

CASE NO. 24815

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

EXHIBIT LIST - Part I

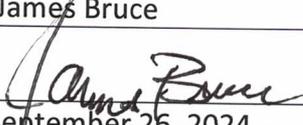
1. Pooling Checklist
2. Landman's Affidavit
 - 2-A: Plats and C-102s
 - 2-B: List of Interest Owners
 - 2-C: Proposal Letter and Summary of Communications
 - 2-D: AFEs

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24815	APPLICANT'S RESPONSE
Date: October 3, 2024	
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID 14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Squints Wolfcamp wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	
Pool Name and Pool Code:	Purple Sage; Wolfcamp (Gas)/Pool Code 98220
Well Location Setback Rules:	Purple Sage special rules and Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480 acres
Building Blocks:	160 acres
Orientation:	East-West
Description: TRS/County	S/2 §4 and SE/4 §5, Township 22 South, Range 27 East, NMPPM, 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>	EXHIBIT 1
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	
Proximity Defining Well: if yes,	

description	
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	<p>Squints 4/5 Fee Well No. 715H API No. 30-015-54499 SHL: 1370 FSL & 405 FWL §3 BHL: 1980 FSL & 2317 FEL §5 FTP: 1980 FSL & 330 FEL §4 LTP: 1980 FSL & 2310 FEL §5 Wolfcamp Y Sand/TVD 8845 feet/MD 16490 feet</p>
Well #2, etc.	<p>Squints 4/5 Fee Well No. 717H API No. 30-015-54497 SHL: 1330 FSL & 405 FWL §3 BHL: 660 FSL & 2313 FEL §5 FTP: 660 FSL & 330 FEL §4 LTP: 660 FSL & 2313 FEL §5 Wolfcamp Y Sand/TVD 8845 feet/MD 16410 feet</p> <p>Squints 4/5 Fee Well No. 825H API No. 30-015-54501 SHL: 1350 FSL & 405 FWL §3 BHL: 2321 FSL & 2318 FEL §5 FTP: 2310 FSL & 330 FEL §4 LTP: 2321 FSL & 2318 FEL §5 Wolfcamp C Shale/TVD 9370 feet/MD 17025 feet</p> <p>Squints 4/5 Fee Well No. 827H API No. 30-015-54500 SHL: 1310 FSL & 405 FWL §3 BHL: 990 FSL & 2314 FEL §5 FTP: 990 FSL & 330 FEL §4 LTP: 990 FEL & 2314 FEL §5 Wolfcamp C Shale/TVD 9370 feet/MD 17025 feet</p>

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10000
Production Supervision/Month \$	\$1000
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost plus 200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 6
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 5
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-B
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	
Pooled Parties (including ownership type)	Exhibit 2-B; Working Interest Owners
Unlocatable Parties to be Pooled	No
Ownership Depth Severance (including percentage above & below)	
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2-B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-C
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit 2-D
Cost Estimate to Equip Well	Exhibit 2-D

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Cost Estimate for Production Facilities	Exhibit 2-D
Geology	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibits 2-A and 3-B
Gunbarrel/Lateral Trajectory Schematic	Exhibits 3-B and 3-C
Well Orientation (with rationale)	East-West; Exhibits 3, 3-B, and 3-C
Target Formation	Wolfcamp
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	
Forms, Figures and Tables	
C-102	Exhibit 2-A
Tracts	Exhibit 2-A
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits 2-B
General Location Map (including basin)	Exhibit 3-A
Well Bore Location Map	Exhibits 2-A and 3-B
Structure Contour Map - Subsea Depth	Exhibit 3-B
Cross Section Location Map (including wells)	Exhibit 3-C
Cross Section (including Landing Zone)	Exhibit 3-C
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:	September 26, 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. 24815

VSELF-AFFIRMED STATEMENT OF CARSON CULLEN

Carson Cullen being duly sworn, 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 the compulsory pooling application filed herein:

(a) The purpose of this application is to force pool working interest and mineral owners into the Wolfcamp horizontal spacing unit described below, and in wells to be drilled in the unit.

(b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells but have simply refused to voluntarily commit their interests to the wells. Some interest owners are or may be unlocatable.

(c) A plat outlining the unit being pooled is attached hereto as Exhibit 2-A. Mewbourne seeks an order approving a 480.00-acre horizontal spacing unit in the Wolfcamp formation (Purple Sage; Wolfcamp, Gas Pool) comprised of S/2 of Section 4 and the SE/4 of Section 5, Township 22 South, Range 27 East, NMPM. Mewbourne further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the unit. The unit will be dedicated to the Squints 4/5 Fee #715H, 717H, 825H, and 827H. The referenced wells are horizontal wells. C-102s for the wells are attached as part of Exhibit 2-A.

(d) There are no depth severances in the Wolfcamp formation.

