

CASE NO. 25573

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

EXHIBIT LIST

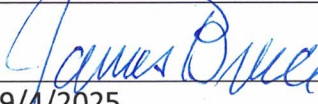
1. Pooling Checklist
2. Landman's Affidavit
 - 2-A: Land Plats
 - 2-B: Ownership List
 - 2-C: Proposal Letter and AFEs
3. Geologist's Affidavit
 - 3-A: General Locator Map
 - 3-B: Structure Map
 - 3-C: Cross Section
4. Affidavit of Certified Mailing
 - 4-A: Notice Letter and Receipts
 - 4-B: Certified Notice Spreadsheet
5. Affidavit of Publication
6. Application and Proposed Notice

COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case:	25573
Date:	9/11/2025
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No. 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	Sandlot 9-8 Fee Bone Spring wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Cass Draw; Bone Spring/Pool Code 10380
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	East-West
Description: TRS/County	S/2S/2 §9 and S/2S/2 §8-22S-27E, NMPPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Sandlot 9-8 Fee #527H API 30-015-Pending SHL: 1315 FSL & 325 FWL adjoining §10 BHL: 700 FSL & 100 FWL §8 FTP: 700 FSL & 100 FEL §9 LTP: 700 FSL & 100 FWL §8 Second Bone Spring/TVD 7285 feet/MD 17900 feet

EXHIBIT |

	Sandlot 9-8 Fee #557H API 30-015-Pending SHL: 1355 FSL & 325 FWL adjoining §10 BHL: 1300 FSL & 100 FWL §8 FTP: 1300 FSL & 100 FEL §9 LTP: 1300 FSL & 100 FWL §8 Third Bone Spring/TVD 7908 feet/MD 18500 feet
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10000
Production Supervision/Month \$	\$1000
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2, page 2
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 6
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 5
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A
Tract List (including lease numbers and owners)	Exhibit 2-B
Pooled Parties (including ownership type)	Exhibit 2-B
Unlocatable Parties to be Pooled	Not applicable
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (<i>i.e.</i> Exhibit A of JOA)	Exhibit 2-B
Chronology of Contact with Non-Joined Working Interests	
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
Geology	
Summary (including special considerations)	Exhibit 3
Spacing Unit Schematic	Exhibit 2-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-C
Well Orientation (with rationale)	Laydown

Target Formation	Bone Spring
HSU Cross Section	Exhibit 3-C
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit 2-A
Tracts	Exhibit 2-A
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B
General Location Map (including basin)	Exhibit 3-A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	Exhibit 3-A
Cross Section Location Map (including wells)	Exhibit 3-C
Cross Section (including Landing Zone)	Exhibit 3-C
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	9/4/2025

**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. 25537

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. Mewbourne Oil Company ("Applicant") has filed an application with the Oil Conservation Division for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 9 and the S/2S/2 of Section 8, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Unit"). Applicant proposes to drill the following wells in the Unit to test the Bone Spring formation: The Sandlot 9/8 Well Nos. 527H and 557H, with first take points in the SE/4SE/4 of Section 9 and last take points in the SW/4SW/4 of Section 8.
4. There are no depth severances in the Wolfcamp formation.
5. Land plats are attached as Exhibit 2-A. The parties being pooled and their interests are set forth in Exhibit 2-B. 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 2-C contains the proposal letter sent to them. the interest owners.
7. 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.

EXHIBIT

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8. Exhibit 2-C 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.

9. Mewbourne requests overhead and administrative rates of \$10000/month for a drilling well and \$1000/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Eddy County. They are also the rates set forth in the Joint Operating Agreement for the well unit. Mewbourne requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

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

11. Mewbourne requests that it be designated as operator of the subject wells.

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

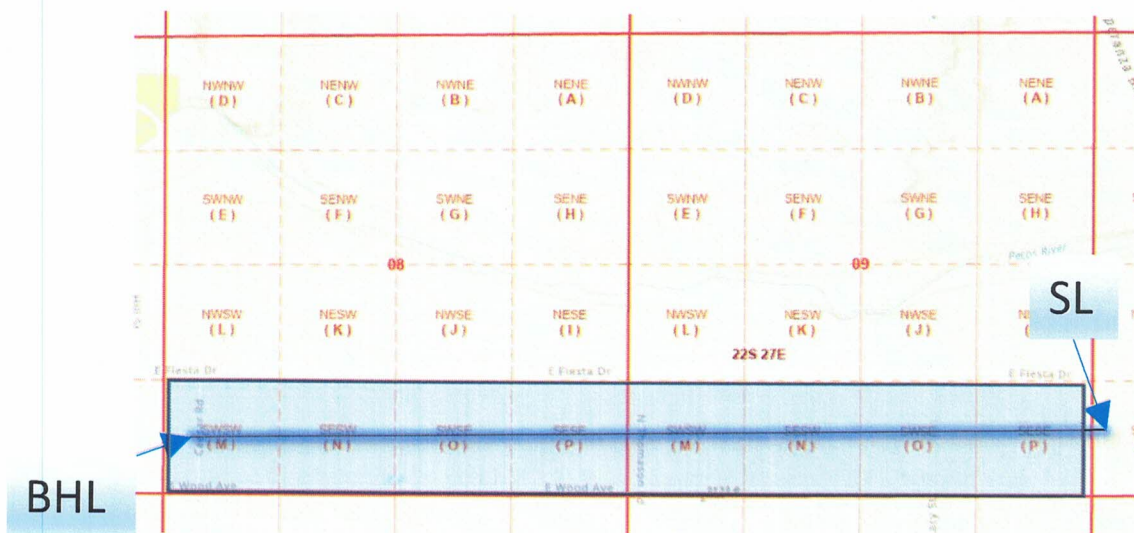
13. The granting of this application is in the interests of conservation and the prevention of waste.

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 13 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.

