

**CASE NO. 24344**

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

**EXHIBITS – Part - Revised**

1. Pooling Checklist
2. Landman's Affidavit
  - 2-A: C-102s
  - 2-B: Tract Maps and Ownership List
  - 2-C: Summary of Communications, Proposal Letter, and AFEs

**NOTICE TO FILE EXHIBIT PACKAGES**

Case No. 24344

Revised exhibit packages for:

Part I:

Exhibit 1: A revised pooling checklist, covering the pool area.

Exhibit 2: A revised C-102s, covering the pool area.

Exhibit 2-C: Covering the summary of communications.

Part II:

Exhibit 3: The revised pooling application, derived from the original package, due to printing problem.

*Garnett B. Hill*

Garnett B. Hill

Attorney for Mewbourne Oil Company

|  |  |
|--|--|
| <b>COMPULSORY POOLING APPLICATION CHECKLIST</b>  |  |
| <b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>   |  |
| <b>Case: 24344</b>   | <b>APPLICANT'S RESPONSE</b>  |
| <b>Date: April 4, 2024</b>   |  |
| 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, Eddy County, New Mexico |
| Entries of Appearance/Intervenors:   |  |
| Well Family  | Layla Bone Spring wells  |
| <b>Formation/Pool</b>  |  |
| Formation Name(s) or Vertical Extent:  | Bone Spring  |
| Primary Product (Oil or Gas):  | Oil  |
| Pooling this vertical extent:  | Entire Bone Spring formation   |
| Pool Name and Pool Code:   | Culebra Bluff; Bone Spring, South Pool/Pool Code 15011                               |
| Well Location Setback Rules:   | Statewide Rules  |
| <b>Spacing Unit</b>  |  |
| Type (Horizontal/Vertical)   | Horizontal   |
| Size (Acres)   | 320 acres  |
| Building Blocks:   | 40 acres   |
| Orientation:   | North-South  |
| Description: TRS/County  | W/2W/2 §26 and W/2W/2 §35, Township 23 South, Range 28 East, NMPM, Eddy County       |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application? | Yes  |
| <b>Other Situations</b>  |  |
| Depth Severance: Y/N. If yes, description  | N  |
| Proximity Tracts: If yes, description  | N  |

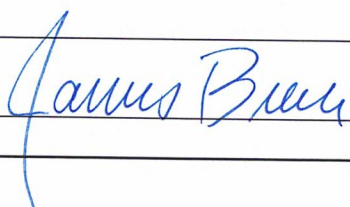
EXHIBIT 1



|  |   |
|--|---|
| 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  | Layla 26/35 Fee Well No. 401H<br>API No. 30-015-Pending<br>SHL: 340 FSL & 955 FWL §23<br>BHL: 100 FSL & 660 FWL §35<br>FTP: 100 FNL & 660 FWL §24<br>LTP: 100 FSL & 660 FWL §35<br>First Bone Spring/TVD 7310 feet/MD 18240 feet  |
| Well #2  | Layla 26/35 Fee Well No. 521H<br>API No. 30-015-Pending<br>SHL: 340 FSL & 975 FWL §23<br>BHL: 100 FSL & 660 FWL §35<br>FTP: 100 FNL & 660 FWL §24<br>LTP: 100 FSL & 660 FWL §35<br>Second Bone Spring/TVD 8350 feet/MD 19240 feet |
| Horizontal Well First and Last Take Points   | See above   |
| Completion Target (Formation, TVD and MD)  | See above   |
| <b>AFE Capex and Operating Costs</b>   |   |
| Drilling Supervision/Month \$  | \$8000  |
| Production Supervision/Month \$  | \$800   |
| Justification for Supervision Costs  | Exhibit 2, page 2   |
| Requested Risk Charge  | Cost plus 200%  |
| <b>Notice of Hearing</b>   |   |
| Proposed Notice of Hearing   | Exhibit 7   |
| Proof of Mailed Notice of Hearing (20 days before hearing)   | Exhibit 4   |
| Proof of Published Notice of Hearing (10 days before hearing)  | Exhibit 6   |
|  |   |

| <b>Ownership Determination</b>   |                                       |
|--|---------------------------------------|
| Land Ownership Schematic of the Spacing Unit   | Exhibits 2-B and 2-C                  |
| Tract List (including lease numbers and owners)  | Exhibits 2-B and 2-C                  |
| 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   | Yes                                   |
| Ownership Depth Severance (including percentage above & below)   | No Depth Severance                    |
| <b>Joinder</b>   |                                       |
| 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-C                           |
| Cost Estimate to Equip Well  | Exhibit 2-C                           |
| Cost Estimate for Production Facilities  | Exhibit 2-C                           |
| <b>Geology</b>   |                                       |
| 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)  | North-South; Exhibits 3, 3-A, and 3-B |
| Target Formation   | Bone Spring                           |
| HSU Cross Section  | Exhibits 3-C and 3-D                  |
| 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   | Exhibits 2-A and 3-B  |
| Structure Contour Map - Subsea Depth   | Exhibit 3-B   |
| Cross Section Location Map (including wells)   | Exhibits 3-C and 3-D  |
| Cross Section (including Landing Zone)   | Exhibits 3—C and 3-D  |
| <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>   | April 2, 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. 24344**

**VERIFIED STATEMENT OF MITCH ROBB**

Mitch Robb, 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 NMAC 19.15.4.12.A(1), 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 owners into the Bone Spring 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 well but have failed or refused to voluntarily commit their interests to the well. Some interest owners may be unlocatable.

