BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY TO AMEND ORDER NOS. R-21793 AND R-21793-A, EDDY COUNTY, NEW MEXICO.

Case No.	
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APPLICATION

Mewbourne Oil Company applies for an order amending Order Nos. R-21793 and R-21793-A to extend the well commencement deadline, and in support thereof states:

- 1. Order No. R-21793 (entered in Case No. 21887) pooled all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 18 and the S/2S/2 of Section 17, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.
- 2. Applicant proposes to drill the Local Legend 18/17 B2MP Fed. Com. Well No. 1H to a depth sufficient to test the Bone Spring formation, and has dedicated the S/2S/2 of Section 18 and the S/2S/2 of Section 17 thereto. The well has a first take point in the SW/4SW/4 of 18 and a last take point in the SE/4SE/4 of Section 17. Order No. R-21793 designated applicant as operator of the well.
- 3. The case was heard on July 15, 2021 and Order No. R-21793 was entered on July 22, 2021. Paragraph 19 of the order requires the operator to commence the well within one year of the date of issuance. Paragraph 20 of the order provides that the order will terminate if the well is not timely commenced, unless the operator "obtains an extension by amending this Order for good cause shown."
- 4. Applicant subsequently requested an extension of the drilling deadline (Case No. 22726) due to market and social conditions which altered drilling schedules, but also due to a

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delay in obtaining approved APDs from the Bureau of Land Management. Thus good cause existed for Applicant's request for an extension. Order No. R-21793-A was subsequently entered, extending the well commencement deadline to July 22, 2023.

- 5. Paragraph 9 of Order No. R-21793-A requires the operator to commence the well by that date unless the operator applies to amend Order No. R-21793 for good cause shown.
- . 6. Although the operator (applicant) submitted an APD to the Bureau of Land Management in early January 2021, the APD has not yet been approved. Applicant cannot commence the well without an approved APD and the assignment of an API No. Thus good cause existed for Applicant's request for a second extension.
- 7. Applicant requests an extension of the well commencement deadline to July 22, 2024.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its amend Order Nos. R-21793 and R-21793-A to extend the well commencement deadline to July 22, 2024.

Respectfully submitted,

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