September 4, 2025
Date

/s/ Carson Cullen
Carson Cullen

Sandlot 9/8 FEE #527H
Sections 8 (S/2S/2) & 9 (S/2S/2), T22S, R27E
EDDY COUNTY, NM



EXHIBIT

1-A

EXHIBIT A

Sandlot 9/8 FEE #557H
Sections 8 (S/2S/2) & 9 (S/2S/2), T22S, R27E
EDDY COUNTY, NM

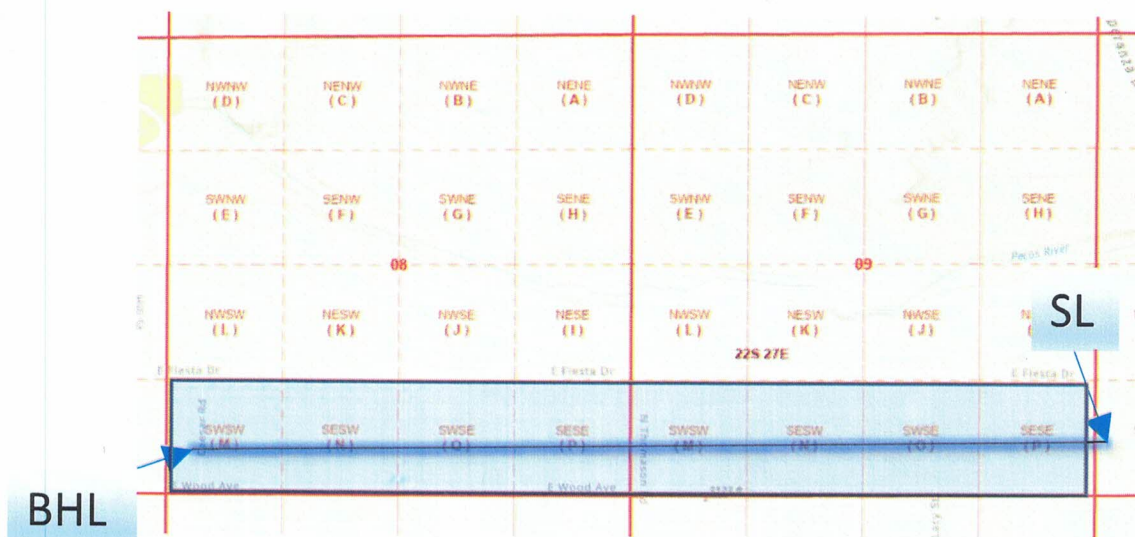


EXHIBIT A

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	<input type="checkbox"/> Initial Submittal
			<input type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled	

WELL LOCATION INFORMATION

API Number	Pool Code	Pool Name
Property Code	Property Name SANDLOT 9/8 FEE	Well Number 527H
OGRID No.	Operator Name MEWBOURNE OIL COMPANY	Ground Level Elevation 3082'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
M	10	22S	27E		1315 FSL	325 FWL	32.4037765°N	104.1848815°W	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
M	8	22S	27E		700 FSL	100 FWL	32.4019947°N	104.2198899°W	EDDY

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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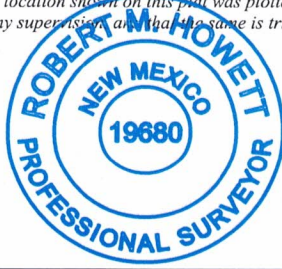
First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
M	8	22S	27E		700 FSL	100 FWL	32.4019947°N	104.2198899°W	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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OPERATOR CERTIFICATIONS <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i>		SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me under my supervision and that the same is true and correct to the best of my belief.</i>	
Signature	Date	Signature and Seal of Professional Surveyor 	
Printed Name		Certificate Number 19680	Date of Survey 04/09/2024
Email Address			

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

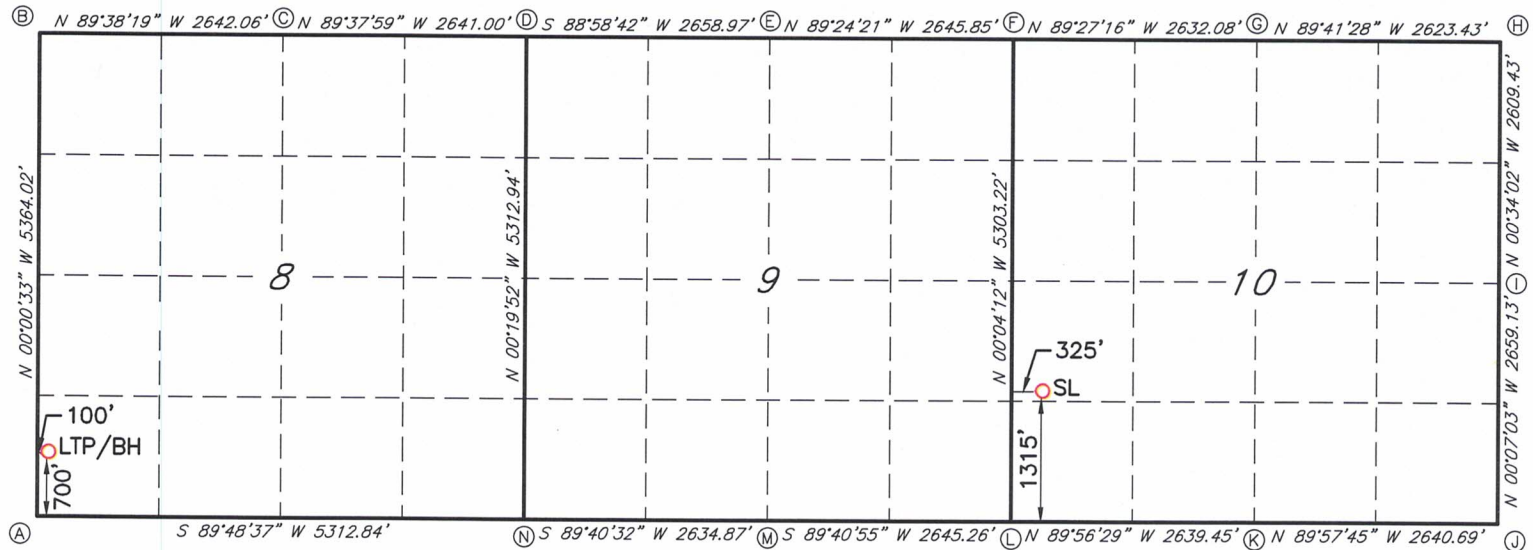
JOB #: LS25040366

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is a directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