(c) A plat outlining the unit being pooled is attached hereto as **Ex. 2-A** Attachment A. Mewbourne seeks an order pooling all mineral interests in the Bone Spring formation underlying the W/2W/2 of Section 26 and the W/2W/2 of Section 35, Township 23 South, Range 28 East, NMPM. The unit will be dedicated to:

(i) the Layla 26/35 Fee #401H, a horizontal well with a first take point in the NW/4NW/4 of 26 and a final take point in the SW/4SW/4 of Section 35;

(ii) the Layla 26/35 Fee #521H, a horizontal well with a first take point in the NW/4NW/4 of 26 and a final take point in the SW/4SW/4 of Section 35;

(d) The parties being pooled and their interests are set forth in **Ex. 2-B** Attachment B. Their current and correct addresses, or last known addresses, are also set forth.

2  
EXHIBIT



(e) In order to locate the interest owners Mewbourne examined the county records, performed internet searches, checked telephone records, made calls to family members, and searched Accurint and Whitepages.

*Ex. 2.C*  
(f) ~~Attachment C~~ contains a summary of contacts or attempted contacts with the interest owners, together with copies of the proposal letters sent to the interest owners.

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

(h) Mewbourne has the right to pool the overriding royalty owners in the well unit.

(i) Mewbourne requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Eddy County. They are also the rates set forth in the Joint Operating Agreement for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

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

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

(l) The attachments to this affidavit were prepared by me or compiled from Company business records.

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

VERIFICATION

STATE OF TEXAS                    )  
  ) ss.  
COUNTY OF MIDLAND            )

Mitch Robb, being duly sworn upon his oath, deposes and states that: He is a landman for Mewbourne Oil Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

  
\_\_\_\_\_  
Mitch Robb



**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) 746-3460 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<br><b>15001</b>                    |                     | 3 Well Name<br><b>Culebra Bluff; Bone Spring, South</b> |                             |                                  |                             |                               |                       |
| 4 Property Code                                   |                      | 5 Property Name<br><b>LAYLA 26/35 FEE</b>      |                     |   |                             | 6 Well Number<br><b>401H</b>     |                             |                               |                       |
| 7 OGRIP NO.<br><b>14944</b>                       |                      | 8 Operator Name<br><b>MEWBORNE OIL COMPANY</b> |                     |   |                             | 9 Elevation<br><b>3017'</b>      |                             |                               |                       |
| 10 Surface Location                               |                      |  |                     |   |                             |                                  |                             |                               |                       |
| UL or lot no.<br><b>M</b>                         | Section<br><b>23</b> | Township<br><b>23S</b>                         | Range<br><b>28E</b> | Lot Idn   | Feet from the<br><b>340</b> | North/South line<br><b>SOUTH</b> | Feet From the<br><b>955</b> | East/West line<br><b>WEST</b> | County<br><b>EDDY</b> |
| 11 Bottom Hole Location If Different From Surface |                      |  |                     |   |                             |                                  |                             |                               |                       |
| UL or lot no.<br><b>M</b>                         | Section<br><b>35</b> | Township<br><b>23S</b>                         | Range<br><b>28E</b> | Lot Idn   | Feet from the<br><b>100</b> | North/South line<br><b>SOUTH</b> | Feet from the<br><b>660</b> | East/West line<br><b>WEST</b> | County<br><b>EDDY</b> |
| 12 Dedicated Acres<br><b>320</b>                  |                      | 13 Joint or Infill                             |                     | 14 Consolidation Code                                   |                             | 15 Order No.                     |                             |                               |                       |

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

GEODETIC DATA  
NAD 83 GRID - NM EAST

SURFACE LOCATION  
N: 467415.0 - E: 624695.9

LAT: 32.2847099° N  
LONG: 104.0635886° W

GEODETIC DATA  
NAD 83 GRID - NM EAST

BOTTOM HOLE  
N: 456434.8 - E: 624446.6

LAT: 32.2545286° N  
LONG: 104.0644841° W

CORNER DATA  
NAD 83 GRID - NM EAST

|  |  |
|--|--|
| A: FOUND BRASS CAP "1942"<br>N: 456331.9 - E: 623787.8 | H: FOUND 2" IRON PIPE<br>N: 472360.3 - E: 628997.4     |
| B: FOUND 1/2" REBAR<br>N: 458974.0 - E: 623762.4       | I: FOUND 1/2" REBAR<br>N: 467091.2 - E: 629058.3       |
| C: FOUND 1/2" REBAR<br>N: 461650.7 - E: 623798.9       | J: FOUND COTTON SPINDLE<br>N: 464381.0 - E: 629098.4   |
| D: FOUND COTTON SPINDLE<br>N: 467071.8 - E: 623742.7   | K: FOUND 1/2" REBAR<br>N: 461670.8 - E: 629138.2       |
| E: FOUND 1/2" REBAR<br>N: 469700.9 - E: 623730.8       | L: FOUND BRASS CAP "1942"<br>N: 456356.5 - E: 629085.5 |
| F: FOUND 5/8" REBAR<br>N: 472325.1 - E: 623732.9       | M: FOUND BRASS CAP "1942"<br>N: 456343.8 - E: 626436.3 |
| G: FOUND 1/2" REBAR<br>N: 472345.8 - E: 626348.1       |  |

**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 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.

2.A

EXHIBIT

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

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.

