

30015319720000  
READ & STEVENS INC  
ARENA 12 FEDERAL 1  
Datum=3573.00  
660 FW-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

0

0

TD=11920.00

TD=12023.00

TD=11840.00

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

EXHIBIT

3-B

30



Company: Mewbourne Oil Company  
 Well: Milkshake 9-10 Fed Com 526H  
 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: 47516.5nT  
 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 1990  
 Zone: New Mexico Eastern Zone  
 System Datum: Mean Sea Level

WELL DETAILS: Milkshake 9-10 Fed Com 526H

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

DESIGN TARGET DETAILS

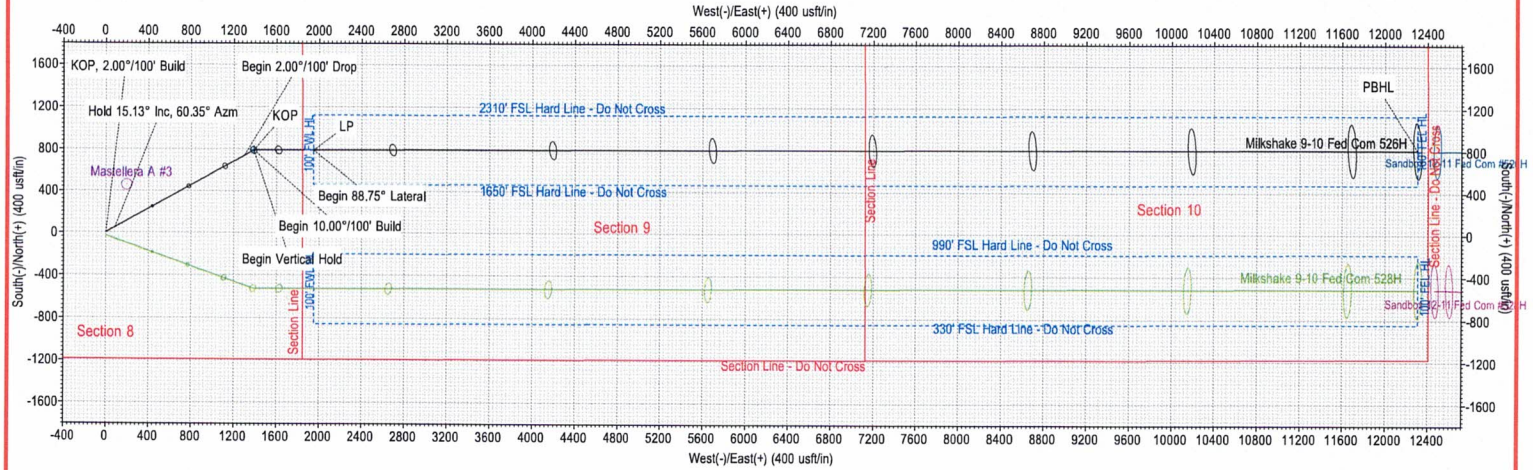
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
VP	7262.18	789.22	1386.57	640453.92	647786.17	32.760165	-103.987051
PBHL	8261.00	810.50	12305.50	640475.20	658705.10	32.760120	-103.951531
KOP	7462.18	789.22	1386.57	640453.92	647786.17	32.760165	-103.987051
LP	8035.00	790.31	1947.13	640455.01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

SURVEY PROGRAM

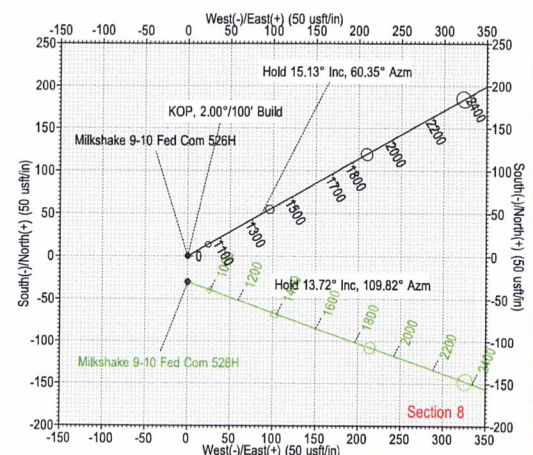
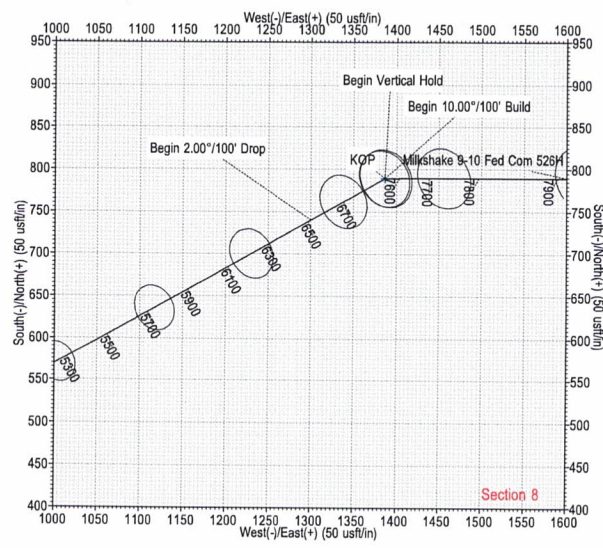
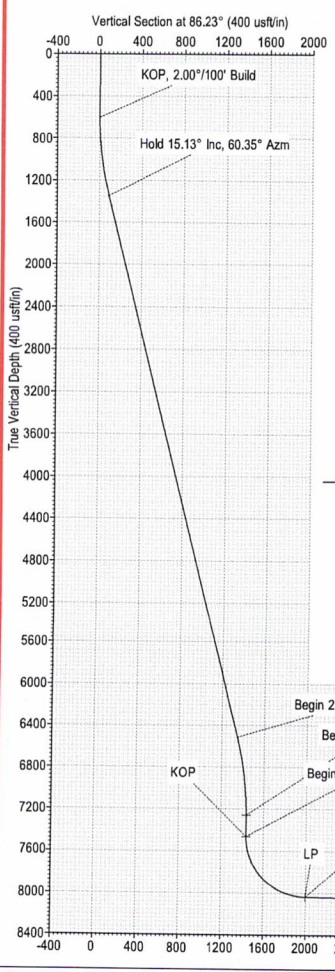
Depth From	Depth To	Survey/Plan	Tool
0.00	18913.65	Design #1 (Wellbore #1)	MWD+HRGM



