

CASE NO. 25326

**APPLICATION OF MEWBOURNE OIL COMPANY TO POOL ADDITIONAL
INTEREST OWNERS, EDDY COUNTY, NEW MEXICO**

EXHIBIT LIST

1. Landman's Affidavit
 - 1-A: Order No. R-23299
 - 1-B: Land Plats
 - 1-C: Tract Ownership
 - 1-D: Summary of Contacts, Proposal Letter, and AFEs
2. Affidavit of Certified Mailing
 - 2-A: Notice Letter and Receipts
 - 2-B: Certified Notice Spreadsheet
3. Affidavit of Publication
4. Application and Proposed Notice

**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
TO COMPULSORY POOL ADDITIONAL INTEREST
OWNERS UNDER ORDER NO. R-23299, EDDY
COUNTY, NEW MEXICO.**

Case No. 25326

VERIFIED STATEMENT OF CARSON CULLEN

Carson Cullen 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. The purpose of this application is to force pool working interest owners into the Wolfcamp horizontal spacing unit described below, and in wells to be drilled in the unit.
3. Order No. R-23299, attached as Exhibit 1-A, approved a 640-acre horizontal spacing unit in the Wolfcamp formation comprised of the N/2 of Section 9 and the N/2 of Section 8, Township 22 South, Range 27 East, NMPM A land plat outlining the unit being pooled is attached hereto as Exhibit 1-B. The order pooled numerous mineral interest owners in the Wolfcamp formation underlying the unit. The unit is dedicated to the Sandlot 9/8 Fee Well No. 711H and Sandlot 9/8 Fee Well No. 713H.
4. There are no depth severances in the Wolfcamp formation.
5. The parties being pooled and their interests are set forth in Exhibit 1-C. Their current and correct addresses are also set forth. To locate the parties, we examined county and government records, and also conducted internet searches including Google and Drillinginfo.
6. Exhibit 1-D contains a summary of contacts with the interest owners, together with a sample copy of the proposal letter sent to them. In addition, I have had multiple phone calls and e-mails with the interest owners.
7. The interest owners being pooled agreed to commit their interests to the proposed wells before the original hearing, but documentation of their joinder has not yet been signed by them.

EXHIBIT /

8. Mewbourne has made a good faith effort to locate and obtain the voluntary joinder of the working interest and mineral owners in the proposed wells.

9. Exhibit ~~B~~-D also 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.

10. Order No. R-23299 approved Mewbourne's requested 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.

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

12. Order No. R-23299 designated Mewbourne as operator of the subject wells.

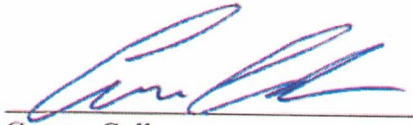
13. The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.

14. 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 14 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.

5-1-2025

Date


Carson Cullen

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
MEWBOURNE OIL COMPANY**

**CASE NO. 23708
ORDER NO. R-23299**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on November 2, 2023, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

FINDINGS OF FACT

1. Mewbourne Oil Company ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

EXHIBIT

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
21. This Order shall terminate automatically if the Operator fails to comply with the preceding paragraph unless the Operator requests an extension by notifying the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the extension is automatically granted up to one year. If a protest is received the extension is not granted and the Operator must set the case for a hearing.
22. Operator may propose reasonable deviations from the development plan via notice to the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the deviation is automatically granted. If a protest is received the deviation is not granted and the Operator must set the case for a hearing.

CASE NO. 23708
ORDER NO. R-23299

Page 2 of 9

23. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
24. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
25. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
26. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
27. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
28. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
29. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include

CASE NO. 23708
ORDER NO. R-23299

Page 3 of 9

the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

30. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
31. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
32. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to the preceding paragraph to each Pooled Working Interest that paid its share of the Estimated Well Costs.
33. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
34. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
35. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
36. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
37. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



GERASIMOS RAZATOS
DIRECTOR (Acting)
GR/jag

Date: 8/28/2024

CASE NO. 23708
ORDER NO. R-23299

Page 5 of 9

Exhibit A

Received by OCD: 11/3/2023 10:00:41 AM

Page 2 of 11

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 23708	APPLICANT'S RESPONSE
Date: November 2, 2023	
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:	Magnum Hunter Production, Inc./Darin Savage American Energy Research, LLC/Jonathan Samaniego
Well Family	Sandlot Wolfcamp wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Entire Wolfcamp formation
Pool Name and Pool Code:	Purple Sage; Wolfcamp/Pool Code 98220
Well Location Setback Rules:	Statewide Rules and Purple Sage Special Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres
Building Blocks:	320 acres
Orientation:	East-West
Description: TRS/County	N/2 §9 and N/2 §8, Township 22 South, Range 27 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 Replacement EXHIBIT 1
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N

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CASE NO. 23708
ORDER NO. R-23299