SANDLOT 9/8 FEE #527H



GEODETTIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION (SL)
1315' FSL - 325' FWL SEC.10
N: 510657.0 - E: 587153.0

LAT: 32.4037765° N
LONG: 104.1848815° W

LAST TAKE POINT/BOTTOM HOLE (LTP/BH)
700' FSL - 100' FWL SEC.8
N: 509995.6 - E: 576349.3

LAT: 32.4019947° N
LONG: 104.2198899° W

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND 1/2" REBAR
N: 509295.4 - E: 576249.5

B: FOUND 1" PIPE
N: 514658.2 - E: 576248.6

C: FOUND 1" IRON PIPE
N: 514641.5 - E: 578890.0

D: FOUND 1" IRON PIPE
N: 514624.6 - E: 581530.3

E: FOUND 2" IRON PIPE
N: 514672.0 - E: 584188.3

F: FOUND 1/2" REBAR
N: 514644.6 - E: 586833.4

G: FOUND 1/2" REBAR
N: 514619.5 - E: 589464.7

H: FOUND 1/2" REBAR
N: 514605.4 - E: 592087.5

I: FOUND 1/2" REBAR
N: 511996.7 - E: 592113.3

J: FOUND ALUMINUM CAP
STAMPED "PE & PS 5412"
N: 509338.2 - E: 592118.7

K: FOUND COTTON SPINDLE
N: 509339.9 - E: 589478.7

L: FOUND COTTON SPINDLE
N: 509342.6 - E: 586839.8

M: FOUND 1/2" REBAR
N: 509327.9 - E: 584195.2

N: FOUND 1/2" REBAR
N: 509313.0 - E: 581561.0

JOB #: LS25040366

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		Submittal Type:	<input type="checkbox"/> Initial Submittal
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Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
L	10	22S	27E		1355 FSL	325 FWL	32.4038864°N	104.1848814°W	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
M	8	22S	27E		1300 FSL	100 FWL	32.4036436°N	104.2198881°W	EDDY

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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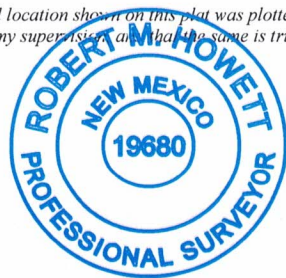
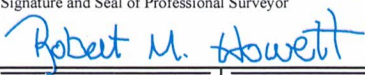
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UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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Signature _____ Date _____		Signature and Seal of Professional Surveyor 	
Printed Name _____		Certificate Number 19680	Date of Survey 04/09/2024
Email Address _____			

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

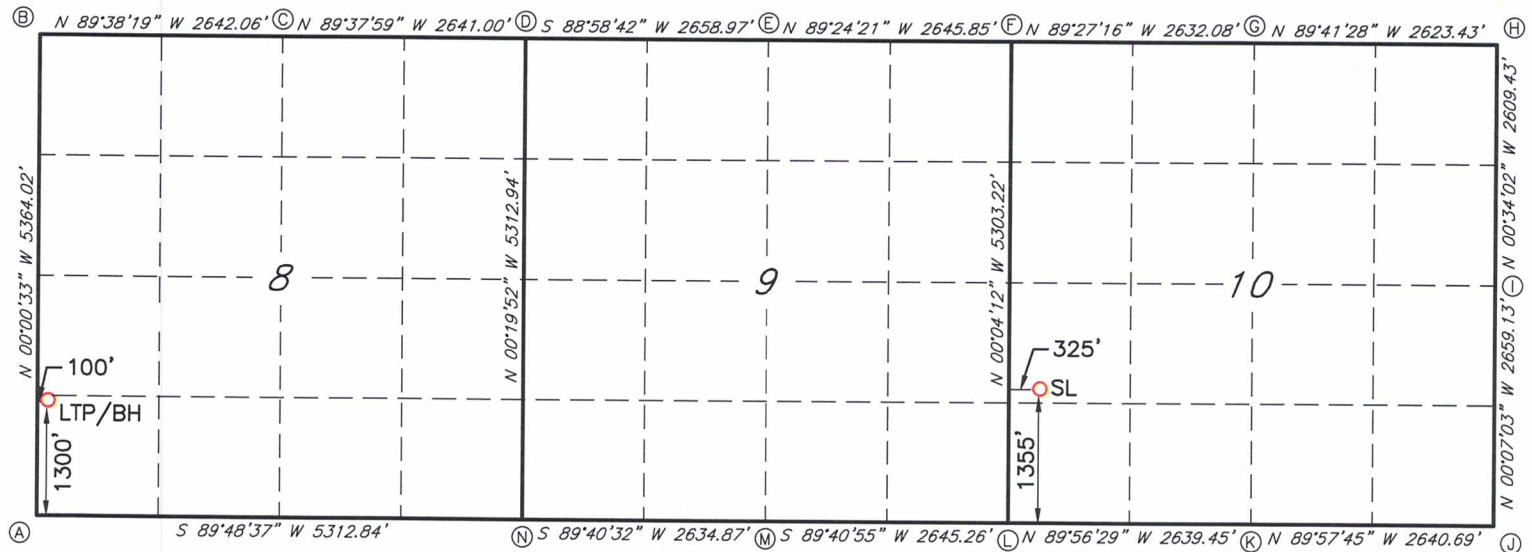
JOB #: LS25040364

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SANDLOT 9/8 FEE #557H



GEODETTIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION (SL)
1355' FSL - 325' FWL SEC.10
N: 510697.0 - E: 587153.0

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LAST TAKE POINT/BOTTOM HOLE (LTP/BH)
1300' FSL - 100' FWL SEC.8
N: 510595.4 - E: 576349.2