(e) The parties being pooled and their interests are set forth in Exhibit 2-B. Their current and correct addresses are also set forth. To find the unlocatable parties we

EXHIBIT

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examined county and government records, and also conducted internet searches including google and drillinginfo.

(f) Exhibit 2-C contains a summary of contacts with the interest owners, together with a copy of the proposal letter sent to them.

(g) Mewbourne has made a good faith effort to obtain the voluntary joinder of the working interest in the proposed wells.

(h) Exhibit 2-D contains the Authorization for Expenditure for each proposed well. The estimated cost of the wells set forth therein are fair and reasonable, and are comparable to the costs of other wells of similar depth and length drilled in this area of Eddy County.

(i) 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.

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

(k) Applicant requests that it be designated operator of the wells.

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

(m) The granting of this application is in the interests of conservation and the prevention of waste.

I understand that this Self-Affirmed Statement will be used as written testimony in these cases. I affirm that my testimony in paragraphs 1 through 2(m) above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date written next to my signature below.

Date: 9/26/2024


Carson Cullen

**Squints 5/4 FEE #715H
Sections 4 (S/2) & 5 (SE/4), T22S, R27E
EDDY COUNTY, NM**

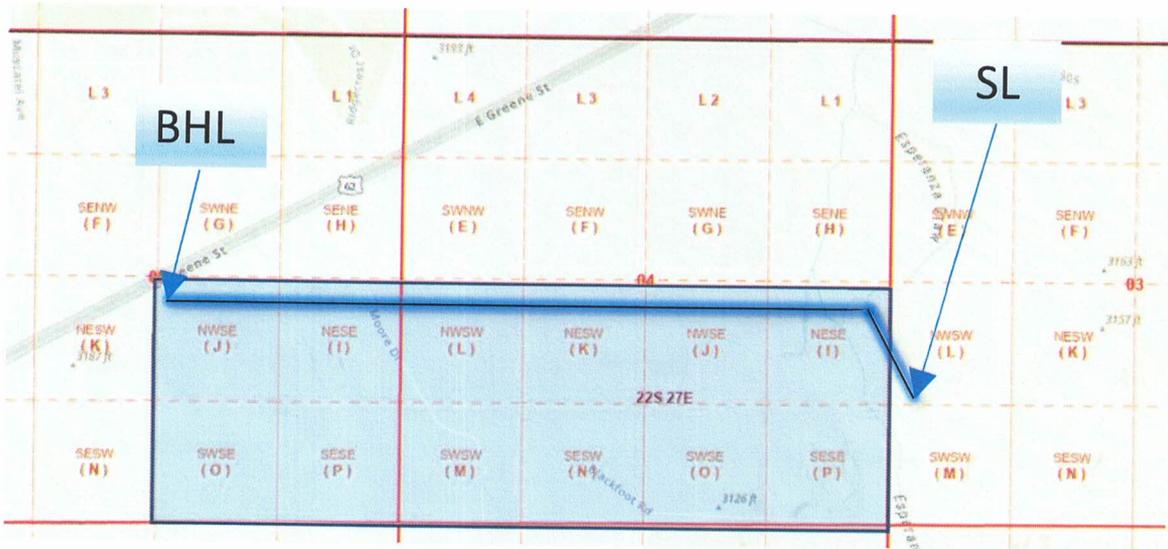
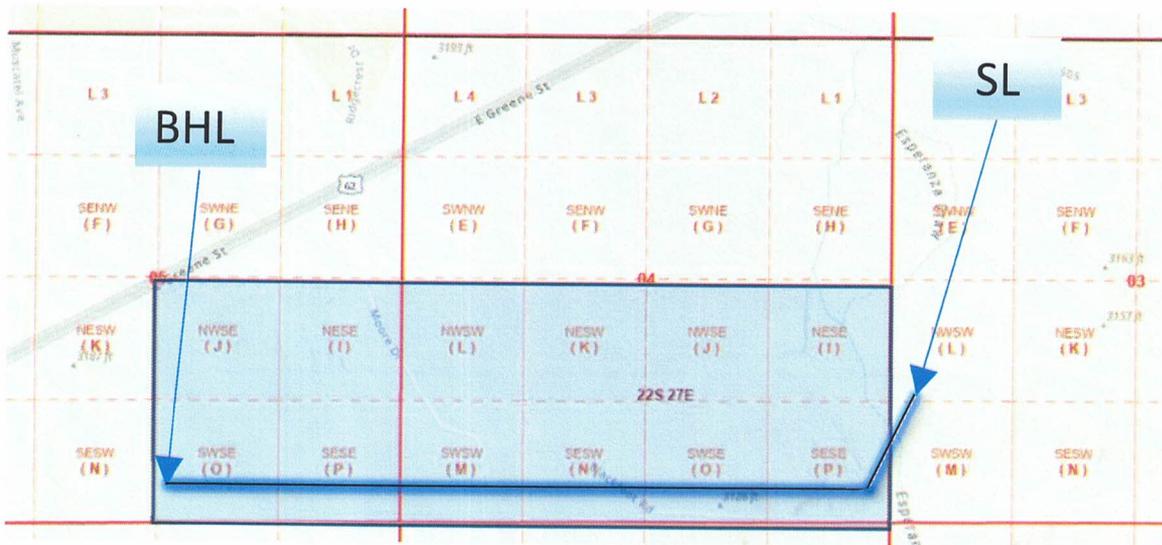


