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

APPLICATION OF MEWBOURNE OIL COMPANY TO AMEND ORDER NO. R-21428, EDDY COUNTY, NEW MEXICO

Case No. ____ Order No. R-21428

APPLICATION

Mewbourne Oil Company ("Mewbourne") (OGRID No. 14744), by and through the undersigned counsel, files this application requesting that the Oil Conservation Division ("Division") amend Order No. R-21428 to: (1) revise the location of the Ithaca 15/14 W0EF Fed Com #1H well; (2) amend the horizontal spacing unit dedicated to the well; and (3) extend the deadline for Mewbourne to commence drilling the well until one year after the date of the Division's new order. In support of its application, Mewbourne states the following.

1. Division Order No. R-21428, entered on August 18, 2020 in Case No. 21358, approved a 480-acre, more or less, standard proximity tract horizontal spacing unit comprised of the N/2 of Section 15 and the NW/4 of Section 14, Township 20 South, Range 29 East in Eddy County, New Mexico ("the Unit") and designated Mewbourne as the operator of the Unit. Order No. R-21428 further pooled the uncommitted interests in the Wolfcamp formation (Burton Flat, Upper Wolfcamp Pool, Code 98315) and dedicated the Unit to the Ithaca 15/14 W0EF Fed Com #1H well, which was to be horizontally drilled from a surface location 1360' FNL and 205' FWL (Unit E) in Section 15 to a bottom hole location 1360' FNL and 2540' FWL (Unit F) in Section 14, Township 20 South, Range 29 East in Eddy County. Order No. R-21428 required Mewbourne to commence drilling the well within one year from the date of the order.

- 2. Since Order No. R-21428 was issued, Mewbourne has revised its development plans and intends to complete an additional Wolfcamp well (the Ithaca 15/14 W0DC Fed Com #1H) in the N/2 N/2 of Section 15 and the N/2 NW/4 of Section 14. Accordingly, Mewbourne seeks to amend the Unit for the proposed Ithaca 15/14 W0EF Fed Com #1H well so that it consists of a 240-acre, more or less, standard horizontal spacing unit that includes the S/2 N/2 of Section 15 and the S/2 NW/4 of Section 14.
- 3. Mewbourne also proposes to amend the location of the proposed Ithaca 15/14 W0EF Fed Com #1H well so that the well will be horizontally drilled from a surface location approximately 1360' FNL and 205' FWL (Unit E) in Section 15 to a bottom hole location approximately 2100' FNL and 2540' FWL (Unit F) in Section 14.
 - 4. The completed interval of the well will be orthodox.
- 5. As a result of these changes and because Mewbourne plans to drill the Ithaca 15/14 W0EF Fed Com #1H and Ithaca 15/14 W0DC Fed Com #1H wells simultaneously, Mewbourne requests an extension of its deadline to commence drilling the Ithaca 15/14 W0EF Fed Com 1H well until one-year after the date of the Division's new order.
- 6. Amending the Unit dedicated to the Ithaca 15/14 W0EF Fed Com #1H well and the location of the proposed well, and extending Mewbourne's deadline to commence drilling the well, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 7. In order to allow Mewbourne to obtain its just and fair share of the oil and gas underlying the subject lands, Order No. R-21428 should should be amended as set forth above.
 - 8. Mewbourne requests that the other terms of Order No. R-21428 remain in effect.
 WHEREFORE, Mewbourne requests that this application be set for hearing on April 8,

2021 and that, after notice and hearing, the Division enter an order:

- A. Amending the horizontal spacing unit for the Ithaca 15/14 W0EF Fed Com #1H well to consist of a 240-acre, more or less, standard horizontal spacing unit that includes the S/2 N/2 of Section 15 and the S/2 NW/4 of Section 14;
- B. Amending the location of the Ithaca 15/14 W0EF Fed Com #1H well as set forth above; and
- C. Extending the deadline for Mewbourne to commence drilling the well until one year after the date of the Division's new order.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Dioscoro "Andy" Blanco

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com

dblanco@hinklelawfirm.com

Counsel for Mewbourne Oil Company