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B: FOUND 1" PIPE N: 514658.2 - E: 576248.6	I: FOUND 1/2" REBAR N: 511996.7 - E: 592113.3
C: FOUND 1" IRON PIPE N: 514641.5 - E: 578890.0	J: FOUND ALUMINUM CAP STAMPED "PE & PS 5412" N: 509338.2 - E: 592118.7
D: FOUND 1" IRON PIPE N: 514624.6 - E: 581530.3	K: FOUND COTTON SPINDLE N: 509339.9 - E: 589478.7
E: FOUND 2" IRON PIPE N: 514672.0 - E: 584188.3	L: FOUND COTTON SPINDLE N: 509342.6 - E: 586839.8
F: FOUND 1/2" REBAR N: 514644.6 - E: 586833.4	M: FOUND 1/2" REBAR N: 509327.9 - E: 584195.2
G: FOUND 1/2" REBAR N: 514619.5 - E: 589464.7	N: FOUND 1/2" REBAR N: 509313.0 - E: 581561.0

JOB #: LS25040364

EXHIBIT C

TRACT OWNERSHIP
SANDLOT 9/8 FEE #527H
SANDLOT 9/8 FEE #557H
S/2S/2 & S/2S/2 of Sections 9 & 8, T22S, R27E
EDDY COUNTY, NM

S/2S/2 & S/2S/2 of Sections 9 & 8, T22S, R27E:**Bone Spring formation:**% Leasehold Interest

Mewbourne Oil Company 500 West Texas, Ste. 1020 Midland, Texas 79701	99.9961427%
Wesley Keith Roberts 418 Forest Hills Drive League City, Texas 77573	0.164271%
Randall Wray Jenkins Jr. 1418 W Orchard Lane Carlsbad NM 88220-4145	0.110728%
Jean Millman 1104 Irvin St. Carlsbad NM 88220-4319	0.055364%
John Millman 114 Bell Ave., Apt. 4 Amarillo, Texas	0.055364%

*** Total interest being pooled: 0.385727%**

EXHIBIT

2-6

MEWBOURNE OIL COMPANY

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

June 3, 2025

Via: Certified Mail

Randall Wray Jenkins Jr.
1418 W Orchard Lane
Carlsbad NM 88220-4145

Re: Proposed Horizontal Wells

Sandlot 9/8 Fee #527H
Sandlot 9/8 Fee #557H
Sections 8 & 9, T22S-R27E, Eddy County, New Mexico

Dear Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes drilling the following wells under the August 1, 2023 Joint Operating Agreement covering the above captioned acreage:

1. Sandlot 9/8 Fee #527H located at a surface location 1105' FSL & 355' FWL of Section 10, with a bottom hole location 700' FSL & 100' FWL of Section 8. We anticipate drilling to an approximate total vertical depth of 7285' and plan to continue drilling horizontally to the west to the proposed bottom hole location at an approximate total measured depth of 17900'.
2. Sandlot 9/8 Fee #557H located at a surface location 1455' FSL & 355' FWL of Section 10, with a bottom hole location 1300' FSL & 100' FWL of Section 8. We anticipate drilling to an approximate total vertical depth of 7908' and plan to continue drilling horizontally to the west to the proposed bottom hole location at an approximate total measured depth of 18500'.

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.

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

Carson J. Cullen

Carson Cullen
Landman

EXHIBIT

2-C

MEWBORNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: SANDLOT 9/8 FEE #527H (B2PM)		Prospect: SANDLOT	
Location: SL: 1105 FSL & 355 FWL (10); BHL: 700 FSL & 100 FWL (8)		County: Eddy ST: NM	
Sec: 10	Bk:	Survey:	TWP: 22S RNG: 27E Prop. TVD: 7285 TMD: 17900

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$35,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$60,000
Daywork / Turnkey / Footage Drilling 14 days drlg @ \$26000/d		0180-0110	\$388,800	0180-0210	
Fuel 1700 gal/day @ \$3.9/gal		0180-0114	\$99,100	0180-0214	\$55,000
Alternate Fuels		0180-0115		0180-0215	\$122,000
Mud, Chemical & Additives		0180-0120	\$50,000	0180-0220	
Mud - Specialized		0180-0121	\$175,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$322,000
Stimulation Toe Preparation				0180-0223	\$24,000
Cementing		0180-0125	\$200,000	0180-0225	
Logging & Wireline Services		0180-0130	\$29,000	0180-0230	\$306,000
Casing / Tubing / Snubbing Services		0180-0134	\$50,000	0180-0234	
Mud Logging		0180-0137	\$15,000		
Stimulation 51 Stg 20.2 MM gal / 20.2 MM lb				0180-0241	\$1,841,000
Stimulation Rentals & Other				0180-0242	\$339,000
Water & Other 100% PW @ \$0.25/bbl f/ CWMS		0180-0145	\$40,000	0180-0245	\$129,000
Bits		0180-0148	\$53,400	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	\$113,000		
Transportation		0180-0165	\$30,000	0180-0265	\$60,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision		0180-0170	\$114,000	0180-0270	\$43,000
Directional Services Includes Vertical Control		0180-0175	\$350,000		
Equipment Rental		0180-0180	\$108,900	0180-0280	\$45,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,600	0180-0285	
Intangible Supplies		0180-0188	\$25,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$25,000
Company Supervision		0180-0195	\$72,000	0180-0295	\$21,600
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)		0180-0199	\$113,200	0180-0299	\$176,500
TOTAL			\$2,377,000		\$3,706,100