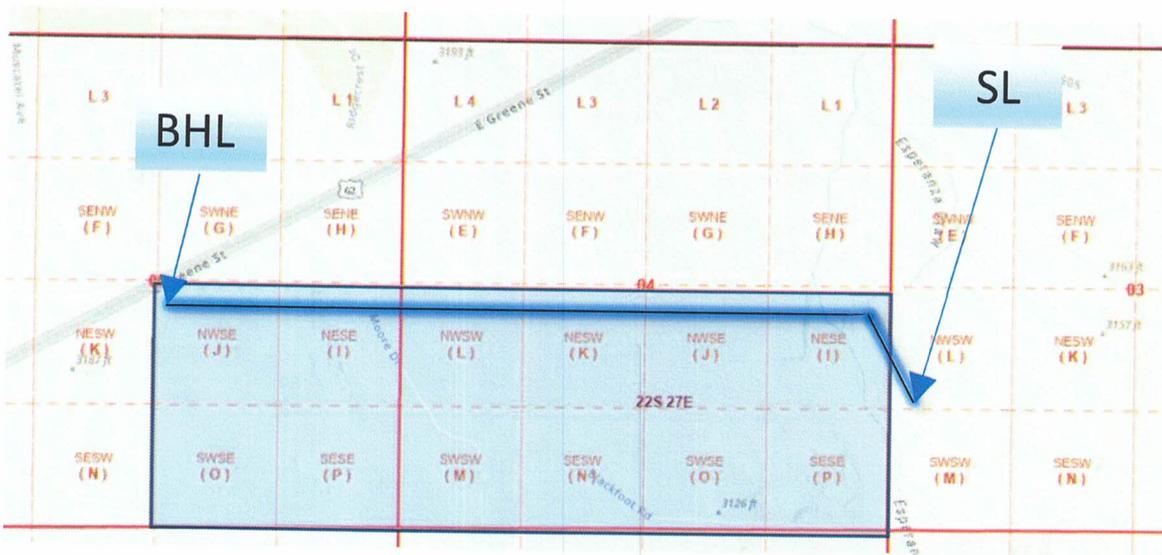
EXHIBIT 2.A

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**Squints 5/4 FEE #717H
Sections 4 (S/2) & 5 (SE/4), T22S, R27E
EDDY COUNTY, NM**



**Squints 5/4 FEE #825H
Sections 4 (S/2) & 5 (SE/4), T22S, R27E
EDDY COUNTY, NM**



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EXHIBIT A

TRACT OWNERSHIP
Squints 4/5 Fee Wolfcamp Wells
S/2 Section 4 & SE/4 of Section 5, T22S, R27E
EDDY COUNTY, NM

S/2 Section 4 & SE/4 of Section 5, T22S, R27E:
Wolfcamp formation:

% Leasehold Interest

Mewbourne Oil Company, et al 500 West Texas, Ste. 1020 Midland, Texas 79701	74.926194%
Magnum Hunter Production Company 3319 Longfield Circle Houston, Texas 77063	8.333333%*
Calm Fort Worth Ventures, LLC 381 Sheridan Road Winnetka, Illinois 60093	7.523806%
Mizel Resources, Inc. 4350 South Monaco St, 5 th Fl Denver, Co 80237	3.291667%*
Axis Energy Corporation P.O. Box 1000 Roswell, New Mexico 88202	5.925000%

*** Total interest being pooled: 11.625000%**

EXHIBIT 2-B

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Exhibit D

Summary of Communications
Squints 4/5 Fee Wolfcamp Wells

1. Magnum Hunter Production Company

June 4, 2024 – Well proposal and AFE delivered via electronic mail.

June 6, 2024 – Corresponded about well proposals via email.

June 26, 2024 – Requested an update on well proposals via email.

2. Mizel Resources, a Trust

July 5, 2024 – Well proposal and AFE delivered via certified mail.

July 12, 2024 - Corresponded about well proposals via email.

July 15, 2024 - Sent a proposed JOA form.

July 31, 2024 - Corresponded about well proposals via email.

September 19, 2024 - Corresponded about well proposals via email.

EXHIBIT 2-C

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MEWBOURNE OIL COMPANY

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

July 5, 2024

Via Electronic Mail

Mizel Resources, Inc.
4350 South Monaco St, 5th Fl
Denver, Co 80237

Re: Squints 4-5 Unit
S/2 of Section 4, T22S, R27E
SE/4 of Section 5, T22S, R27E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 480-acre Unit covering all of the above captioned acreage in Sections 4 & 5 for oil and gas production. Our title shows that Mizel Resources ("Mizel") owns 15.8 net acres in the S/2 of Section 4 which would represent a 3.291667% interest in the unit.