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	Dleg	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	KOP, 2.00"/100' Build
1356.42	15.13	60.35	1347.66	49.11	86.29	2.00	60.352	89.33	Hold 15.13" Inc, 60.35° Azm
6708.77	15.13	60.35	6514.52	740.10	1300.29	0.00	0.000	1346.12	Begin 2.00"/100' Drop
7465.19	0.00	0.00	7262.18	789.22	1386.57	2.00	180.000	1435.45	Begin Vertical Hold
7665.19	0.00	0.00	7462.18	789.22	1386.57	0.00	0.000	1435.45	Begin 10.00"/100' Build
8552.69	88.75	89.89	8035.00	790.31	1947.03	10.00	89.888	1994.77	Begin 88.75° Lateral
18913.65	88.75	89.89	8261.00	810.50	12305.50	0.00	0.000	12332.16	PBHL

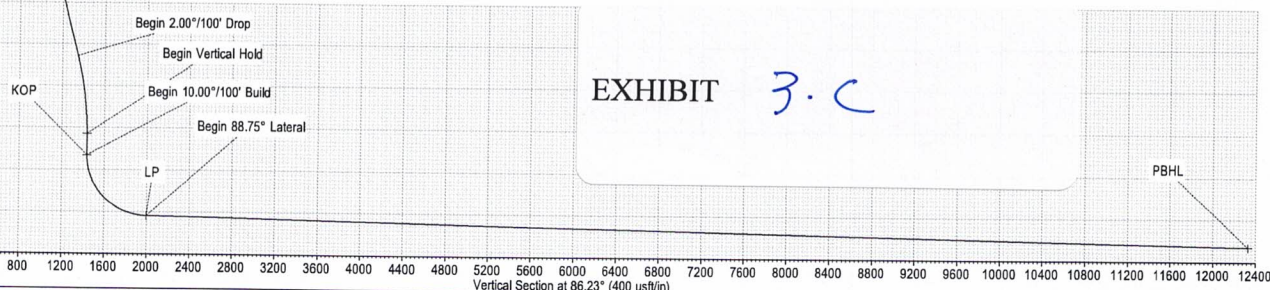
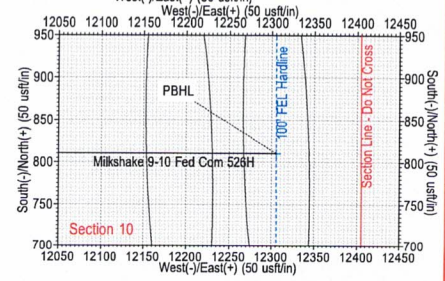


EXHIBIT 3.C





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: 47516.5nT  
 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