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 @ \$42.93/ft		0181-0794	\$18,800		
Casing (8.1" - 10.0") 1775' - 9 5/8" 40# HCL80 LT&C @ \$35.11/ft		0181-0795	\$66,600		
Casing (6.1" - 8.0") 6700' - 7" 29# HCP-110 LT&C @ \$30.17/ft		0181-0796	\$215,900		
Casing (4.1" - 6.0") 11400' - 4 1/2" 13.5# P-110 CDC-HTQ @ \$17.99/ft				0181-0797	\$219,000
Tubing 6450' - 3 1/2" 9.2# L-80 IPC Tbg @ \$15.5/ft				0181-0798	\$106,800
Drilling Head		0181-0860	\$50,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger				0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Service Pumps (1/7) TP/CP/Circ pump				0181-0886	\$8,000
Storage Tanks (1/7) (6)OT/(5)WT/(1)GB				0181-0890	\$55,000
Emissions Control Equipment (1/7) (4)VRT/(2)VRU/(1)FLARE/(3)KO/(1)AIR				0181-0892	\$82,000
Separation / Treating Equipment (1/7) (1)BULK H SEP/(4)TEST H SEP/(5)V SEP/(4)VHT/(1)HH				0181-0895	\$40,000
Automation Metering Equipment				0181-0898	\$65,000
Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0900	\$24,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	\$1,000
On-site Valves/Fittings/Lines&Misc				0181-0906	\$86,000
Wellhead Flowlines - Construction				0181-0907	\$72,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$110,000
Equipment Installation				0181-0910	\$64,000
Oil/Gas Pipeline - Construction				0181-0920	\$38,000
Water Pipeline - Construction				0181-0921	\$6,000
TOTAL			\$351,300		\$1,106,800
SUBTOTAL			\$2,728,300		\$4,812,900
TOTAL WELL COST					\$7,541,200

Insurance procured for the Joint Account by Operator

☐ Opt-in. I elect to be covered by Operator's Extra Expense, Commercial General Liability, Pollution Legal Liability, and Excess/Umbrella Insurance Policies, and will pay my proportionate share of the premiums associated with these insurance coverages through joint account billings.

☐ Opt-out. I elect to purchase my own policies for well control and other insurance requirements, or to self-insure (if applicable). By opting-out, I recognize I will be responsible for my own coverage and will not be afforded protection under operator's policies.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's 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: 4/29/2025

Company Approval: *m. whitte* Date: 4/29/2025

Joint Owner Interest: Amount:

Joint Owner Name: Signature:

MEWBORNE OIL COMPANY

AUTHORIZATION FOR EXPENDITURE

Well Name: SANDLOT 9/8 FEE #557H (H3PM)		Prospect: SANDLOT	
Location: SL: 1145 FSL & 355 FWL (10); BHL: 1300 FSL & 100 FWL (8)		County: Eddy	ST: NM
Sec: 10	Blk: 	Survey: 	TWP: 22S RNG: 27E Prop. TVD: 7908 TMD: 18500

INTANGIBLE COSTS 0180		CODE	TCP	CODE	CC
Regulatory Permits & Surveys		0180-0100	\$20,000	0180-0200	
Location / Road / Site / Preparation		0180-0105	\$35,000	0180-0205	\$35,000
Location / Restoration		0180-0106	\$200,000	0180-0206	\$60,000
Daywork / Turnkey / Footage Drilling 17 days drlg @ \$26000/d		0180-0110	\$472,100	0180-0210	
Fuel 1700 gal/day @ \$3.9/gal		0180-0114	\$120,400	0180-0214	\$68,000
Alternate Fuels		0180-0115		0180-0215	\$152,000
Mud, Chemical & Additives		0180-0120	\$55,000	0180-0220	
Mud - Specialized		0180-0121	\$185,000	0180-0221	
Horizontal Drillout Services				0180-0222	\$322,000
Stimulation Toe Preparation				0180-0223	\$24,000
Cementing		0180-0125	\$200,000	0180-0225	
Logging & Wireline Services		0180-0130	\$29,000	0180-0230	\$371,000
Casing / Tubing / Snubbing Services		0180-0134	\$50,000	0180-0234	
Mud Logging		0180-0137	\$15,000		
Stimulation 61 Stg 25.3 MM gal / 25.3 MM lb				0180-0241	\$2,317,000
Stimulation Rentals & Other				0180-0242	\$395,000
Water & Other 100% PW @ \$0.25/bbl f/ CWMS		0180-0145	\$40,000	0180-0245	\$161,000
Bits		0180-0148	\$53,400	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	\$113,000		
Transportation		0180-0165	\$30,000	0180-0265	\$60,000
Welding, Construction & Maint. Services		0180-0168	\$4,000	0180-0268	\$16,500
Contract Services & Supervision		0180-0170	\$131,100	0180-0270	\$53,000
Directional Services Includes Vertical Control		0180-0175	\$350,000		
Equipment Rental		0180-0180	\$125,300	0180-0280	\$45,000
Well / Lease Legal		0180-0184	\$5,000	0180-0284	
Well / Lease Insurance		0180-0185	\$4,800	0180-0285	
Intangible Supplies		0180-0188	\$25,000	0180-0288	\$1,000
Damages		0180-0190	\$10,000	0180-0290	\$10,000
Pipeline Interconnect, ROW Easements		0180-0192		0180-0292	\$25,000
Company Supervision		0180-0195	\$82,800	0180-0295	\$28,800
Overhead Fixed Rate		0180-0196	\$10,000	0180-0296	\$20,000
Contingencies 5% (TCP) 5% (CC)		0180-0199	\$121,400	0180-0299	\$210,900
TOTAL			\$2,549,300		\$4,429,700