12/12/2023

Date of Survey \_\_\_\_\_

Signature and Seal of Professional Surveyor \_\_\_\_\_

19680

Certificate Number \_\_\_\_\_

JOB No: LS23121110



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  
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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<br><b>15001</b>                     |                     | 3 Pool Name<br><b>Colebra Gluff; Bone Spring, South</b> |                               |
| 4 Property Code                                   |                      | 5 Property Name<br><b>LAYLA 26/35 FEE</b>       |                     |   |                               |
| 7 OGRID NO.                                       |                      | 8 Operator Name<br><b>MEWBOURNE OIL COMPANY</b> |                     |   |                               |
|   |                      | 9 Well Number<br><b>521H</b>                    |                     |   |                               |
|   |                      | 9 Elevation<br><b>3017'</b>                     |                     |   |                               |
| 10 Surface Location                               |                      |   |                     |   |                               |
| UL or lot no.<br><b>M</b>                         | Section<br><b>23</b> | Township<br><b>23S</b>                          | Range<br><b>28E</b> | Lot Idn<br><b>340</b>                                   | Feet from the<br><b>975</b>   |
|   |                      |   |                     | North/South line<br><b>SOUTH</b>                        | East/West line<br><b>WEST</b> |
|   |                      |   |                     |   | County<br><b>EDDY</b>         |
| 11 Bottom Hole Location If Different From Surface |                      |   |                     |   |                               |
| UL or lot no.<br><b>M</b>                         | Section<br><b>35</b> | Township<br><b>23S</b>                          | Range<br><b>28E</b> | Lot Idn<br><b>100</b>                                   | Feet from the<br><b>660</b>   |
|   |                      |   |                     | North/South line<br><b>SOUTH</b>                        | East/West line<br><b>WEST</b> |
|   |                      |   |                     |   | County<br><b>EDDY</b>         |
| 12 Dedicated Acres                                |                      | 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.

|  |  |  |  |   |  |
|--|--|--|--|---|--|
| <p>16</p> <p><u>GEODETTIC DATA</u><br/>NAD 83 GRID - NM EAST</p> <p><u>SURFACE LOCATION</u><br/>N: 467415.1 - E: 624715.9<br/>LAT: 32.2847099° N<br/>LONG: 104.0635238° W</p> <p><u>CORNER DATA</u><br/>NAD 83 GRID - NM EAST</p> <p>A: FOUND BRASS CAP "1942"<br/>N: 456331.9 - E: 623787.8</p> <p>B: FOUND 1/2" REBAR<br/>N: 458974.0 - E: 623762.4</p> <p>C: FOUND 1/2" REBAR<br/>N: 461650.7 - E: 623798.9</p> <p>D: FOUND COTTON SPINDLE<br/>N: 467071.8 - E: 623742.7</p> <p>E: FOUND 1/2" REBAR<br/>N: 469700.9 - E: 623730.8</p> <p>F: FOUND 5/8" REBAR<br/>N: 472325.1 - E: 623732.9</p> <p>G: FOUND 1/2" REBAR<br/>N: 472345.8 - E: 626348.1</p> |  | <p><u>GEODETTIC DATA</u><br/>NAD 83 GRID - NM EAST</p> <p><u>BOTTOM HOLE</u><br/>N: 456434.8 - E: 624446.6<br/>LAT: 32.2545286° N<br/>LONG: 104.0644841° W</p> <p>H: FOUND 2" IRON PIPE<br/>N: 472360.3 - E: 628997.4</p> <p>I: FOUND 1/2" REBAR<br/>N: 467091.2 - E: 629058.3</p> <p>J: FOUND COTTON SPINDLE<br/>N: 464381.0 - E: 629098.4</p> <p>K: FOUND 1/2" REBAR<br/>N: 461670.8 - E: 629138.2</p> <p>L: FOUND BRASS CAP "1942"<br/>N: 456356.5 - E: 629085.5</p> <p>M: FOUND BRASS CAP "1942"<br/>N: 456343.8 - E: 626436.3</p> |  | <p>17 OPERATOR CERTIFICATION</p> <p>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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> |  |
| <p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p><b>12/12/2023</b><br/>Date of Survey</p> <p>Signature and Seal of Professional Surveyor _____</p> <p><b>19680</b><br/>Certificate Number</p>  |  | <p><b>19680</b><br/>Certificate Number</p> <p><b>19680</b><br/>Certificate Number</p>  |  |   |  |