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

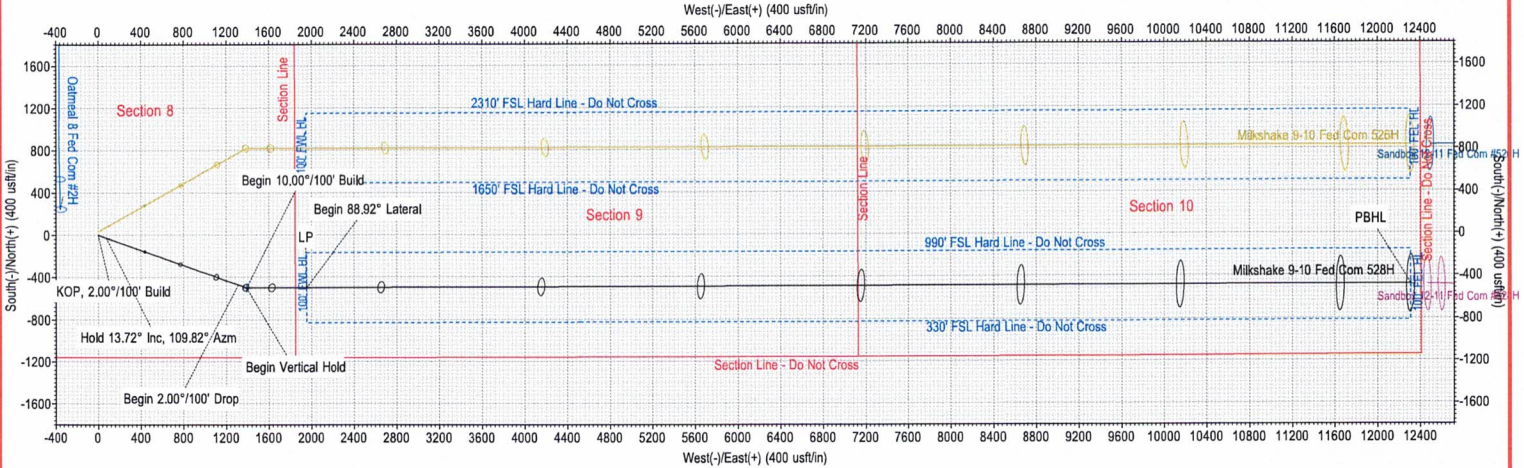
DESIGN TARGET DETAILS

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	-103.951531
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

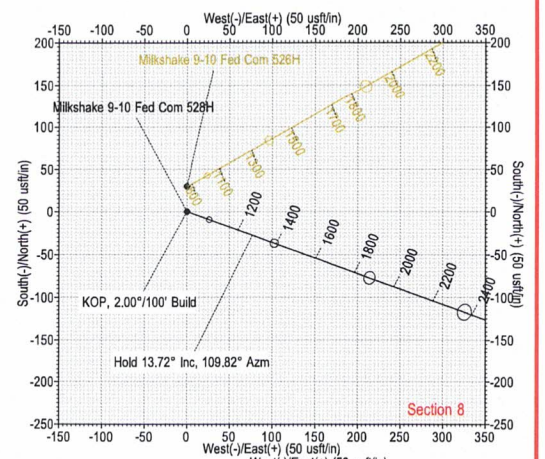
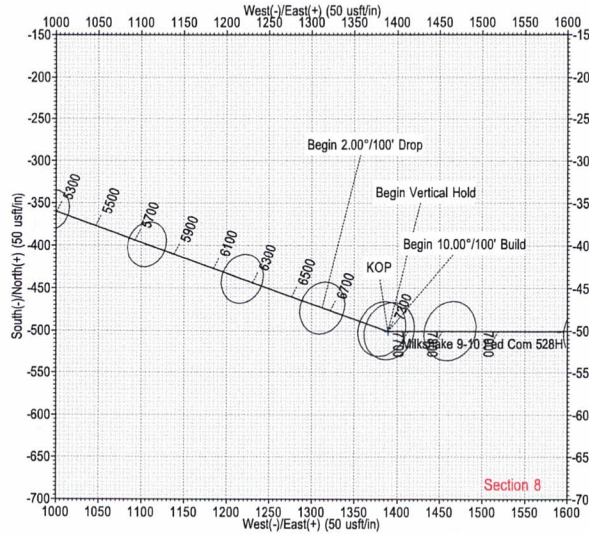
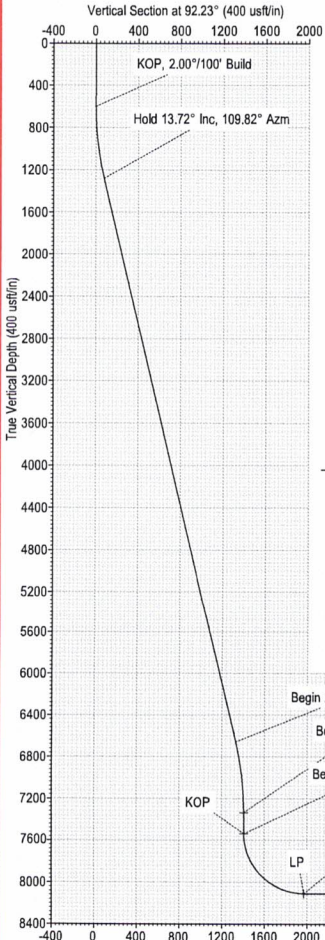
SURVEY PROGRAM

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 Vertical Hold	
6822.08	13.72	109.82	6657.49	-473.06	1312.48	0.00	0.000	1329.89	Begin 10.00°/100' Build	
7508.27	0.00	0.00	7337.14	-500.79	1389.42	2.00	180.000	1407.85	Begin Vertical Hold	
7708.28	0.00	0.00	7537.14	-500.79	1389.42	0.00	0.000	1407.85	Begin 10.00°/100' Build	
8597.49	88.92	89.89	8110.00	-499.68	1951.60	10.00	89.887	1969.56	Begin 88.92° Lateral	
18958.05	88.92	89.89	8305.00	-479.20	12310.30	0.00	0.000	12319.62	PBHL	

