

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. _____

APPLICATION

Pursuant to NMSA § 70-2-17, Mewbourne Oil Company (“Applicant”) (OGRID No. 14744) applies for an order pooling all uncommitted interests in the Bone Spring formation from a depth of approximately 10,087’ to a depth of approximately 10,526’ underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the E/2E/2 of Section 27, Township 22 South, Range 34 East, Lea County, New Mexico (“Unit”). In support of its application, Applicant states:

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 **Perro Loco 27 B2PA Fed Com #1H** well, which will be horizontally drilled from a surface hole location in the SE/4SE/4 (Unit P) of Section 27 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 27.
3. The completed interval of the Well will be orthodox.
4. A depth severance exists in the Bone Spring formation. Accordingly, Applicant seeks to pool all uncommitted interests in the Bone Spring formation at a stratigraphic equivalent of approximately 10,087’ MD to approximately 10,526’ MD as observed on the Sun Federal Com #1 (API 3002530603) well log.
5. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well 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 mineral interests in the Unit should be pooled and Applicant should be designated the operator of the Well and Unit.

WHEREFORE, Applicant requests this application be set for hearing on April 7, 2022, and that after notice and hearing, the Division enter an order:

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