Mewbourne Oil Company hereby proposes drilling the following wells:

Squints 4-5 Fee #715H

Surface Location: 1370' FSL & 405' FWL, Sec. 3
Bottom Hole Location: 1980' FSL & 2310' FEL, Sec. 5
Proposed Total Vertical Depth: 8845'
Proposed Total Measured Depth: 16490'
Target: Wolfcamp

Squints 4-5 Fee #717H

Surface Location: 1330' FSL & 405' FWL, Sec. 3
Bottom Hole Location: 660' FSL & 2310' FEL, Sec. 5
Proposed Total Vertical Depth: 8845'
Proposed Total Measured Depth: 16910'
Target: Wolfcamp

Squints 4-5 Fee #825H

Surface Location: 1350' FSL & 405' FWL, Sec. 3
Bottom Hole Location: 2310' FSL & 2310' FEL, Sec. 5
Proposed Total Vertical Depth: 9370'
Proposed Total Measured Depth: 17025'
Target: Wolfcamp

Squints 4-5 Fee #8275H

Surface Location: 1310' FSL & 405' FWL, Sec. 3
Bottom Hole Location: 990' FSL & 2310' FEL, Sec. 5
Proposed Total Vertical Depth: 9370'
Proposed Total Measured Depth: 17025'
Target: Wolfcamp

Enclosed for your further handling find our AFE's dated February 8, 2024, for the above referenced proposed well. In the event Mizel elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days.

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

Very truly yours,

MEWBOURNE OIL COMPANY



Carson Cullen
Landman

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MEWBOURNE OIL COMPANY

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

June 3, 2024

Via Electronic Mail

Magnum Hunter Production, Inc.
600 N. Marienfeld, Suite 600
Midland, TX 79701

Re: Squints 4-5 Unit
S/2 of Section 4, T22S, R27E
SE/4 of Section 5, T22S, R27E
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 480-acre Unit covering all of the above captioned acreage in Sections 4 & 5 for oil and gas production. Our title shows that Magnum Hunter ("Magnum") owns an 25% interest in Section 5.

Mewbourne Oil Company hereby proposes drilling the following wells:

Squints 4-5 Fee #715H

Surface Location: 1370' FSL & 405' FWL, Sec. 3
Bottom Hole Location: 1980' FSL & 2310' FEL, Sec. 5
Proposed Total Vertical Depth: 8845'
Proposed Total Measured Depth: 16490'
Target: Wolfcamp

Squints 4-5 Fee #717H

Surface Location: 1330' FSL & 405' FWL, Sec. 3
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Squints 4-5 Fee #8275H

Surface Location: 1310' FSL & 405' FWL, Sec. 3
Bottom Hole Location: 990' FSL & 2310' FEL, Sec. 5
Proposed Total Vertical Depth: 9370'
Proposed Total Measured Depth: 17025'
Target: Wolfcamp

Enclosed for your further handling find our AFE's dated February 8, 2024, for the above referenced proposed well. In the event Magnum elects to participate in the proposed well, please execute the enclosed AFE and return to me within thirty (30) days.

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

Very truly yours,

MEWBOURNE OIL COMPANY

Carson Cullen
Landman

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MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: **SQUINTS 4/5 FEE #715H (W01J)** Prospect: **SANDLOT**
 Location: **SL: 1370 FSL & 405 FWL (3); BHL: 1980 FSL & 2310 FEL (5)** County: **Eddy** ST: **NM**
 Sec. **3** Blk: Survey: TWP: **22S** RNG: **27E** Prop. TVD: **8845** TMD: **16490**