JOB No: LS23121112



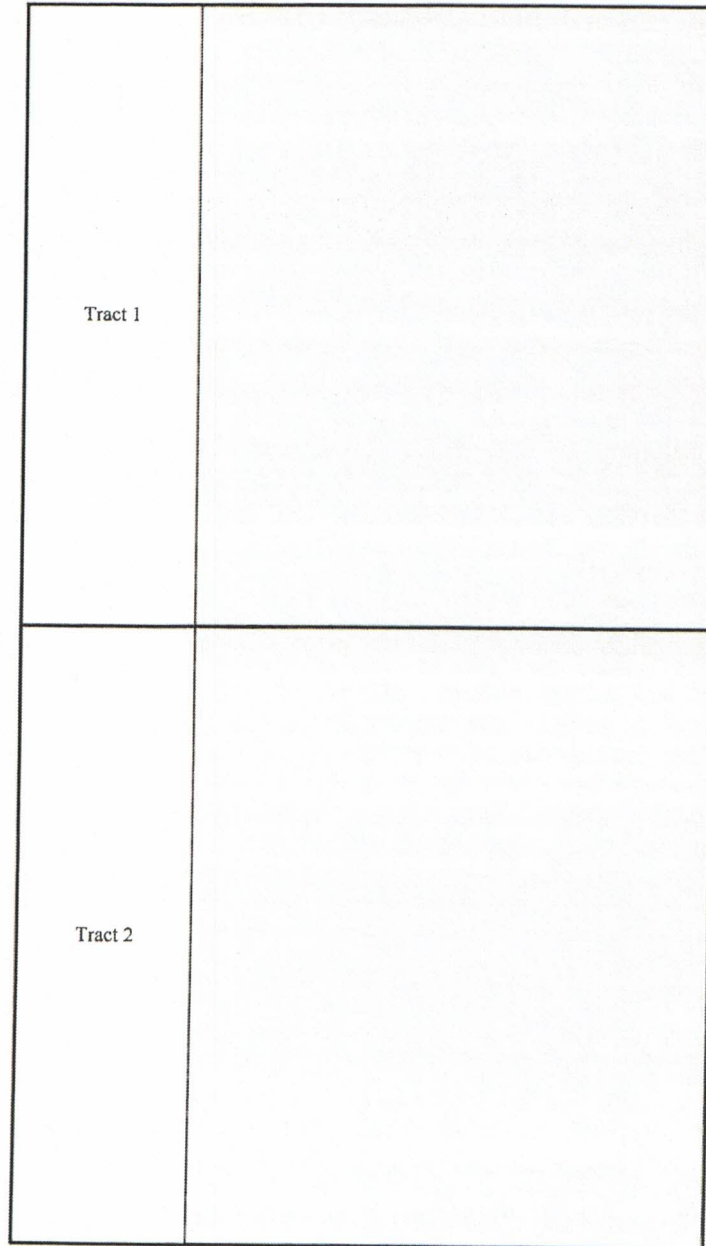
**Section Plat**

Layla 26/35 Fee #401H

Layla 26/35 Fee #521H

W/2W/2 of Sec. 26 &amp; W/2W/2 of Sec. 35

T23S-R28E, Eddy County, NM

**Section 26****Section 35****Tract 1: W/2W/2 of Section 26 - Fee Lands**

Mewbourne Oil Company, et al.

The heirs or devisees of Samuel J. Mansfield, Jr. and wife, Anne, Eliza Mansfield  
who apparently is Samuel J. Mansfield, III

Erich F. Klein and wife, Clydell Klein

Deborah Roland

**Tract 2: W/2W/2 of Section 35 - Fee Lands**

Mewbourne Oil Company, et al.

Marathon Oil Permian LLC

Bishop Whipple Schools

Heirs of Joe Beeman

Boys Club of America

Juan G. Ruiz

Heirs of C.O. Enderud

EXHIBIT

2-B

**RECAPITULATION FOR**

Layla 26/35 Fee #401H

Layla 26/35 Fee #521H

| Tract Number | Number of Acres Committeed | Percentage of Interst in Communitized Area |
|--------------|----------------------------|--|
| 1            | 160                        | 50.000000%                                 |
| 2            | 160                        | 50.000000%                                 |
| <b>TOTAL</b> | <b>320</b>                 | <b>100.000000%</b>                         |

**T23S-R28E, Eddy County, NM****Section 26**

|         |  |
|---------|--|
| Tract 1 |  |
| Tract 2 |  |

**Section 35**



**TRACT OWNERSHIP**

Layla 26/35 Fee #401H

Layla 26/35 Fee #521H

W/2W/2 of Sec. 26 &amp; W/2W/2 of Sec. 35

T23S-R28E, Eddy County, NM

**W/2W/2 of Section 26 & W/2W/2 of Section 35****Bone Spring Formation:**

| <b>Owner</b>   | <b>% of Leasehold Interest</b> |
|--|--------------------------------|
| Mewbourne Oil Company, et al.  | 96.746681%                     |
| *Heirs of C.O. Enderud   | 1.562500%                      |
| *Heirs of Joe Beeman   | 0.787500%                      |
| *Erich F. Klein and wife, Clydell Klein  | 0.273438%                      |
| *The heirs or devisees of Samuel J. Mansfield, Jr.<br>and wife, Anne, Eliza Mansfield, is apparently<br>Samuel J. Mansfield, III | 0.170898%                      |
| *Marathon Oil Permian LLC  | 0.136718%                      |
| *Debora Roland   | 0.113932%                      |
| *Juan G. Ruiz  | 0.130208%                      |
| *Bishop Whipple Schools  | 0.039063%                      |
| *Boys Club of America  | 0.039063%                      |
| <b>TOTAL</b>   | <b>100.000000%</b>             |

**Total Interest Being Pooled: 3.253319%**

**OWNERSHIP BY TRACT****W/2W/2 of Section 26**

| <b>Owner</b>  | <b>% of Leasehold Interest</b> |
|---|--------------------------------|
| Mewbourne Oil Company, et al  | 98.199870%                     |
| The heirs or devisees of Samuel J. Mansfield, Jr.<br>and wife, Anne, Eliza Mansfield, is apparently<br>Samuel J. Mansfield, III | 0.341797%                      |
| Norma J. Barton Chanley   | 0.683594%                      |
| Erich F. Klein and wife, Clydell Klein  | 0.546875%                      |
| Debora Roland   | 0.227865%                      |
| <b>TOTAL</b>  | <b>100.000000%</b>             |

**W/2W/2 of Section 35**

| <b>Owner</b>                  | <b>% of Leasehold Interest</b> |
|-------------------------------|--------------------------------|
| Mewbourne Oil Company, et al. | 94.609898%                     |
| Heirs of C.O. Enderud         | 3.125000%                      |
| Heirs of Joe Beeman           | 1.575000%                      |
| Marathon Oil Permian LLC      | 0.273435%                      |
| Juan G. Ruiz                  | 0.260417%                      |
| Bishop Whipple Schools        | 0.078125%                      |
| Boys Club of America          | 0.078125%                      |
| <b>TOTAL</b>                  | <b>100.000000%</b>             |