Page 6 of 9

Received by OCD: 11/3/2023 10:00:41 AM

Page 3 of 11

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	Sandlot 9/8 Fee Well No. 711H f/k/a Sandlot 9/8 WOAD Fee Well No. 1H API No. 30-015-48080 SHL: 1900 FNL & 205 FWL §10-22S-27E BHL: 660 FNL & 330 FWL §8 FTP: 660 FNL & 330 FEL §9 LTP: 660 FNL & 330 FWL §8 Wolfcamp/TVD 8760 feet/MD 19115 feet
Well #2	Sandlot 9/8 Fee Well No. 713H f/k/a Sandlot 9/8 WOHE Fee Well No. 1H API No. 30-015-48079 SHL: 1930 FNL & 205 FWL §10-22S-27E BHL: 1980 FNL & 330 FWL §8 FTP: 1980 FNL & 330 FEL §9 LTP: 1980 FNL & 330 FWL §8 Wolfcamp/TVD 8760 feet/MD 19115 feet
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
APE 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 8
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 5
Proof of Published Notice of Hearing (10 days before hearing)	N/A

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CASE NO. 23708
ORDER NO. R-23299

Page 7 of 9

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Page 4 of 11

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; Working Interest Owners
Unlocatable Parties to be Pooled	Yes
Ownership Depth Severance (including percentage above & below)	No Depth 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	
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	Exhibits 2-A and 3-A
Gunbarrel/Lateral Trajectory Schematic	Exhibits 3-B and 3-C
Well Orientation (with rationale)	East-West; Exhibits 3, 3-A, and 3-C
Target Formation	Wolfcamp
HSU Cross Section	Exhibit 3-B
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 2-A

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CASE NO. 23708
ORDER NO. R-23299

Page 8 of 9

Received by OCD: 11/3/2023 10:00:41 AM

Page 5 of 11

Tracts	Exhibit 2-B
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits 2-B
General Location Map (including basin)	Exhibits 3-A and 3-C
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	Exhibits 3-A and 3-B
Cross Section Location Map (including wells)	Exhibits 3-A and 3-B
Cross Section (including Landing Zone)	Exhibit 3-B
Additional Information	
Special Provisions/Stipulations	<u>See</u> Exhibit A-1 attached hereto
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):	<i>James Bruce</i>
Date:	October 26, 2023

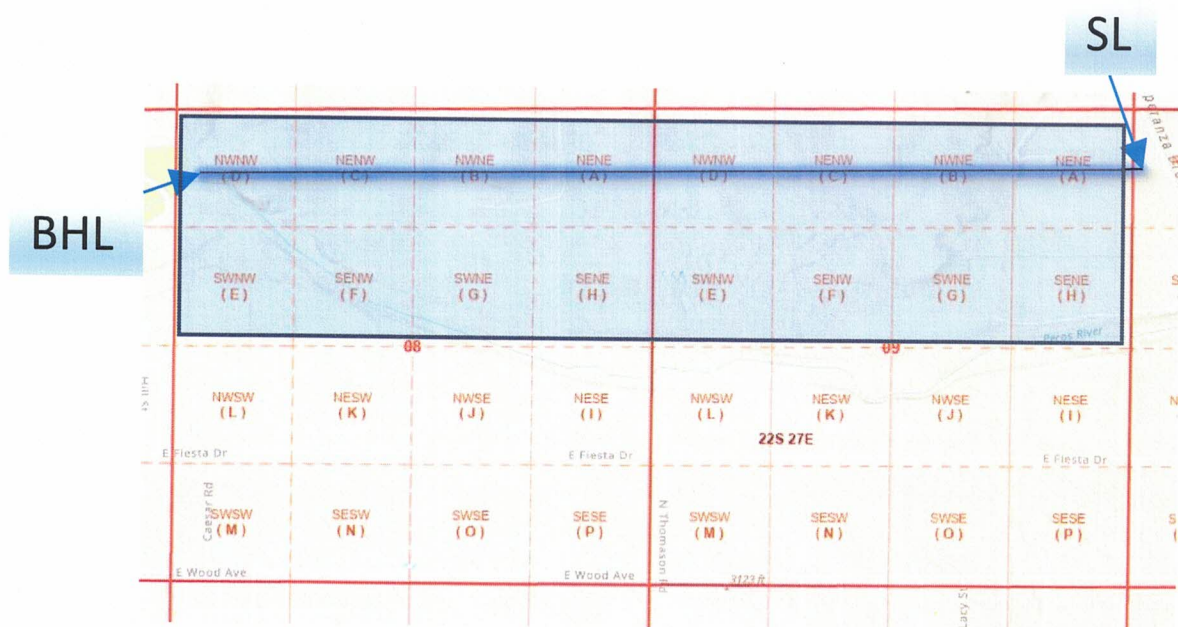
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CASE NO. 23708
ORDER NO. R-23299