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 @ \$42.93/ft		0181-0794	\$18,800		
Casing (8.1" - 10.0") 1775' - 9 5/8" 40# HCL80 LT&C @ \$35.11/ft		0181-0795	\$66,600		
Casing (6.1" - 8.0") 7350' - 7" 29# HCP-110 LT&C @ \$30.17/ft		0181-0796	\$236,800		
Casing (4.1" - 6.0") 11350' - 4 1/2" 13.5# P-110 CDC-HTQ @ \$17.99/ft				0181-0797	\$218,100
Tubing 7100' - 3 1/2" 9.2# L-80 IPC Tbg @ \$15.5/ft				0181-0798	\$117,500
Drilling Head		0181-0860	\$50,000		
Tubing Head & Upper Section				0181-0870	\$30,000
Horizontal Completion Tools Completion Liner Hanger				0181-0871	\$75,000
Subsurface Equip. & Artificial Lift				0181-0880	\$25,000
Service Pumps (1/7) TP/CP/Circ pump				0181-0886	\$8,000
Storage Tanks (1/7) (6)OT/(5)WT/(1)GB				0181-0890	\$55,000
Emissions Control Equipment (1/7) (4)VRT/(2)VRU/(1)FLARE/(3)KO/(1)AIR				0181-0892	\$82,000
Separation / Treating Equipment (1/7) (1)BULK H SEP/(4)TEST H SEP/(5)V SEP/(4)VHT/(1)HF				0181-0895	\$40,000
Automation Metering Equipment				0181-0898	\$65,000
Oil/Gas Pipeline-Pipe/Valves&Misc				0181-0900	\$24,000
Water Pipeline-Pipe/Valves & Misc				0181-0901	\$1,000
On-site Valves/Fittings/Lines&Misc				0181-0906	\$86,000
Wellhead Flowlines - Construction				0181-0907	\$72,000
Cathodic Protection				0181-0908	
Electrical Installation				0181-0909	\$110,000
Equipment Installation				0181-0910	\$64,000
Oil/Gas Pipeline - Construction				0181-0920	\$38,000
Water Pipeline - Construction				0181-0921	\$6,000
TOTAL			\$372,200		\$1,116,600
SUBTOTAL			\$2,921,500		\$5,546,300
TOTAL WELL COST			\$8,467,800		

Insurance procured for the Joint Account by Operator

☐ **Opt-in.** I elect to be covered by Operator's Extra Expense, Commercial General Liability, Pollution Legal Liability, and Excess/Umbrella Insurance Policies, and will pay my proportionate share of the premiums associated with these insurance coverages through joint account billings.

☐ **Opt-out.** I elect to purchase my own policies for well control and other insurance requirements, or to self-insure (if applicable). By opting-out, I recognize I will be responsible for my own coverage and will not be afforded protection under operator's policies.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's 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: 4/29/2025
Company Approval: <i>m. whitte</i>	Date: 4/29/2025
Joint Owner Interest: _____ Amount: _____	Signature: _____
Joint Owner Name: _____	

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

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

CASE NO. 25573

SELF-AFFIRMED STATEMENT OF TYLER HILL

1. My name is Tyler Hill. I work for Mewbourne Oil Company ("Mewbourne") as a Geologist.

2. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum geology. My credentials as an expert in petroleum geology have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by Mewbourne in this case, and I have conducted a geologic study of the lands in the subject area. Mewbourne is targeting the Bone Spring formation in this case.

4. **Mewbourne Exhibit 3-A** is a general locator map.

5. **Mewbourne Exhibit 3-B** is a subsea structure map that I prepared for the Bone Spring. The contour intervals are 100 feet. The area comprising the proposed spacing unit is outlined in black with the approximate location and orientation of the initial well noted with a solid green line. The structure map shows the targeted formation gently dipping to the east. The structure appears consistent across the proposed spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.

6. Mewbourne Exhibit 3-B also shows a line of cross-section through the proposed horizontal spacing unit from A to A'. I chose the logs from these wells to create the cross-section

because they penetrate the targeted interval, are of good quality and have been subjected to petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.

7. **Mewbourne Exhibit 3-C** is a stratigraphic cross-section that I prepared using the logs from the representative wells shown in Mewbourne Exhibit D-2. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed well is marked on the cross-section with a solid red line. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

8. In my opinion, standup orientation of the proposed well is the appropriate orientation for horizontal well development in this area.

9. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will contribute more-or-less equally to the production from the wellbore. I have not identified any geologic impediments to drilling horizontal wells in the area of the spacing unit proposed.

10. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery, and that approving Mewbourne's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

11. **Mewbourne Exhibits 3-A through 3-C** were either prepared by me or compiled under my direction and supervision.

12. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be

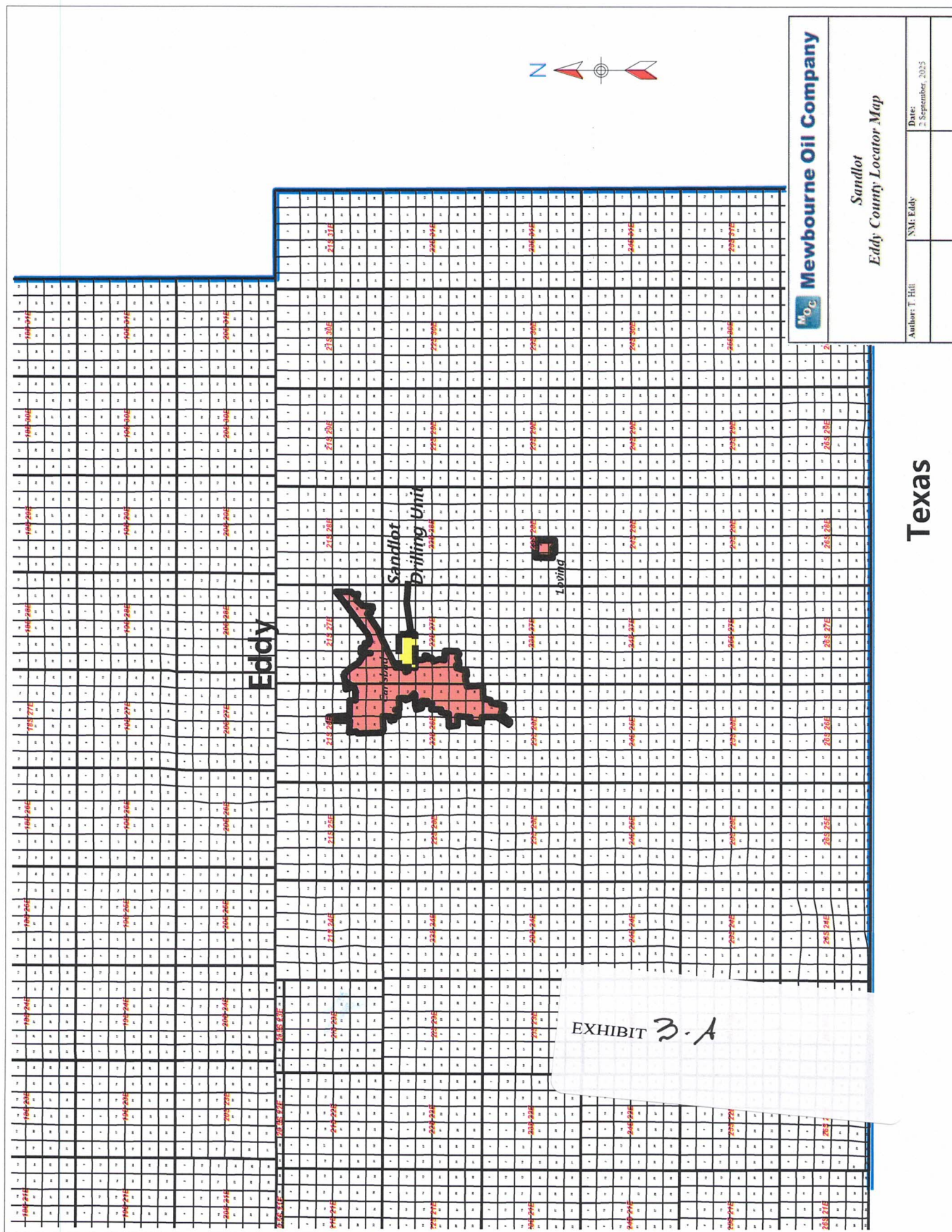
used as written testimony in this case. This statement is made on the date next to my signature below.