**Summary of Communications**  
**Layla 26/35 Fee #401H**  
**Layla 26/35 Fee #521H**  
**W/2W/2 of Section 26 & W/2W/2 of Section 35**  
**T23S-R28E, Eddy County, NM**

**Marathon Oil Permian LLC**

**The heirs or devisees of Samuel J. Mansfield, Jr. and wife, Anne, Eliza Mansfield, is apparently Samuel J. Mansfield, III**

**05/13/2021:** Mailed Working Interest Unit and Well Proposal to the above listed party.

**09/28/2021:** Mailed Proposal to above listed party.

**01/02/2024:** Mailed Working Interest Unit and Well Proposal to the above listed party.

**01/31/2024:** Mailed Well Proposal and Well information update to the above listed party.

**Heirs of Joe Beeman**

**Boys Club of America**

**Heirs of C.O. Enderud**

**Juan G. Ruiz**

**Bishop Whipple Schools**

**06/03/2021:** Mailed Working Interest Unit and Well Proposal to the above listed party.

**09/28/2021:** Mailed Proposal to above listed party.

**01/02/2024:** Mailed Working Interest Unit and Well Proposal to the above listed party.

**01/31/2024:** Mailed Well Proposal and Well information update to the above listed party.

**Erich F. Klein and wife, Clydell Klein**

**05/13/2021:** Mailed Working Interest Unit and Well Proposal to the above listed party.

**09/28/2021:** Mailed Proposal to above listed party.

**01/02/2024:** Mailed Working Interest Unit and Well Proposal to the above listed party.

**01/31/2024:** Mailed Well Proposal and Well information update to the above listed party.

**03/25/2024:** Correspondence with above listed party regarding interest in wells.

**03/28/2024:** Correspondence with above listed party regarding interest in wells.

**Debora Roland**

**05/13/2021:** Mailed Working Interest Unit and Well Proposal to the above listed party.

**09/28/2021:** Mailed Proposal to above listed party.

**01/02/2024:** Mailed Working Interest Unit and Well Proposal to the above listed party.

**01/10/2024:** Correspondence with above listed party regarding interest in wells.

**01/31/2024:** Mailed Well Proposal and Well information update to the above listed party.

EXHIBIT 2.c



MEWBOURNE OIL COMPANY

FASKEN CENTER  
500 WEST TEXAS, SUITE 1020  
MIDLAND, TX 79701

TELEPHONE (432) 682-3715

January 2, 2024

Via Certified Mail

Working Interest Owner

Re: Layla 26 Fee #523H  
SL: 340' FSL & 995' FEL (Section 23);  
BHL: 100' FSL & 2200' FWL (Section 26)

Layla 26/35 Fee #403H  
SL: 340' FSL & 1015' FEL (Section 23);  
BHL: 100' FSL & 2200' FWL (Section 35)

Layla 26/35 Fee #401H  
SL: 340' FSL & 955' FEL (Section 23);  
BHL: 100' FSL & 660' FWL (Section 35)

Layla 26/35 Fee #521H  
SL: 340' FSL & 975' FEL (Section 23);  
BHL: 100' FSL & 660' FWL (Section 35)

Sections 26 & 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned Layla 26 Fee #523H at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 8,350 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 13,850 feet. The E/2W/2 of the captioned Section 26 will be dedicated to the well as the spacing unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned Layla 26/35 Fee #403H at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 7,310 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,240 feet. The E/2W/2 of the captioned Section 26 and the E/2W/2 of the captioned Section 35 will be dedicated to the well as the spacing unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned Layla 26/35 Fee #401H at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 7,310 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 18,240 feet. The W/2W/2 of the captioned Section 26 and the W/2W/2 of the captioned Section 35 will be dedicated to the well as the spacing unit.

Finally, Mewbourne as Operator hereby proposes to drill the captioned Layla 26/35 Fee #521H at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 8,350 feet subsurface to evaluate the Bone

Spring Formation. The proposed well will have a measured depth (MD) of approximately 19,240 feet. The W/2W/2 of the captioned Section 26 and the W/2W/2 of the captioned Section 35 will be dedicated to the well as the spacing unit.

Regarding the above, enclosed for your further handling are our AFEs dated December 21, 2023 for the captioned proposed wells. In the event your firm elects to participate in the proposed wells, please execute the enclosed AFEs and return to me within thirty (30) days. Our proposed Operating Agreement has COPAS rates of \$8,000/month while drilling, \$800/month for a producing well and a non-consent penalty of 100%/300%. If you wish to participate, in the above wells, please let me know and I will provide a complete copy of the Operating Agreement for your review.

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

Sincerely,

**MEWBOURNE OIL COMPANY**

Mitch Robb  
Landman



## MEWBOURNE OIL COMPANY

FASKEN CENTER  
500 WEST TEXAS, SUITE 1020  
MIDLAND, TX 79701

TELEPHONE (432) 682-3715

January 31, 2024

Via Certified Mail

Working Interest Owner

Re: Layla 26/35 Fee #563H  
SL: 340' FSL & 1035' FWL (Section 23);  
BHL: 100' FSL & 1850' FWL (Section 35)

Sections 26 & 35, T23S, R28E  
Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned Layla 26/35 Fee #563H at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 8,874 feet subsurface to evaluate the Bone Spring Formation. The proposed well will have a measured depth (MD) of approximately 19,675 feet. The E/2W/2 of the captioned Section 26 and the E/2W/2 of the captioned Section 35 will be dedicated to the well as the spacing unit.

