

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

**APPLICATION OF MEWBOURNE OIL
COMPANY FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL
SPACING UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Mewbourne Oil Company (“Mewbourne” or “Applicant”) (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) approving an overlapping, 640-acre, more or less, standard horizontal well spacing unit in the Second Bone Spring formation underlying the E/2 W/2 of Sections 16, 21, 28, and 33, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in this acreage. In support of its application, Mewbourne states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Due to ownership differences in the Bone Spring formation underlying this acreage, Applicant seeks to pool only the Second Bone Spring interval of the Bone Spring formation, defined as the stratigraphic equivalent from 8,140 feet subsurface down to a depth of 9,349 feet subsurface, as identified in that certain [Halliburton-Dual Laterolog] log dated 3/12/2009 in the Spanky Fed Com #1 Well (API No. 300153689500) located 1980 FNL/660 FWL Sec. 33, 24S, 28E in Eddy County, New Mexico.

3. Mewbourne seeks to dedicate the above-referenced spacing unit to the proposed **Creedence 33/16 Federal Com 554H** well, to be drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 33, and a bottomhole location in the NE/4 NW/4 (Unit C) of Section 16.

4. The proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing unit:

- 40-acre vertical well spacing unit comprised of the NE/4 NW/4 (Unit C) of Section 21, T24S-R28E, dedicated to the Pardue #001Q (API No. 30-015-31360), operated by 3 Knight's LLC (OGRID No. 333444);
- 160-acre horizontal well spacing unit comprised of the E/2 W/2 of Section 21, T24S-R28E, dedicated to the Stent 21 Federal Com #002H well (API No. 30-015-41221), operated by Occidental Permian Ltd (OGRID No. 157984); and
- 160-acre horizontal well spacing unit comprised of the E/2 W/2 of Section 33, T24S-R28E, dedicated to the Really Scary Federal Com #002H well (API No. 30-015-41411) and Really Scary Federal Com #003H well (API No. 30-015-36372), operated by COG Operating LLC (OGRID No. 229137).

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

6. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing before an Examiner of the Oil Conservation Division on September 3, 2026, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed overlapping spacing unit;

- B. Pooling all uncommitted interest owners in the horizontal spacing unit;
- C. Designating Applicant as operator of the overlapping horizontal well spacing unit and the horizontal well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

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ATTORNEYS FOR MEWBOURNE OIL COMPANY

CASE: _____

Application of Mewbourne Oil Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) approving an overlapping, 640-acre, more or less, standard horizontal well spacing unit in the Second Bone Spring formation underlying the E/2 W/2 of Sections 16, 21, 28, and 33, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in this acreage. Due to ownership differences in the Bone Spring formation underlying this acreage, Applicant seeks to pool only the Second Bone Spring interval of the Bone Spring formation, defined as the stratigraphic equivalent from 8,140 feet subsurface down to a depth of 9,349 feet subsurface, as identified in that certain [Halliburton-Dual Laterolog] log dated 3/12/2009 in the Spanky Fed Com #1 Well (API No. 300153689500) located 1980 FNL/660 FWL Sec. 33, 24S, 28E in Eddy County, New Mexico. This spacing unit will be initially dedicated to the proposed **Creedence 33/16 Federal Com 554H** well, to be drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 33, and a bottomhole location in the NE/4 NW/4 (Unit C) of Section 16. The proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing unit:

- 40-acre vertical well spacing unit comprised of the NE/4 NW/4 (Unit C) of Section 21, T24S-R28E, dedicated to the Pardue #001Q (API No. 30-015-31360), operated by 3 Knight's LLC (OGRID No. 333444);
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- 160-acre horizontal well spacing unit comprised of the E/2 W/2 of Section 33, T24S-R28E, dedicated to the Really Scary Federal Com #002H well (API No. 30-015-41411) and Really Scary Federal Com #003H well (API No. 30-015-36372), operated by COG Operating LLC (OGRID No. 229137).

Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof, the operating costs and charges for supervision, the designation of applicant as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 5 miles south of Malaga, New Mexico.