Tyler Hill

Tyler Hill

9/4/25

Date



Texas



A

A'

CHEVRON MIDCONTINENT
MEAD 8
1555 FSL 1129 FEL
Datum=3111.00
Reference=KB
TWP: 22 S - Range: 27 E - Sec. 8

UNION OIL CO OF CAL
CALVANI COM 1
NE SW
Datum=3102.00
Reference=KB
TWP: 22 S - Range: 27 E - Sec. 9

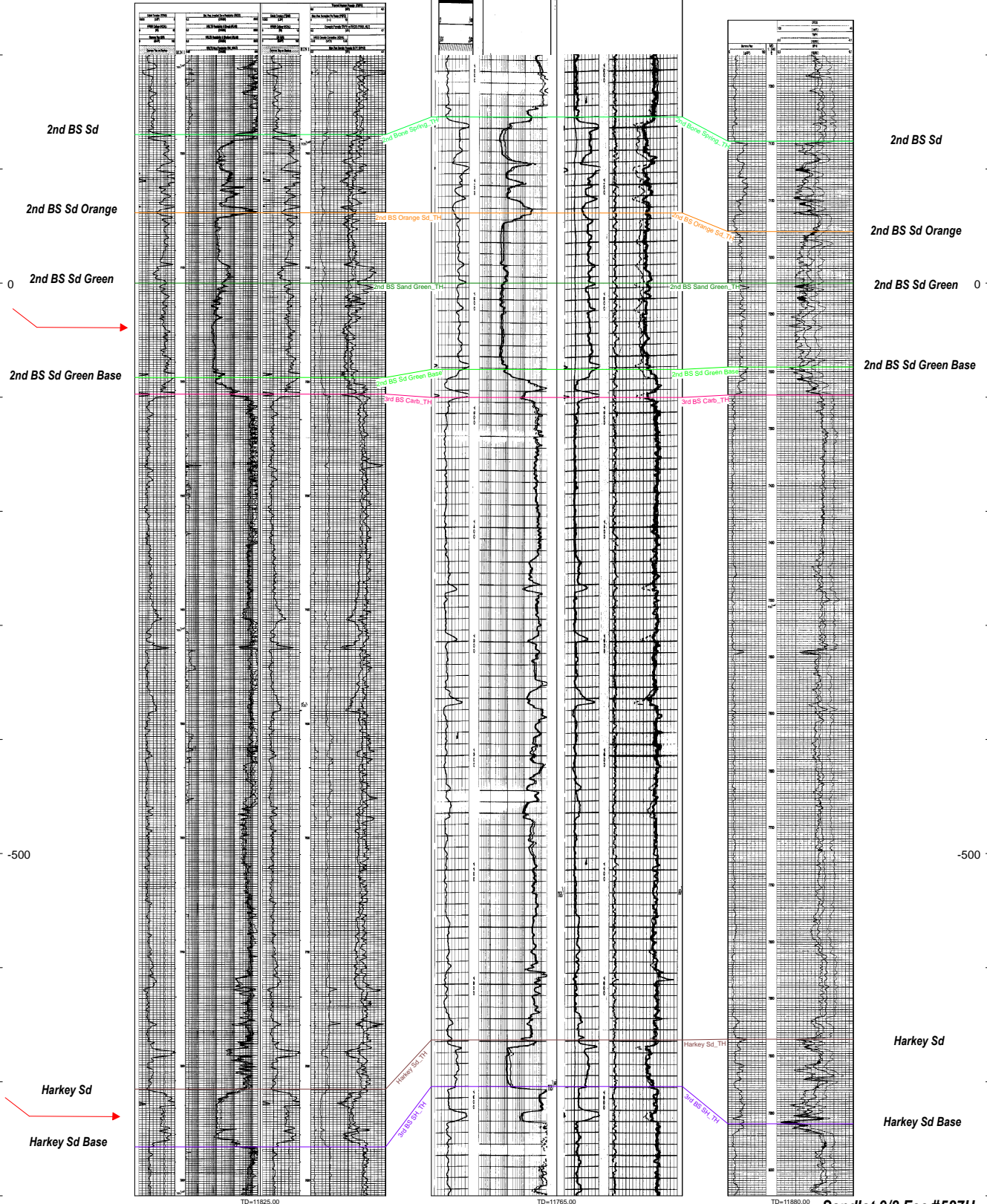
MEWBOURNE OIL CO
PECOS RIVER 9 1
1550 FSL 990 FEL
Datum=3093.00
Reference=KB
TWP: 22 S - Range: 27 E - Sec. 9

8J 22S 27E

9K 22S 27E

9I 22S 27E

EXHIBIT 3-C



Sandlot 9/8 Fee #527H
Sandlot 9/8 Fee #557H

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

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

CASE NO. 25537

SELF-AFFIRMED STATEMENT of NOTICE

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

James Bruce deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Mewbourne Oil Company ("Mewbourne").
3. Mewbourne has conducted a good faith, diligent effort to determine the names and current addresses of the interest owners entitled to receive notice of the applications filed herein.
4. Notice of the applications was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified receipts are attached hereto as Exhibit 4-A.
5. Mewbourne has complied with the notice provisions of Division Rules.