Regarding the above, enclosed for your further handling is our AFE dated January 30, 2024 for the captioned proposed well. In the event your firm elects to participate in the proposed wells, please execute the enclosed AFEs and return to me within thirty (30) days. Our proposed Operating Agreement has COPAS rates of \$8,000/month while drilling, \$800/month for a producing well and a non-consent penalty of 100%/300%. If you wish to participate, in the above wells, please let me know and I will provide a complete copy of the Operating Agreement for your review.

This captioned well will be drilled alongside the Layla wells proposed by letter dated January 2, 2024 ("previously proposed wells"). Due to the addition of this well, the SL and BHL of the previously proposed wells were adjusted to the following:

| New Well Name                | Old Well Name                | New Surface Location    | New Bottomhole Location |
|------------------------------|------------------------------|-------------------------|-------------------------|
| LAYLA 26/35 FEE #404H (B1CN) | LAYLA 26/35 FEE #403H (B1CN) | 340 FSL & 1015 FWL (23) | 100 FSL & 2200 FWL (35) |
| LAYLA 26/35 FEE #401H (B1DM) | Same                         | 340 FSL & 955 FWL (23)  | 100 FSL & 660 FWL (35)  |
| LAYLA 26/35 FEE #521H (B2DM) | Same                         | 340 FSL & 975 FWL (23)  | 100 FSL & 660 FWL (35)  |
| LAYLA 26 FEE #524H (B2CN)    | LAYLA 26 FEE #523H (B2CN)    | 340 FSL & 995 FWL (23)  | 100 FSL & 2200 FWL (26) |

In addition, the previously proposed Layla 26/35 Fee #403H and Layla 26 Fee #523H will be sundry name changed to the Layla 26/35 Fee #404H and Layla 26 Fee #524H respectively.

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

Sincerely,

MEWBOURNE OIL COMPANY

Mitch Robb  
Landman



## MELBOURNE OIL COMPANY

## AUTHORIZATION FOR EXPENDITURE

|   |      |                     |  |
|---|------|---------------------|--|
| Well Name: LAYLA 26/35 FEE #401H (B1DM)                           |      | Prospect: Layla 35  |  |
| Location: SL: 340 FSL & 955 FEL (23); BHL: 100 FSL & 660 FWL (35) |      | County: Eddy ST: NM |  |
| Sec: 23   | Blk: | Survey:             | TWP: 23S RNG: 28E Prop. TVD: 7310 TMD: 18240 |

| INTANGIBLE COSTS 0180   |  | CODE      | TCP         | CODE      | CC          |
|---|--|-----------|-------------|-----------|-------------|
| Regulatory Permits & Surveys  |  | 0180-0100 | \$20,000    | 0180-0200 |             |
| Location / Road / Site / Preparation  |  | 0180-0105 | \$50,000    | 0180-0205 | \$35,000    |
| Location / Restoration  |  | 0180-0106 | \$200,000   | 0180-0206 | \$75,000    |
| Daywork / Turnkey / Footage Drilling 17 days drlg / 3 days comp @ \$28000/d |  | 0180-0110 | \$508,400   | 0180-0210 | \$89,700    |
| Fuel 1700 gal/day @ \$3.9/gal   |  | 0180-0114 | \$120,400   | 0180-0214 | \$169,000   |
| Alternate Fuels   |  | 0180-0115 |             | 0180-0215 | \$89,000    |
| Mud, Chemical & Additives   |  | 0180-0120 | \$40,000    | 0180-0220 |             |
| Mud - Specialized   |  | 0180-0121 | \$240,000   | 0180-0221 |             |
| Horizontal Drillout Services  |  |           |             | 0180-0222 | \$200,000   |
| Stimulation Toe Preparation   |  |           |             | 0180-0223 | \$25,000    |
| Cementing   |  | 0180-0125 | \$180,000   | 0180-0225 | \$50,000    |
| Logging & Wireline Services   |  | 0180-0130 | \$40,000    | 0180-0230 | \$300,000   |
| Casing / Tubing / Snubbing Services   |  | 0180-0134 | \$45,000    | 0180-0234 | \$16,000    |
| Mud Logging   |  | 0180-0137 | \$15,000    |           |             |
| Stimulation 51 Stg 20.2 MM gal / 20.2 MM lb                                 |  |           |             | 0180-0241 | \$2,240,000 |
| Stimulation Rentals & Other   |  |           |             | 0180-0242 | \$222,000   |
| Water & Other 100% PW @ \$0.25/bbl f/ CWMS                                  |  | 0180-0145 | \$35,000    | 0180-0245 | \$129,000   |
| Bits  |  | 0180-0148 | \$64,100    | 0180-0248 |             |
| Inspection & Repair Services  |  | 0180-0150 | \$50,000    | 0180-0250 | \$5,000     |
| Misc. Air & Pumping Services  |  | 0180-0154 |             | 0180-0254 | \$10,000    |
| Testing & Flowback Services   |  | 0180-0158 | \$12,000    | 0180-0258 | \$24,000    |
| Completion / Workover Rig   |  |           |             | 0180-0260 | \$10,500    |
| Rig Mobilization  |  | 0180-0164 | \$150,000   |           |             |
| Transportation  |  | 0180-0165 | \$30,000    | 0180-0265 | \$75,000    |
| Welding, Construction & Maint. Services                                     |  | 0180-0168 | \$4,000     | 0180-0268 | \$16,500    |
| Contract Services & Supervision   |  | 0180-0170 | \$114,000   | 0180-0270 | \$60,000    |
| Directional Services Includes Vertical Control                              |  | 0180-0175 | \$266,000   |           |             |
| Equipment Rental  |  | 0180-0180 | \$125,300   | 0180-0280 | \$100,000   |
| Well / Lease Legal  |  | 0180-0184 | \$5,000     | 0180-0284 |             |
| Well / Lease Insurance  |  | 0180-0185 | \$4,700     | 0180-0285 |             |
| Intangible Supplies   |  | 0180-0188 | \$7,000     | 0180-0288 | \$1,000     |
| Damages   |  | 0180-0190 | \$50,000    | 0180-0290 | \$1,000     |
| Pipeline Interconnect, ROW Easements  |  | 0180-0192 |             | 0180-0292 | \$10,000    |
| Company Supervision   |  | 0180-0195 | \$72,000    | 0180-0295 | \$32,400    |
| Overhead Fixed Rate   |  | 0180-0196 | \$10,000    | 0180-0296 | \$20,000    |
| Contingencies 5% (TCP) 5% (CC)  |  | 0180-0199 | \$122,900   | 0180-0299 | \$200,300   |
| TOTAL   |  |           | \$2,580,800 |           | \$4,205,400 |