Page 9 of 9

Sandlot 9/8 FEE #711H
Sections 8 (N/2) & 9 (N/2), T22S, R27E
EDDY COUNTY, NM



EXHIBIT

1. B

Sandlot 9/8 FEE #713H
Sections 8 (N/2) & 9 (N/2), T22S, R27E
EDDY COUNTY, NM

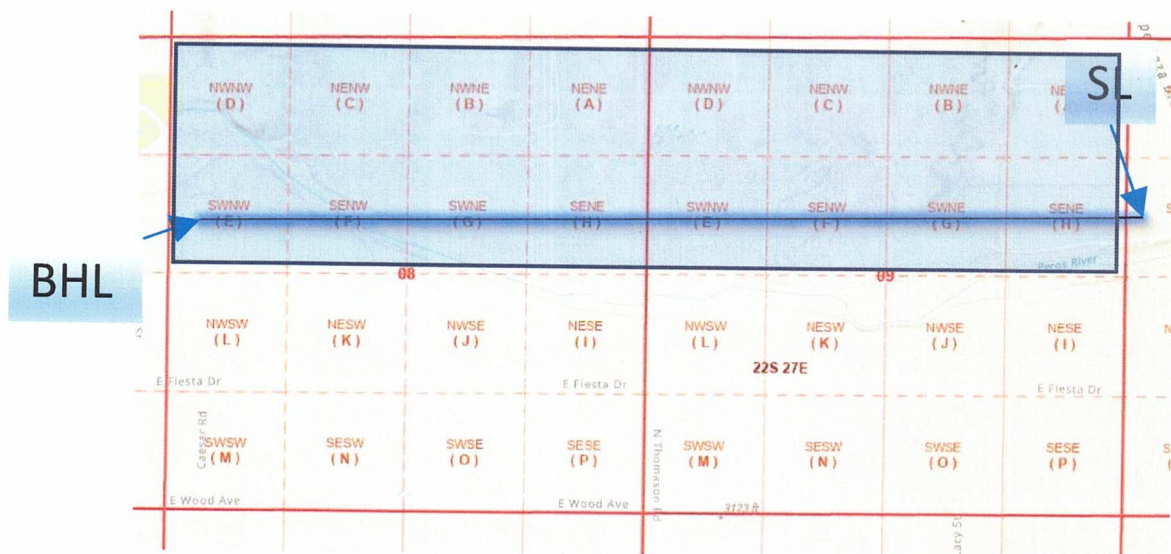


EXHIBIT A

CASE NOS. 25326 & 25327

TRACT OWNERSHIP (Wolfcamp formation)

Sandlot 9/8 Fee Well No. 711H

Sandlot 9/8 Fee Well No. 731H

Sandlot 9/8 Fee Well No. 716H

Sandlot 9/8 Fee Well No. 718H

All of Sections 8 and 9-T22S-R27E

Frits-Oil, LP 0.173766%

G-Oil, LP 0.173766%

Matzliach, LP 0.217297%

Robert M. Beren LP 0.217297%

EXHIBIT

1.C

CASE NOS. 25326 & 25327

Summary of Contacts (Wolfcamp formation)

Sandlot 9/8 Fee Well No. 711H

Sandlot 9/8 Fee Well No. 731H

Sandlot 9/8 Fee Well No. 716H

Sandlot 9/8 Fee Well No. 718H

All of Sections 8 and 9-T22S-R27E

Frits-Oil, LP, G-Oil, LP, Matzliach, LP, and Robert M. Beren LP:

Proposal letters and AFEs were mailed via certified mail on April 27, 2023. Since then I have had extensive telephone and e-mail contacts with these parties. They agreed to convey their interests to Mewbourne, but final documents have never been executed.

EXHIBIT

FD

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020

Midland, Texas 79701

Phone (432) 682-3715

Fax (432) 685-4170

April 27, 2023

Via: Certified Mail

Bennett Oil and Gas
PO Box 264
Midland, Texas 79702

Re: Proposed Unit for Horizontal Wolfcamp Wells
Sandlot 9/8 W0PM Fee #1H
Sandlot 9/8 W0IL Fee #1H
Sandlot 9/8 W0HE Fee #1H
Sandlot 9/8 W0AD Fee #1H
Section 9, T22S-R27E
Section 8, T22S-R27E
Eddy County, New Mexico

Dear Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 1280.00 acre Working Interest Unit ("WIU") covering the above captioned acreage for oil and gas production. The targeted interval for the proposed unit is the Wolfcamp formation. Mewbourne hereby proposes to drill and operate the following horizontal Wolfcamp wells:

1. Sandlot 9/8 W0PM Fee #1H located at a surface location 1135' FSL & 365' FWL of Section 10, with a bottom hole location 660' FSL & 330' FWL of Section 8. We anticipate drilling to an approximate total vertical depth of 8,774' and plan to continue drilling horizontally to the west to the proposed bottom hole location at an approximate total measured depth of 19,291'.
2. Sandlot 9/8 W0IL Fee #1H located at a surface location 1,165' FSL & 365' FWL of Section 10, with a bottom hole location 1,980' FSL & 330' FWL of Section 8. We anticipate drilling to an approximate total vertical depth of 8,774' and plan to continue drilling horizontally to the west to the proposed bottom hole location at an approximate total measured depth of 19,306'.
3. Sandlot 9/8 W0HE Fee #1H located at a surface location 1,930' FNL & 205' FWL of Section 10, with a bottom hole location 1,980' FNL & 330' FWL of Section 8. We anticipate drilling to an approximate total vertical depth of 8,770' and plan to continue drilling horizontally to the west to the proposed bottom hole location at an approximate total measured depth of 19,057'.
4. Sandlot 9/8 W0AD Fee #1H located at a surface location 1,900' FNL & 205' FWL of Section 10, with a bottom hole location 660' FNL & 330' FWL of Section 8. We anticipate drilling to an approximate total vertical depth of 8,760' and plan to continue drilling horizontally to the west to the proposed bottom hole location at an approximate total measured depth of 19,115'.

