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

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

CASE NO.	
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## **APPLICATION**

Pursuant to NMSA 1978, Section 70-2-17, Mewbourne Oil Company (OGRID No. 14744) ("Mewbourne" or "Applicant") applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 1,920-acre, more or less, non-standard, horizontal spacing unit comprised of all of Sections 9, 16, and 21, Township 26 South, Range 32 East, Lea County, New Mexico ("Unit"). In support of this application, Mewbourne states the following.

- 1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
  - 2. The Unit will be dedicated to the following wells ("Wells"):
    - a. **Red Hills West Unit Com 67H**, which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 9 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 21;
    - b. **Red Hills West Unit Com 68H**, which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 9 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 21;
    - c. **Red Hills West Unit Com 69H**, which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 9 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 21;

- d. **Red Hills West Unit Com 70H**, which will be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 9 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 21;
- e. **Red Hills West Unit Com 71H**, which will be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 9 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 21;
- f. **Red Hills West Unit Com 72H**, which will be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 9 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 21;
- g. **Red Hills West Unit Com 74H**, which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 9 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 21;
- h. **Red Hills West Unit Com 75H**, which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 9 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 21;
- i. Red Hills West Unit Com 76H, which will be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 9 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 21;
- j. Red Hills West Unit Com 77H, which will be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 9 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 21; and

- k. **Red Hills West Unit Com 78H**, which will be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 9 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 21.
- 3. The completed intervals of the Wells will be orthodox.
- 4. Applicant will seek administrative approval of the non-standard spacing unit.
- 5. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.
- 6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated as the operator of the Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 11, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the
   Wells;

- E. Approving the actual operating charged and costs of supervision while drilling and after completion, together with a provision adjusting the rated pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HARDY MCLEAN LLC

<u>/s/ Dana S. Hardy</u>

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