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC	
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200		
Location / Road / Site / Preparation		0180-0105	\$35,000	0180-0205	\$35,000	
Location / Restoration		0180-0106	\$200,000	0180-0206	\$80,000	
Daywork / Turnkey / Footage Drilling	14 days drtg / 3 days comp @ \$28000/d	0180-0110	\$418,700	0180-0210	\$89,700	
Fuel	1700 gal/day @ \$3.9/gal	0180-0114	\$99,100	0180-0214	\$218,000	
Alternate Fuels		0180-0115		0180-0215	\$50,000	
Mud, Chemical & Additives		0180-0120	\$40,000	0180-0220		
Mud - Specialized		0180-0121	\$240,000	0180-0221		
Horizontal Drillout Services				0180-0222	\$150,000	
Stimulation Toe Preparation				0180-0223	\$25,000	
Cementing		0180-0125	\$150,000	0180-0225	\$60,000	
Logging & Wireline Services		0180-0130	\$30,900	0180-0230	\$270,000	
Casing / Tubing / Snubbing Services		0180-0134	\$45,000	0180-0234	\$15,000	
Mud Logging		0180-0137	\$15,000			
Stimulation		45 Stg 18.7 MM gal / 18.7 MM lb		0180-0241	\$2,060,000	
Stimulation Rentals & Other				0180-0242	\$211,000	
Water & Other		70% PW f/ NGL/Aris @ \$.025/bbl & 30% FW f/	0180-0145	\$35,000	0180-0245	\$240,000
Bits		0180-0148	\$64,100	0180-0248		
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000	
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000	
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000	
Completion / Workover Rig				0180-0260	\$10,500	
Rig Mobilization		0180-0164	\$154,000			
Transportation		0180-0165	\$30,000	0180-0265	\$55,000	
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500	
Contract Services & Supervision		0180-0170	\$108,300	0180-0270	\$60,000	
Directional Services		Includes Vertical Control	0180-0175	\$209,000		
Equipment Rental		0180-0180	\$119,800	0180-0280	\$20,000	
Well / Lease Legal		0180-0184	\$5,000	0180-0284		
Well / Lease Insurance		0180-0185	\$4,300	0180-0285		
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000	
Damages		0180-0190	\$10,000	0180-0290	\$10,000	
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$5,000	
Company Supervision		0180-0195	\$68,400	0180-0295	\$32,400	
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000	
Contingencies		5% (TCP) 5% (CC)	0180-0199	\$109,200	0180-0299	\$188,700
TOTAL			\$2,293,800		\$3,961,800	

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	475' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft	0181-0794	\$24,300		
Casing (8.1" - 10.0")	1800' - 9 5/8" 40# HCL80 LT&C @ \$40.67/ft	0181-0795	\$78,200		
Casing (6.1" - 8.0")	8300' - 7" 29# HPP110 BT&C @ \$38.93/ft	0181-0796	\$345,100		
Casing (4.1" - 6.0")	8400' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$21.65/ft			0181-0797	\$194,200
Tubing	8100' - 3 1/2" 9.2# L-80 IPC Tbg @ \$17.4/ft			0181-0798	\$150,500
Drilling Head		0181-0860	\$50,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools		Completion Liner Hanger		0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Service Pumps		(1/8) TP/CP/Circ pump		0181-0886	\$5,000
Storage Tanks		(1/8) (8)OT(6)WT(1)GB		0181-0890	\$63,000
Emissions Control Equipment		(1/8) (4)VRT(2)VRU(1)FLARE(3)KO(1)AIR		0181-0892	\$65,000
Separation / Treating Equipment		(1/8) (1)BULK H SEP(3)TEST H SEP 500#(1)V SEP 500#(3)		0181-0895	\$41,000
Automation Metering Equipment				0181-0898	\$42,000
Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0900	\$11,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	\$2,000
On-site Valves/Fittings/Lines&Misc				0181-0906	\$82,000
Wellhead Flowlines - Construction				0181-0907	\$77,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$74,000
Equipment Installation				0181-0910	\$65,000
Oil/Gas Pipeline - Construction				0181-0920	\$11,000
Water Pipeline - Construction				0181-0921	\$2,500
TOTAL			\$497,600		\$1,015,200
SUBTOTAL			\$2,791,400		\$4,977,000

TOTAL WELL COST \$7,768,400

Extra Expense Insurance

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

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

Joint owner agrees that item 0180-0245 will be provided by operator, if available, at the specified rate. Operator reserves the right to adjust the rate due to a change in market conditions.

Prepared by: Ryan McDaniel Date: 2/8/2024
 Company Approval: M. Whittier Date: 2/8/2024

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

EXHIBIT 2-D

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: **SQUINTS 4/5 FEE #717H (W0PO)** Prospect: **SANDLOT**
 Location: **SL: 1330 FSL & 405 FWL (3); BHL: 660 FSL & 2310 FEL (5)** County: **Eddy** ST: **NM**
 Sec. **3** Blk: Survey: TWP: **22S** RNG: **27E** Prop. TVD: **8845** TMD: **16910**

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$35,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$80,000
Daywork / Turnkey / Footage Drilling	14 days drlg / 3 days comp @ \$28000/d	0180-0110	\$418,700	0180-0210	\$89,700
Fuel	1700 gal/day @ \$3.9/gal	0180-0114	\$99,100	0180-0214	\$218,000
Alternate Fuels		0180-0115		0180-0215	\$50,000
Mud, Chemical & Additives		0180-0120	\$40,000	0180-0220	
Mud - Specialized		0180-0121	\$240,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$150,000
Stimulation Toe Preparation				0180-0223	\$25,000
Cementing		0180-0125	\$150,000	0180-0225	\$60,000
Logging & Wireline Services		0180-0130	\$30,900	0180-0230	\$270,000
Casing / Tubing / Snubbing Services		0180-0134	\$45,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$15,000		
Stimulation	45 Stg 18.7 MM gal / 18.7 MM lb			0180-0241	\$2,060,000
Stimulation Rentals & Other				0180-0242	\$211,000
Water & Other	70% PW f/ NGL/Aris @ \$0.25/bbl & 30% FW f/	0180-0145	\$35,000	0180-0245	\$240,000
Bits		0180-0148	\$64,100	0180-0248	
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig				0180-0260	\$10,500
Rig Mobilization		0180-0164	\$154,000		
Transportation		0180-0165	\$30,000	0180-0265	\$55,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision		0180-0170	\$108,300	0180-0270	\$60,000
Directional Services	Includes Vertical Control	0180-0175	\$209,000		
Equipment Rental		0180-0180	\$119,800	0180-0280	\$20,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,400	0180-0285	
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$68,400	0180-0295	\$32,400
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$109,200	0180-0299	\$188,700
TOTAL			\$2,293,900		\$3,961,800