EXHIBIT 1-D

Regarding the above, enclosed for your further handling and information are copies of our Authorization For Expenditure ("AFE") for the above wells.

Please indicate your participation election by having each AFE executed and returned to my attention at the above address within thirty (30) days of receipt hereof. Our proposed Operating Agreement to follow.

Feel free to contact me at (432) 682-3715 or via email at ccullen@mewbourne.com if you have any questions or concerns. I look forward to hearing from you.

Sincerely,

MEWBOURNE OIL COMPANY

A handwritten signature in cursive script that reads "Carson J. Cullen".

Carson Cullen
Landman

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: SANDLOT 9/8 FEE #711H		Prospect: SANDLOT	
Location: SL: 1900 FNL & 205 FWL (10); BHL: 660 FNL & 330 FWL (8)		County: EDDY ST: NM	
Sec. 10	Blk:	Survey:	TWP: 22S RNG: 27E Prop. TVD: 8760 TMD: 19115

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$10,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$75,000	0180-0205	\$50,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$20,000
Daywork / Turnkey / Footage Drilling 20 days drlg / 3 days comp @ \$30,000/d		0180-0110	\$640,800	0180-0210	\$96,100
Fuel 1700 gal/day @ \$3.90/gal		0180-0114	\$141,600	0180-0214	\$353,400
Alternate Fuels		0180-0115		0180-0215	\$120,000
Mud, Chemical & Additives		0180-0120	\$40,000	0180-0220	
Mud - Specialized		0180-0121	\$220,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$240,000
Stimulation Toe Preparation				0180-0223	\$40,000
Cementing		0180-0125	\$145,000	0180-0225	\$55,000
Logging & Wireline Services		0180-0130	\$2,500	0180-0230	\$444,600
Casing / Tubing / Snubbing Service		0180-0134	\$30,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$35,000		
Stimulation 61 Stg 25.3 MMgal & 25.3 MMlbs				0180-0241	\$3,450,000
Stimulation Rentals & Other				0180-0242	\$320,000
Water & Other		0180-0145	\$35,000	0180-0245	\$514,700
Bits		0180-0148	\$86,000	0180-0248	\$5,000
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	\$20,000
Welding, Construction, & Maint. Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$147,400	0180-0270	\$70,500
Directional Services Includes vertical control		0180-0175	\$308,700		
Equipment Rental		0180-0180	\$151,400	0180-0280	\$21,600
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$80,000	0180-0290	\$10,000
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$90,000	0180-0295	\$39,600
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)		0180-0199	\$135,600	0180-0299	\$298,800
TOTAL			\$2,848,000		\$6,274,800

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0") 410' - 13 3/8" 54.5# J-55 ST&C @ \$76.30/ft		0181-0794	\$33,400		
Casing (8.1" - 10.0") 1890' - 9 5/8" 40# HCL80 LT&C @ \$60.83/ft		0181-0795	\$122,800		
Casing (6.1" - 8.0") 8995' - 7" 29# HPP110 BT&C @ \$59.83/ft		0181-0796	\$574,800		
Casing (4.1" - 6.0") 10250' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33.47/ft				0181-0797	\$366,400
Tubing 8270' - 2 7/8" 6.5# L-80 IPC Tbg @ \$17.00/ft				0181-0798	\$150,200
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools				0181-0871	\$50,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Pumping Unit Systems				0181-0885	
Service Pumps (1/4) TP/CP/circ. pump				0181-0886	\$8,000
Storage Tanks (1/4) 6 - 750 bbl/5 - 750 bbl coated/1 - GB				0181-0890	\$130,000
Emissions Control Equipment (1/4) 3 - VRT/VRU/Fiare/3 - KO/AIR				0181-0892	\$92,400
Separation / Treating Equipment (1/4) 2 - Hz. Sep./Vt. Sep./Hz. HT/Vt. HT				0181-0895	\$82,700
Automation / Metering Equipment Automation/fiber/meters				0181-0898	\$52,500
Line Pipe & Valves - Gathering (1/4) Facility Work + GL Injection				0181-0900	\$24,000
Fittings / Valves & Accessories Flowline/parts				0181-0906	\$176,200
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$91,400
Equipment Installation				0181-0910	\$56,600
Pipeline Construction Facility gas work & GL injection				0181-0920	\$16,600
TOTAL			\$766,000		\$1,352,000
SUBTOTAL			\$3,614,000		\$7,626,800
TOTAL WELL COST					\$11,240,800

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: H. Buckley Date: 04/13/2023

Company Approval: Date:

Joint Owner Interest: Amount:

Joint Owner Name: Signature:

1-D
EXHIBIT

MEWBOURNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: SANDLOT 9/8 FEE #713H		Prospect: SANDLOT	
Location: SL: 1930 FNL & 205 FWL (10); BHL: 1980 FNL & 330 FWL (8)		County: EDDY ST: NM	
Sec. 10	Blk:	Survey:	TWP: 22S RNG: 27E Prop. TVD: 8770 TMD: 19057