| TANGIBLE COSTS 0181  |  | CODE      | TCP         | CODE      | CC          |
|--|--|-----------|-------------|-----------|-------------|
| Casing (19.1" - 30")   |  | 0181-0793 |             |           |             |
| Casing (10.1" - 19.0") 530' - 13 3/8" 54.5# J-55 ST&C @ \$47.92/ft                   |  | 0181-0794 | \$27,100    |           |             |
| Casing (8.1" - 10.0") 2550' - 9 5/8" 40# HCL80 LT&C @ \$40.67/ft                     |  | 0181-0795 | \$110,800   |           |             |
| Casing (6.1" - 8.0") 6800' - 7" 29# HPP110 BT&C @ \$38.93/ft                         |  | 0181-0796 | \$262,700   |           |             |
| Casing (4.1" - 6.0") 11640' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$21.65/ft              |  |           |             | 0181-0797 | \$269,100   |
| Tubing 6750' - 3 1/2" 9.2# L-80 IPC Tbg @ \$17.4/ft                                  |  |           |             | 0181-0798 | \$125,400   |
| Drilling Head  |  | 0181-0860 | \$50,000    |           |             |
| Tubing Head & Upper Section  |  |           |             | 0181-0870 | \$30,000    |
| Horizontal Completion Tools  |  |           |             | 0181-0871 |             |
| Subsurface Equip. & Artificial Lift  |  |           |             | 0181-0880 | \$40,000    |
| Service Pumps (1/4) TPI/CP/Circ pump   |  |           |             | 0181-0886 | \$9,500     |
| Storage Tanks (1/4) (6)OT/5WT/1)GB   |  |           |             | 0181-0890 | \$102,000   |
| Emissions Control Equipment (1/4) (3)VRT/1)VRU/1)FLARE/3)KO/1)AIR                    |  |           |             | 0181-0892 | \$95,000    |
| Separation / Treating Equipment (1/4) (1)BULK H SEP/2)TEST H SEP 500#/1)V SEP 500#/2 |  |           |             | 0181-0895 | \$65,000    |
| Automation Metering Equipment  |  |           |             | 0181-0898 | \$62,000    |
| Oil/Gas Pipeline-Pipe/Valves&Misc  |  |           |             | 0181-0900 | \$21,000    |
| Water Pipeline-Pipe/Valves & Misc  |  |           |             | 0181-0901 | \$12,500    |
| On-site Valves/Fittings/Lines&Misc   |  |           |             | 0181-0906 | \$125,000   |
| Wellhead Flowlines - Construction  |  |           |             | 0181-0907 | \$46,000    |
| Cathodic Protection  |  |           |             | 0181-0908 |             |
| Electrical Installation  |  |           |             | 0181-0909 | \$103,000   |
| Equipment Installation   |  |           |             | 0181-0910 | \$100,000   |
| Oil/Gas Pipeline - Construction  |  |           |             | 0181-0920 | \$15,000    |
| Water Pipeline - Construction  |  |           |             | 0181-0921 | \$44,000    |
| TOTAL  |  |           | \$470,600   |           | \$1,284,500 |
| SUBTOTAL   |  |           | \$3,051,400 |           | \$5,469,900 |
| TOTAL WELL COST  |  |           | \$8,521,300 |           |             |

☐ 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: 12/19/2023

Company Approval: *m. whitte* Date: 12/21/2023

Joint Owner Interest: Amount:

Joint Owner Name: Signature:



## MEWBORNE OIL COMPANY

## AUTHORIZATION FOR EXPENDITURE

|   |      |                     |  |
|---|------|---------------------|--|
| Well Name: LAYLA 26/35 FEE #521H (B2DM)                           |      | Prospect: Layla 35  |  |
| Location: SL: 340 FSL & 975 FEL (23); BHL: 100 FSL & 660 FWL (35) |      | County: Eddy ST: NM |  |
| Sec: 23   | Blk: | Survey:             | TWP: 23S RNG: 28E Prop. TVD: 8350 TMD: 19240 |