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	475' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft	0181-0794	\$24,300		
Casing (8.1" - 10.0")	1800' - 9 5/8" 40# HCL80 LT&C @ \$40.67/ft	0181-0795	\$78,200		
Casing (6.1" - 8.0")	8300' - 7" 29# HPP110 BT&C @ \$38.93/ft	0181-0796	\$345,100		
Casing (4.1" - 6.0")	8810' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$21.65/ft			0181-0797	\$203,700
Tubing	8100' - 3 1/2" 9.2# L-80 IPC Tbg @ \$17.4/ft			0181-0798	\$150,500
Drilling Head		0181-0860	\$50,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools	Completion Liner Hanger			0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Service Pumps	(1/8) TP/CP/Circ pump			0181-0886	\$5,000
Storage Tanks	(1/8) (8)OT/(6)WT/(1)GB			0181-0890	\$63,000
Emissions Control Equipment	(1/8) (4)VRT/(2)VRU/(1)FLARE/(3)KO/(1)AIR			0181-0892	\$65,000
Separation / Treating Equipment	(1/8) (1)BULK H SEP/(3)TEST H SEP 500#/(1)V SEP 500#/(3)			0181-0895	\$41,000
Automation Metering Equipment				0181-0898	\$42,000
Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0900	\$11,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	\$2,000
On-site Valves/Fittings/Lines&Misc				0181-0906	\$82,000
Wellhead Flowlines - Construction				0181-0907	\$77,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$74,000
Equipment Installation				0181-0910	\$65,000
Oil/Gas Pipeline - Construction				0181-0920	\$11,000
Water Pipeline - Construction				0181-0921	\$2,500
TOTAL			\$497,600		\$1,024,700
SUBTOTAL			\$2,791,500		\$4,986,500

TOTAL WELL COST \$7,778,000

Extra Expense Insurance
 I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.
 Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.
 I elect to purchase my own well control insurance policy.
 If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Joint owner agrees that item 0180-0245 will be provided by operator, if available, at the specified rate. Operator reserves the right to adjust the rate due to a change in market conditions.

Prepared by: Ryan McDaniel Date: 2/8/2024
 Company Approval: *M. White* Date: 2/8/2024
 Joint Owner Interest: Amount: _____
 Joint Owner Name: _____ Signature: _____

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MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: **SQUINTS 4/5 FEE #825H (W2IJ)** Prospect: **SANDLOT**
 Location: **SL: 1350 FSL & 405 FWL (3); BHL: 2310 FSL & 2310 FEL (5)** County: **Eddy** ST: **NM**
 Sec. **3** Blk: Survey: TWP: **22S** RNG: **27E** Prop. TVD: **9370** TMD: **17025**