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$10,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$75,000	0180-0205	\$50,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$20,000
Daywork / Turnkey / Footage Drilling	20 days drlg / 3 days comp @ \$30,000/d	0180-0110	\$640,800	0180-0210	\$96,100
Fuel	1700 gal/day @ \$3.90/gal	0180-0114	\$141,600	0180-0214	\$353,400
Alternate Fuels		0180-0115		0180-0215	\$120,000
Mud, Chemical & Additives		0180-0120	\$40,000	0180-0220	
Mud - Specialized		0180-0121	\$220,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$240,000
Stimulation Toe Preparation				0180-0223	\$40,000
Cementing		0180-0125	\$145,000	0180-0225	\$55,000
Logging & Wireline Services		0180-0130	\$2,500	0180-0230	\$444,600
Casing / Tubing / Snubbing Service		0180-0134	\$30,000	0180-0234	\$15,000
Mud Logging		0180-0137	\$35,000		
Stimulation	61 Stg 25.3 MMgal & 25.3 MMlbs			0180-0241	\$3,450,000
Stimulation Rentals & Other				0180-0242	\$320,000
Water & Other		0180-0145	\$35,000	0180-0245	\$514,700
Bits		0180-0148	\$86,000	0180-0248	\$5,000
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	\$20,000
Welding, Construction, & Maint. Services		0180-0168	\$4,000	0180-0268	\$15,000
Contract Services & Supervision		0180-0170	\$147,400	0180-0270	\$70,500
Directional Services	Includes vertical control	0180-0175	\$308,700		
Equipment Rental		0180-0180	\$151,400	0180-0280	\$21,600
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$5,000	0180-0285	
Intangible Supplies		0180-0188	\$8,000	0180-0288	\$1,000
Damages		0180-0190	\$80,000	0180-0290	\$10,000
Pipeline Interconnect & ROW Easements		0180-0192		0180-0292	\$5,000
Company Supervision		0180-0195	\$90,000	0180-0295	\$39,600
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies	5% (TCP) 5% (CC)	0180-0199	\$135,600	0180-0299	\$298,800
TOTAL			\$2,848,000		\$6,274,800

TANGIBLE COSTS 0181		CODE	TCP	CODE	CC
Casing (19.1" - 30")		0181-0793			
Casing (10.1" - 19.0")	410' - 13 3/8" 54.5# J-55 ST&C @ \$76.30/ft	0181-0794	\$33,400		
Casing (8.1" - 10.0")	1890' - 9 5/8" 40# HCL80 LT&C @ \$60.83/ft	0181-0795	\$122,800		
Casing (6.1" - 8.0")	9005' - 7" 29# HPP110 BT&C @ \$59.83/ft	0181-0796	\$575,400		
Casing (4.1" - 6.0")	10250' - 4 1/2" 13.5# HCP-110 CDC-HTQ @ \$33.47/ft			0181-0797	\$366,400
Tubing	8280' - 2 7/8" 6.5# L-80 IPC Tbg @ \$17.00/ft			0181-0798	\$150,300
Drilling Head		0181-0860	\$35,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools				0181-0871	\$50,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Pumping Unit Systems				0181-0885	
Service Pumps	(1/4) TP/CP/circ. pump			0181-0886	\$8,000
Storage Tanks	(1/4) 6 - 750 bbl/5 - 750 bbl coated/1 - GB			0181-0890	\$130,000
Emissions Control Equipment	(1/4) 3 - VRT/VRU/Flare/3 - KO/AIR			0181-0892	\$92,400
Separation / Treating Equipment	(1/4) 2 - Hz. Sep./Vt. Sep./Hz. HT/Vt. HT			0181-0895	\$82,700
Automation / Metering Equipment	Automation/fiber/meters			0181-0898	\$52,500
Line Pipe & Valves - Gathering	(1/4) Facility Work + GL Injection			0181-0900	\$24,000
Fittings / Valves & Accessories	Flowline/parts			0181-0906	\$176,200
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$91,400
Equipment Installation				0181-0910	\$56,600
Pipeline Construction	Facility gas work & GL injection			0181-0920	\$16,600
TOTAL			\$766,600		\$1,352,100
SUBTOTAL			\$3,614,600		\$7,626,900
TOTAL WELL COST			\$11,241,500		

☐ 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: H. Buckley	Date: 04/13/2023
Company Approval:	Date:
Joint Owner Interest: Amount:	Signature:
Joint Owner Name:	

CASE NOS. 25326 & 25327

2

JAMES BRUCE
Attorney at Law

Post Office Box 1056
Santa Fe, New Mexico 87504

369 Montezuma Avenue, No. 213
Santa Fe, New Mexico 87501

Phone: (505) 982-2043
Cell: (505) 660-6612

jamesbruc@aol.com

April 17, 2025

To Person Listed on Exhibit A

EXHIBIT 2-A

Ladies and Gentlemen:

Mewbourne Oil Company has filed the enclosed two applications with the New Mexico Oil Conservation Division requesting compulsory pooling, as follows:

1. Case No. 25326: Mewbourne Oil Company requests the Division to enter an order pooling additional uncommitted mineral interest owners under Order No. R-23299. The order pooled uncommitted mineral interest owners in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the N/2 of Section 9 and the N/2 of Section 8, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Unit"). The following wells are in the Unit: (a) The Sandlot 9/8 Fee Well No. 711H, with a first take point in the NE/4NE/4 of Section 9 and a final take point in the NW/4NW/4 of Section 8; and (b) The Sandlot 9/8 Fee Well No. 713H, with a first take point in the SE/4NE/4 of Section 9 and a final take point in the SW/4NW/4 of Section 8 (collectively, the "Wells").
2. Case No. 25327: Mewbourne Oil Company requests the Division to enter an order pooling additional uncommitted mineral interest owners under Order No. R-23300. The order pooled uncommitted mineral interest owners in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the S/2 of Section 9 and the S/2 of Section 8, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Unit"). The following wells are in the Unit: (a) The Sandlot 9/8 Fee Well No. 716H, with a first take point in the NE/4SE/4 of Section 9 and a final take point in the NW/4SW/4 of Section 8; and (b) The Sandlot 9/8 Fee Well No. 718H, with a first take point in the SE/4SE/4 of Section 9 and a final take point in the SW/4SW/4 of Section 8. (collectively, the "Wells").

Also to be considered will be the cost of drilling, completing, testing, and equipping the Wells, and the allocation of the cost thereof among the Wells' working interest owners, approval actual operating charges and costs charged for supervision, together with a provision adjusting the rates

pursuant to the COPAS accounting procedure, and setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the Wells in the event a working interest owner elects not to participate in the Wells. The Unit is located approximately 4 miles northwest of Otis, New Mexico.

These matters are scheduled for hearing at 9:00 a.m. on Thursday, May 8, 2025. The hearing may be attended (a) in person in Pecos Hall of the Wendell Chino Building, First Floor, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, or (b) via the Division's virtual meeting platform. To view the hearing docket and determine how to participate in an electronic hearing, go to <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz at Freya.Tschantz@emnrd.nm.gov. You are not required to attend the hearing, but an owner of an interest affected by the applications may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date. A party appearing in a Division case is required to file a Pre-Hearing Statement with the Division no later than five business days before the hearing date. This statement may be filed online with the Division at ocd.hearings@emnrd.state.nm.gov and should include: The name of the party and the party's attorney; a concise statement of the case; the names of witnesses the party will call to testify at the hearing; the approximate time it will take the party to present its case; and any procedural matters that need to be resolved before the hearing. The Pre-Hearing Statement must also be provided to applicant's attorney, James Bruce, at the above address in Santa Fe, New Mexico 87504.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT A

Frits-Oil, LP
100 N. Broadway St., Ste. 970
Wichita, KS 67202
ATTN: Marc Aaronson

Frits Oil, LP
2020 North Bramblewood
Wichita, KS 67026
ATTN: Marc Aaronson

G-Oil, LP
100 N. Broadway St., Ste. 970
Wichita, KS 67202
ATTN: Marc Aaronson

G-Oil, LP
C\O Berenergy Corporation
2020 North Bramblewood
Wichita, KS 67026
ATTN: Marc Aaronson

G-Oil, LP
C\O First Manhattan Brokerage Corp.
339 Park Avenue
New York, NY 10022
Attn: Marc Aaronson

Frits-Oil, LP
C\O First Manhattan Brokerage Corp.
339 Park Avenue
New York, NY 10022
Attn: Marc Aaronson

Matzliach, LP
C\O Berenergy Corporation
2020 North Bramblewood
Wichita, KS 67026
ATTN: Robert M. Goodyear

Matzliach, LP
C\O Berenergy Corporation
P.O. Box 5850
Denver, Colorado 80217
ATTN: Robert M. Goodyear

Matzliach, LP
C\O Berenergy Corporation
100 N. Broadway St., Ste. 970
Wichita, KS 67202
ATTN: Robert M. Goodyear

Robert M. Beren LP
2020 North Bramblewood
Wichita, Kansas 67206
Attn: Adam E. Beren

Robert M. Beren LP
100 N. Broadway St., Ste. 970
Wichita, Kansas 67202
Attn: Adam E. Beren

Robert M. Beren LP
970 Fourth Financial Center
Wichita, Kansas 67202
Attn: Adam E. Beren

Robert M. Beren LP
C\O Berenco Properties, Inc.
P.O. Box 20380
Wichita, Kansas 67202
Attn: Adam E. Beren

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To G-Oil LP
 C/O First Manhattan Brokerage Corp.
 339 Park Avenue
 New York, NY 10022
 Attn: Marc Aaronson

Street and Apt. No., or

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

6228 6960 2000 0560 1202

SENDER: COMPLETE THIS SECTION

1. Complete items 1, 2, and 3.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name) **C. Date of Delivery**

D. Is delivery address different from item 1? If YES, enter delivery address below: ☐ Yes ☐ No

3. Service Type

☐ Priority Mail Express®

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☐ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

☐ Collect on Delivery

☐ Restricted Delivery

Article Number 7021 0950 0002 0370 0019 (over \$500)

Domestic Return Receipt

PS Form 3811, July 2020 PSN 7530-02-000-9053

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and F \$

Sent To Frits-Oil, LP
 C/O First Manhattan Brokerage Corp.
 339 Park Avenue
 New York, NY 10022
 Attn: Marc Aaronson