I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in Paragraphs 1 through 5 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 next to my signature below.

9/4/25
Date

James Bruce
James Bruce

EXHIBIT

4

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

August 20, 2025

To Person Listed on Exhibit A

EXHIBIT

A.A

Ladies and Gentlemen:

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

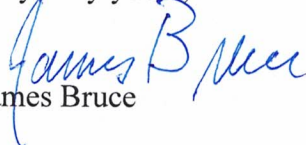
Case No. 25573: *Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.* Applicant has filed an application with the Oil Conservation Division for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 9 and the S/2S/2 of Section 8, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Unit). Applicant proposes to drill the following wells in the Unit to test the Bone Spring formation: The Sandlot 9/8 Well Nos. 527H and 557H, with first take points in the SE/4SE/4 of Section 9 and last take points in the SW/4SW/4 of Section 8.

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, designation of Applicant as operator of the wells and the Unit, approval of 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 3-1/2 miles northwest of Otis, New Mexico.

This matter is scheduled for hearing at 9:00 a.m. on Thursday, September 11, 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 application may appear and present testimony. Failure to appear at that time

and become a party of record will preclude you from contesting this matter 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.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..

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT A

Wesley Keith Roberts
418 Forest Hills Drive
League City, Texas 77573

Randall Wray Jenkins Jr.
1418 W Orchard Lane
Carlsbad New Mexico 88220-4145

Jean Millman
1104 Irvin St.
Carlsbad New Mexico 88220-4319

John Millman
114 Bell Ave., Apt. 4
Amarillo, Texas

9589 0710 5270 2909 6473 45

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<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 John Millman 114 Bell Ave., Apt. 4 Amarillo, Texas	
Street	
City, State, ZIP+4®	
PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	

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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 Jean Millman 1104 Iryin St. Carlsbad New Mexico 88220-4319	
Street and Apt. No., or PO Box	
City, State, ZIP+4®	
PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	

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For delivery information, visit our website at www.usps.com ®.	
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Certified Mail Fee \$	Postmark Here
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 Randall Wray Jenkins Jr. 1418 W Orchard Lane Carlsbad New Mexico 88220-4145	
Street and Apt. No., or PO Box	
City, State, ZIP+4®	
PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	

9589 0710 5270 2909 6473 90

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 \$	Postmark Here
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 Wesley Keith Roberts 418 Forest Hills Drive League City, Texas 77573	
Street and Apt. No., or PO Box	
City, State, ZIP+4®	
PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	

NOTICE

To: Wesley Keith Roberts, Randall Wray Jenkins Jr., Jean Millman, and John Millman, or your heirs, devisees, successors, or assigns: Mewbourne Oil Company has filed an application with the New Mexico Oil Conservation Division requesting compulsory pooling, as follows:

Case No. 25573: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant has filed an application with the Oil Conservation Division for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 9 and the S/2S/2 of Section 8, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Unit). Applicant proposes to drill the following wells in the Unit to test the Bone Spring formation: The Sandlot 9/8 Well Nos. 527H and 557H, with first take points in the SE/4SE/4 of Section 9 and last take points in the SW/4SW/4 of Section 8.

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, designation of Applicant as operator of the wells and the Unit, approval of 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.

This matter is scheduled for hearing at 9:00 a.m. on Thursday, September 11, 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 application may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter 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.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, Post Office Box 1056, Santa Fe, New Mexico 87504, jamesbruc@aol.com. The Unit is located approximately 3-1/2 miles northwest of Otis, New Mexico.

EXHIBIT 

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

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

CASE NO. 25573

APPLICATION

Mewbourne Oil Company ("Applicant") files this application with the Oil Conservation Division (the "Division") for an order pooling uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 9 and the S/2S/2 of Section 8, Township 22 South, Range 27 East, Eddy County, New Mexico (the "Unit"). In support of this application, Applicant states:

1. Applicant is an interest owner an operator in the Unit, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells in the Unit to depths sufficient to test the Bone Spring formation: The Sandlot 9/8 Well Nos. 527H and 557H, with first take points in the SE/4SE/4 of Section 9 and last take points in the SW/4SW/4 of Section 8.
3. Although Applicant has in good faith sought to obtain voluntary joinder of all other mineral interest owners in the Unit to participate in the drilling of the wells or to 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 Bone Spring formation underlying the Unit, pursuant to NMSA 1978 Sec. 70-2-17.

EXHIBIT



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 Bone Spring formation underlying the Unit;
- B. Designating Applicant as operator of the wells and the Unit;
- C. Considering the cost of drilling, completing, testing, and equipping the wells, and allocating the cost thereof among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. 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,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
Phone: (505) 982-2043
Cell: (505) 660-6612
jamesbruc@aol.com

Attorney for Mewbourne Oil Company

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico:

Mewbourne Oil Company ("Applicant") has filed an application with the Oil Conservation Division for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 9 and the S/2S/2 of Section 8, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Unit). Applicant proposes to drill the following wells in the Unit to test the Bone Spring formation: The Sandlot 9/8 Well Nos. 527H and 557H, with first take points in the SE/4SE/4 of Section 9 and last take points in the SW/4SW/4 of Section 8. 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, designation of Applicant as operator of the wells and the Unit, approval of 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 3-1/2 miles northwest of Otis, New Mexico.