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC	
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200		
Location / Road / Site / Preparation		0180-0105	\$35,000	0180-0205	\$35,000	
Location / Restoration		0180-0106	\$200,000	0180-0206	\$80,000	
Daywork / Turnkey / Footage Drilling	19 days drig / 3 days comp @ \$28000/d	0180-0110	\$568,200	0180-0210	\$89,700	
Fuel	1700 gal/day @ \$3.9/gal	0180-0114	\$134,500	0180-0214	\$218,000	
Alternate Fuels		0180-0115		0180-0215	\$50,000	
Mud, Chemical & Additives		0180-0120	\$65,000	0180-0220		
Mud - Specialized		0180-0121	\$280,000	0180-0221		
Horizontal Drillout Services				0180-0222	\$150,000	
Stimulation Toe Preparation				0180-0223	\$25,000	
Cementing		0180-0125	\$175,000	0180-0225	\$60,000	
Logging & Wireline Services		0180-0130	\$30,900	0180-0230	\$270,000	
Casing / Tubing / Snubbing Services		0180-0134	\$45,000	0180-0234	\$15,000	
Mud Logging		0180-0137	\$15,000			
Stimulation		45 Stg 18.7 MM gal / 18.7 MM lb		0180-0241	\$2,060,000	
Stimulation Rentals & Other				0180-0242	\$211,000	
Water & Other		70% PW f/ NGL/Aris @ \$.025/bbl & 30% FW f/	0180-0145	\$35,000	0180-0245	\$240,000
Bits		0180-0148	\$64,100	0180-0248		
Inspection & Repair Services		0180-0150	\$50,000	0180-0250	\$5,000	
Misc. Air & Pumping Services		0180-0154		0180-0254	\$10,000	
Testing & Flowback Services		0180-0158	\$12,000	0180-0258	\$24,000	
Completion / Workover Rig				0180-0260	\$10,500	
Rig Mobilization		0180-0164	\$154,000			
Transportation		0180-0165	\$30,000	0180-0265	\$55,000	
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500	
Contract Services & Supervision		0180-0170	\$136,800	0180-0270	\$60,000	
Directional Services		Includes Vertical Control	0180-0175	\$304,000		
Equipment Rental		0180-0180	\$147,100	0180-0280	\$20,000	
Well / Lease Legal		0180-0184	\$5,000	0180-0284		
Well / Lease Insurance		0180-0185	\$4,400	0180-0285		
Intangible Supplies		0180-0188	\$7,000	0180-0288	\$1,000	
Damages		0180-0190	\$10,000	0180-0290	\$10,000	
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$5,000	
Company Supervision		0180-0195	\$86,400	0180-0295	\$32,400	
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000	
Contingencies		5% (TCP) 5% (CC)	0180-0199	\$131,400	0180-0299	\$188,700
TOTAL			\$2,759,800		\$3,961,800	

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC	
Casing (19.1" - 30")		0181-0793				
Casing (10.1" - 19.0")		475' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft	0181-0794	\$24,300		
Casing (8.1" - 10.0")		1800' - 9 5/8" 40# HCL80 LT&C @ \$40.67/ft	0181-0795	\$78,200		
Casing (6.1" - 8.0")		9530' - 7" 29# HPP110 BT&C @ \$38.93/ft	0181-0796	\$396,200		
Casing (4.1" - 6.0")		8200' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$21.65/ft			0181-0797	\$189,600
Tubing		8800' - 3 1/2" 9.2# L-80 IPC Tbg @ \$17.4/ft			0181-0798	\$163,500
Drilling Head		0181-0860	\$50,000			
Tubing Head & Upper Section				0181-0870	\$30,000	
Horizontal Completion Tools		Completion Liner Hanger		0181-0871	\$75,000	
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000	
Service Pumps		(1/8) TP/CP/Circ pump		0181-0886	\$5,000	
Storage Tanks		(1/8) (8)OT/(6)WT/(1)GB		0181-0890	\$63,000	
Emissions Control Equipment		(1/8) (4)VRT/(2)VRU/(1)FLARE/(3)KO/(1)AIR		0181-0892	\$65,000	
Separation / Treating Equipment		(1/8) (1)BULK H SEP/(3)TEST H SEP 500#/(1)V SEP 500#/(3)		0181-0895	\$41,000	
Automation Metering Equipment				0181-0898	\$42,000	
Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0900	\$11,000	
Water Pipeline-Pipe/Valves & Misc				0181-0901	\$2,000	
On-site Valves/Fittings/Lines&Misc				0181-0906	\$82,000	
Wellhead Flowlines - Construction				0181-0907	\$77,000	
Cathodic Protection				0181-0908		
Electrical Installation				0181-0909	\$74,000	
Equipment Installation				0181-0910	\$65,000	
Oil/Gas Pipeline - Construction				0181-0920	\$11,000	
Water Pipeline - Construction				0181-0921	\$2,500	
TOTAL			\$548,700		\$1,023,600	
SUBTOTAL			\$3,308,500		\$4,985,400	
TOTAL WELL COST			\$8,293,900			

Extra Expense Insurance

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

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

Joint owner agrees that item 0180-0245 will be provided by operator, if available, at the specified rate. Operator reserves the right to adjust the rate due to a change in market conditions.

Prepared by: Ryan McDaniel Date: 2/8/2024
 Company Approval: *M. White* Date: 2/8/2024

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

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: SQUINTS 4/5 FEE #827H (W2PO)		Prospect: SANDLOT	
Location: SL: 1310 FSL & 405 FWL (3); BHL: 990 FSL & 2310 FEL (5)		County: Eddy ST: NM	
Sec. 3	Blk: 	Survey: 	TWP: 22S RNG: 27E Prop. TVD: 9370 TMD: 17025