Street and Apt. No., or

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

6100 0260 2000 0560 1202

SENDER: COMPLETE THIS SECTION

1. Complete items 1, 2, and 3.
 Print your name and address on the reverse so that we can return the card to you.
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name) **C. Date of Delivery**

D. Is delivery address different from item 1? If YES, enter delivery address below: ☐ Yes ☐ No

3. Service Type

☐ Priority Mail Express®

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☐ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

☐ Collect on Delivery

☐ Restricted Delivery

☐ Restricted Mail Restricted Delivery (over \$500)

Article Number 7021 0950 0002 0369 8729 (over \$500)

Domestic Return Receipt

PS Form 3811, July 2020 PSN 7530-02-000-9053

SENDER: COMPLETE THIS SECTION


- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Manziach, LP
C/O Berenergy Corporation
2020 North Bramblewood
Wichita, KS 67026
ATTN: Robert M. Goodyear

COMPLETE THIS SECTION ON DELIVERY

2. Article Number (Transfer from service label)



9590 9402 8949 4064 9559 04

7021 0450 0002 0370 0026

3. Service Type

<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™
<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Restricted Delivery

A. Signature

x Sally Phillips

☐ Agent ☐ Addressee

B. Received by (Printed Name)

Sally Phillips

C. Date of Delivery

4/22/2025

D. Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:

Domestic Return Receipt

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT <i>Domestic Mail Only</i>	
For delivery information, visit our website at www.usps.com® .	
OFFICIAL USE	
Certified Mail Fee \$ _____	Extra Services & Fees (check box, add fee as appropriate) <input type="checkbox"/> Return Receipt (hardcopy) \$ _____ <input type="checkbox"/> Return Receipt (electronic) \$ _____ <input type="checkbox"/> Certified Mail Restricted Delivery \$ _____ <input type="checkbox"/> Adult Signature Required \$ _____ <input type="checkbox"/> Adult Signature Restricted Delivery \$ _____ Postage \$ _____
Total Postage and Fees \$ _____	
Sent To _____	Mariach, LP CVO Berechny Corporation 2020 North Bramblewood Wichita, KS 67026 ATTN: Robert M. Goodyear
Street and Apt. No., or _____	
City, State, ZIP+4® _____	
PS Form 3800, April 2015 PSN 7530-02-000-9007	

[illegible]

CASE NOS. 25326 & 28427

STATUS OF CERTIFIED NOTICE

<u>INTEREST OWNER</u>	<u>MAILING DATE</u>	<u>RECEIPT DATE</u>	<u>CARD RETURNED</u>
Frits-Oil, LP	April 17, 2025	Unknown	Yes
G-Oil, LP	April 17, 2025	Unknown	Yes
Matzliach, LP	April 17, 2025	April 22, 2025	Yes
Robert M. Beren LP	April 17, 2025	April 22, 2025	Yes

EXHIBIT 2-B

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS
PO BOX 507
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS
COUNTY OF EDDY }

Account Number: 82
Ad Number: 44650
Description: MOC Sandlot
Ad Cost: \$170.33

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

April 24, 2025

That said newspaper was regularly issued and circulated on those dates.

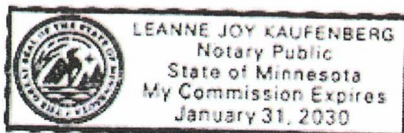
SIGNED:

Sherry Groves

Agent

Subscribed to and sworn to me this 24th day of April 2025.

Leanne Kaufenberg
Leanne Kaufenberg, Notary Public, Redwood County
Minnesota



James Bruce Attorney At Law
JAMES BRUCE ATTORNEY AT LAW
PO BOX 1056
Santa Fe, NM 87504

NOTICE

To: Frits-Oil, LP, Frits-Oil, LP c/o First Manhattan Brokerage Corp., G-Oil, LP, G-Oil, LP c/o Berenergy Corporation, G-Oil, LP c/o First Manhattan Brokerage Corp., Matzlach, LP, Matzlach, LP c/o Berenergy Corporation, Robert M. Beren LP, and Robert M. Beren LP c/o Beren Properties, Inc., or your heirs, devisees, successors, or assigns: Mewbourne Oil Company ("Mewbourne") has filed two applications with the New Mexico Oil Conservation Division requesting compulsory pooling, as follows:

1. **Case No. 25326:** Mewbourne requests the Division to enter an order pooling additional uncommitted mineral interest owners under Order No. R-23299. The order pooled uncommitted mineral interest owners in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the N/2 of Section 9 and the N/2 of Section 8, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Unit"). The following wells are in the Unit: (a) The Sandlot 9/8 Fee Well No. 711H, with a first take point in the NE/4NE/4 of Section 9 and a final take point in the NW/4NW/4 of Section 8; and (b) The Sandlot 9/8 Fee Well No. 713H, with a first take point in the SE/4NE/4 of Section 9 and a final take point in the SW/4NW/4 of Section 8 (collectively, the "Wells").