| INTANGIBLE COSTS 0180   |  | CODE      | TCP         | CODE      | CC          |
|---|--|-----------|-------------|-----------|-------------|
| Regulatory Permits & Surveys  |  | 0180-0100 | \$20,000    | 0180-0200 |             |
| Location / Road / Site / Preparation  |  | 0180-0105 | \$50,000    | 0180-0205 | \$35,000    |
| Location / Restoration  |  | 0180-0106 | \$200,000   | 0180-0206 | \$75,000    |
| Daywork / Turnkey / Footage Drilling 16 days drlg / 3 days comp @ \$28000/d |  | 0180-0110 | \$478,500   | 0180-0210 | \$89,700    |
| Fuel 1700 gal/day @ \$3.9/gal   |  | 0180-0114 | \$113,300   | 0180-0214 | \$169,000   |
| Alternate Fuels   |  | 0180-0115 |             | 0180-0215 | \$89,000    |
| Mud, Chemical & Additives   |  | 0180-0120 | \$40,000    | 0180-0220 |             |
| Mud - Specialized   |  | 0180-0121 | \$230,000   | 0180-0221 |             |
| Horizontal Driftout Services  |  |           |             | 0180-0222 | \$200,000   |
| Stimulation Toe Preparation   |  |           |             | 0180-0223 | \$25,000    |
| Cementing   |  | 0180-0125 | \$180,000   | 0180-0225 | \$50,000    |
| Logging & Wireline Services   |  | 0180-0130 | \$40,000    | 0180-0230 | \$300,000   |
| 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 | \$2,240,000 |
| Stimulation Rentals & Other   |  |           |             | 0180-0242 | \$222,000   |
| Water & Other 100% PW @ \$0.25/bbl f/ CWMS                                  |  | 0180-0145 | \$35,000    | 0180-0245 | \$129,000   |
| 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  |  | 0180-0184 | \$150,000   |           |             |
| Transportation  |  | 0180-0185 | \$30,000    | 0180-0265 | \$75,000    |
| 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 | \$247,000   |           |             |
| Equipment Rental  |  | 0180-0180 | \$119,800   | 0180-0280 | \$100,000   |
| Well / Lease Legal  |  | 0180-0184 | \$5,000     | 0180-0284 |             |
| Well / Lease Insurance  |  | 0180-0185 | \$5,000     | 0180-0285 |             |
| Intangible Supplies   |  | 0180-0188 | \$7,000     | 0180-0288 | \$1,000     |
| Damages   |  | 0180-0190 | \$50,000    | 0180-0290 | \$1,000     |
| Pipeline Interconnect, ROW Easements  |  | 0180-0192 |             | 0180-0292 | \$10,000    |
| 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 | \$118,600   | 0180-0299 | \$200,300   |
| TOTAL   |  |           | \$2,491,000 |           | \$4,205,400 |

| TANGIBLE COSTS 0181  |  | CODE      | TCP         | CODE      | CC          |
|--|--|-----------|-------------|-----------|-------------|
| Casing (19.1" - 30")   |  | 0181-0793 |             |           |             |
| Casing (10.1" - 19.0") 530' - 13 3/8" 54 5# J-55 ST&C @ \$47.92/ft                       |  | 0181-0794 | \$27,100    |           |             |
| Casing (8.1" - 10.0") 2550' - 9 5/8" 40# HCL80 LT&C @ \$40.67/ft                         |  | 0181-0795 | \$110,800   |           |             |
| Casing (6.1" - 8.0") 7800' - 7" 29# HPP110 BT&C @ \$38.93/ft                             |  | 0181-0796 | \$324,300   |           |             |
| Casing (4.1" - 6.0") 11640' - 4 1/2" 13 5# HCP-110 CDC-HTQ @ \$21.65/ft                  |  |           |             | 0181-0797 | \$269,100   |
| Tubing 7750' - 3 1/2" 9 2# L-80 IPC Tbg @ \$17.4/ft                                      |  |           |             | 0181-0798 | \$144,000   |
| Drilling Head  |  | 0181-0880 | \$50,000    |           |             |
| Tubing Head & Upper Section  |  |           |             | 0181-0870 | \$30,000    |
| Horizontal Completion Tools  |  |           |             | 0181-0871 |             |
| Subsurface Equip. & Artificial Lift  |  |           |             | 0181-0880 | \$40,000    |
| Service Pumps (1/4) TP/CP/Circ pump  |  |           |             | 0181-0886 | \$9,500     |
| Storage Tanks (1/4) (6)OT/(5)WT/(1)GB  |  |           |             | 0181-0890 | \$102,000   |
| Emissions Control Equipment (1/4) (3)VRT/(1)VRU/(1)FLARE/(3)KO/(1)AIR                    |  |           |             | 0181-0892 | \$95,000    |
| Separation / Treating Equipment (1/4) (1)BULK H SEP/(2)TEST H SEP 500#/(1)V SEP 500#/(2) |  |           |             | 0181-0895 | \$65,000    |
| Automation Metering Equipment  |  |           |             | 0181-0898 | \$62,000    |
| Oil/Gas Pipeline-Pipe/Valves&Misc  |  |           |             | 0181-0900 | \$21,000    |
| Water Pipeline-Pipe/Valves & Misc  |  |           |             | 0181-0901 | \$12,500    |
| On-site Valves/Fittings/Lines&Misc   |  |           |             | 0181-0906 | \$125,000   |
| Wellhead Flowlines - Construction  |  |           |             | 0181-0907 | \$46,000    |
| Cathodic Protection  |  |           |             | 0181-0908 |             |
| Electrical Installation  |  |           |             | 0181-0909 | \$103,000   |
| Equipment Installation   |  |           |             | 0181-0910 | \$100,000   |
| Oil/Gas Pipeline - Construction  |  |           |             | 0181-0920 | \$15,000    |
| Water Pipeline - Construction  |  |           |             | 0181-0921 | \$44,000    |
| TOTAL  |  |           | \$512,200   |           | \$1,283,100 |
| SUBTOTAL   |  |           | \$3,003,200 |           | \$5,488,500 |
| TOTAL WELL COST  |  |           | \$8,491,700 |           |             |

☐ 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: 12/19/2023 |
| Company Approval: <i>m. whitte</i>  | Date: 12/21/2023 |
| Joint Owner Interest: Amount: _____ | Signature: _____ |
| Joint Owner Name: _____             |                  |