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation	0180-0105	\$35,000	0180-0205	\$35,000
Location / Restoration	0180-0106	\$200,000	0180-0206	\$80,000
Daywork / Turnkey / Footage Drilling 19 days drlg / 3 days comp @ \$28000/d	0180-0110	\$568,200	0180-0210	\$89,700
Fuel 1700 gal/day @ \$3.9/gal	0180-0114	\$134,500	0180-0214	\$218,000
Alternate Fuels	0180-0115		0180-0215	\$50,000
Mud, Chemical & Additives	0180-0120	\$65,000	0180-0220	
Mud - Specialized	0180-0121	\$280,000	0180-0221	
Horizontal Drillout Services			0180-0222	\$150,000
Stimulation Toe Preparation			0180-0223	\$25,000
Cementing	0180-0125	\$175,000	0180-0225	\$60,000
Logging & Wireline Services	0180-0130	\$30,900	0180-0230	\$270,000
Casing / Tubing / Snubbing Services	0180-0134	\$45,000	0180-0234	\$15,000
Mud Logging	0180-0137	\$15,000		
Stimulation 45 Stg 18.7 MM gal / 18.7 MM lb			0180-0241	\$2,060,000
Stimulation Rentals & Other			0180-0242	\$211,000
Water & Other 70% PW f/ NGL/Aris @ \$0.25/bbl & 30% FW f/	0180-0145	\$35,000	0180-0245	\$240,000
Bits	0180-0148	\$64,100	0180-0248	
Inspection & Repair Services	0180-0150	\$50,000	0180-0250	\$5,000
Misc. Air & Pumping Services	0180-0154		0180-0254	\$10,000
Testing & Flowback Services	0180-0158	\$12,000	0180-0258	\$24,000
Completion / Workover Rig			0180-0260	\$10,500
Rig Mobilization	0180-0164	\$154,000		
Transportation	0180-0165	\$30,000	0180-0265	\$55,000
Welding, Construction & Maint. Services	0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision	0180-0170	\$136,800	0180-0270	\$60,000
Directional Services Includes Vertical Control	0180-0175	\$304,000		
Equipment Rental	0180-0180	\$147,100	0180-0280	\$20,000
Well / Lease Legal	0180-0184	\$5,000	0180-0284	
Well / Lease Insurance	0180-0185	\$4,400	0180-0285	
Intangible Supplies	0180-0188	\$7,000	0180-0288	\$1,000
Damages	0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements	0180-0192		0180-0292	\$5,000
Company Supervision	0180-0195	\$86,400	0180-0295	\$32,400
Overhead Fixed Rate	0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)	0180-0199	\$131,400	0180-0299	\$188,700
TOTAL		\$2,759,800		\$3,961,800

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
Casing (19.1" - 30")	0181-0793			
Casing (10.1" - 19.0") 475' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft	0181-0794	\$24,300		
Casing (8.1" - 10.0") 1800' - 9 5/8" 40# HCL80 LT&C @ \$40.67/ft	0181-0795	\$78,200		
Casing (6.1" - 8.0") 9530' - 7" 29# HPP110 BT&C @ \$38.93/ft	0181-0796	\$396,200		
Casing (4.1" - 6.0") 8200' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$21.65/ft			0181-0797	\$189,600
Tubing 8800' - 3 1/2" 9.2# L-80 IPC Tbg @ \$17.4/ft			0181-0798	\$163,500
Drilling Head	0181-0860	\$50,000		
Tubing Head & Upper Section			0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger			0181-0871	\$75,000
Subsurface Equip. & Artificial Lift			0181-0880	\$25,000
Service Pumps (1/8) TP/CP/Circ pump			0181-0886	\$5,000
Storage Tanks (1/8) (8)OT/(6)WT/(1)GB			0181-0890	\$63,000
Emissions Control Equipment (1/8) (4)VRT/(2)VRU/(1)FLARE/(3)KO/(1)AIR			0181-0892	\$65,000
Separation / Treating Equipment (1/8) (1)BULK H SEP/(3)TEST H SEP 500#/(1)V SEP 500#/(3)			0181-0895	\$41,000
Automation Metering Equipment			0181-0898	\$42,000
Oil/Gas Pipeline-Pipe/Valves&Misc			0181-0900	\$11,000
Water Pipeline-Pipe/Valves & Misc			0181-0901	\$2,000
On-site Valves/Fittings/Lines&Misc			0181-0906	\$82,000
Wellhead Flowlines - Construction			0181-0907	\$77,000
Cathodic Protection			0181-0908	
Electrical Installation			0181-0909	\$74,000
Equipment Installation			0181-0910	\$65,000
Oil/Gas Pipeline - Construction			0181-0920	\$11,000
Water Pipeline - Construction			0181-0921	\$2,500
TOTAL		\$548,700		\$1,023,600
SUBTOTAL		\$3,308,500		\$4,985,400

TOTAL WELL COST	\$8,293,900
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Extra Expense Insurance

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

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

Joint owner agrees that item 0180-0245 will be provided by operator, if available, at the specified rate. Operator reserves the right to adjust the rate due to a change in market conditions.

Prepared by: <u>Ryan McDaniel</u>	Date: <u>2/8/2024</u>
Company Approval: <u><i>M. Whitte</i></u>	Date: <u>2/8/2024</u>
Joint Owner Interest: _____ Amount: _____	Signature: _____

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