2. **Case No. 25327:** Mewbourne requests the Division to enter an order pooling additional uncommitted mineral interest owners under Order No. R-23300. The order pooled uncommitted mineral interest owners in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the S/2 of Section 9 and the S/2 of Section 8, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Unit"). The following wells are in the Unit: (a) The Sandlot 9/8 Fee Well No. 716H, with a first take point in the NE/4SE/4 of Section 9 and a final take point in the NW/4SW/4 of Section 8; and (b) The Sandlot 9/8 Fee Well No. 718H, with a first take point in the SE/4SE/4 of Section 9 and a final take point in the SW/4SW/4 of Section 8 (collectively, the "Wells").

Also to be considered will be the cost of drilling, completing, testing, and equipping the Wells, and the allocation of the cost thereof among the Wells' working interest owners, approval actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure, and setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the Wells in the event a working interest owner elects not to participate in the Wells.

These matters are scheduled for hearing at 9:00 a.m. on Thursday, May 8, 2025. The hearing may be attended (a) in person in Pecos Hall of the Wendell Chino Building, First Floor, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, or (b) via the Division's virtual meeting platform. To view the hearing docket and determine how to participate in an electronic hearing, go to <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz at Freya.Tschantz@emnrd.nm.gov. You are not required to attend the hearing, but an owner of an interest affected by the applications may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date. A party appearing in a Division case is required to file a Pre-Hearing Statement with the Division no later than five business days before the hearing date. This statement may be filed online with the Division at ocd.hearings@emnrd.state.nm.gov and should include: The name of the party and the party's attorney; a concise statement of the case; the names of witnesses the party will call to testify at the hearing; the approximate time it will take the party to present its case; and any procedural matters that need to be resolved before the hearing. The Pre-Hearing Statement must also be provided to applicant's attorney, James Bruce, at the above address in Santa Fe, New Mexico 87504. The Unit is located approximately 4 miles northwest of Otis, New Mexico.

Published in the Carlsbad Current-Argus April 24, 2025.
#44650

EXHIBIT

3

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

**APPLICATION OF MEWBOURNE OIL COMPANY
TO COMPULSORY POOL ADDITIONAL INTEREST
OWNERS UNDER ORDER NO. R-23299, EDDY
COUNTY, NEW MEXICO.**

CASE NO. 25326

APPLICATION

Mewbourne Oil Company ("Applicant") files this application with the Oil Conservation Division (the "Division") for an order pooling additional uncommitted mineral interest owners under Division Order No. R-23299. In support of this application, Applicant states:

1. Order No. R-23299 pooled uncommitted mineral interest owners in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the N/2 of Section 9 and the N/2 of Section 8, Township 22 South, Range 27 East, Eddy County, New Mexico (the "Unit).
2. The following wells are in the Unit:
 - (a) The Sandlot 9/8 Fee Well No. 711H, with a first take point in the NE/4NE/4 of Section 9 and a final take point in the NW/4NW/4 of Section 8; and
 - (b) The Sandlot 9/8 Fee Well No. 713H, with a first take point in the SE/4NE/4 of Section 9 and a final take point in the SW/4NW/4 of Section 8.

Collectively the "Wells."

3. Order No. R-23299 appoints Applicant as the operator of the Unit and the Wells.
4. Applicant has determined that there are additional uncommitted mineral interest owners in the Unit who were not pooled by Order No. R-23299.
5. Although Applicant has in good faith sought to obtain voluntary joinder of all uncommitted mineral interest owners in the Unit to participate in the drilling of the Wells or to

EXHIBIT

4

otherwise commit their interests to the Wells, certain interest owners have failed or refused to commit their interests. Therefore, Applicant seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying the Unit, pursuant to NMSA 1978 Sec. 70-2-17.

6. The pooling of all uncommitted mineral interest owners in the Wolfcamp formation underlying the Unit will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division, and, after notice and hearing, the Division issue its order:

- A. Pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying the Unit under Order No. R-23299;
- B. Considering the cost of drilling, completing, testing, and equipping the Wells, and allocating the cost thereof among the Wells' working interest owners;
- C. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- D. Setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the Wells in the event a working interest owner elects not to participate in the Wells.

Respectfully submitted,



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Attorney for Mewbourne Oil Company

Application of Mewbourne Oil Company to compulsory pool additional interest owners under Order No. R-23299, Eddy County, New Mexico: Mewbourne Oil Company requests the Division to enter an order pooling additional uncommitted mineral interest owners under Order No. R-23299. The order pooled uncommitted mineral interest owners in the Wolfcamp formation underlying a standard horizontal spacing unit comprised of the N/2 of Section 9 and the N/2 of Section 8, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Unit"). The following wells are in the Unit: (a) The Sandlot 9/8 Fee Well No. 711H, with a first take point in the NE/4NE/4 of Section 9 and a final take point in the NW/4NW/4 of Section 8; and (b) The Sandlot 9/8 Fee Well No. 713H, with a first take point in the SE/4NE/4 of Section 9 and a final take point in the SW/4NW/4 of Section 8 (collectively, the "Wells"). Also to be considered will be the cost of drilling, completing, testing, and equipping the Wells, and the allocation of the cost thereof among the Wells' working interest owners, approval actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure, and setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the Wells in the event a working interest owner elects not to participate in the Wells. The Unit is located approximately 4 miles northwest of Otis, New Mexico.