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

APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING AND TO VACATE DIVISION POOLING ORDERS R-22377 AND R-22378, LEA COUNTY, NEW MEXICO.

APPLICATION

Mewbourne Oil Company ("Mewbourne" or "Applicant") (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division for an order (a) pooling all uncommitted interests in the Bone Spring formation underlying a non-standard 640-acre, more or less, horizontal spacing unit comprised of the E2 of Sections 15 and 10, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) upon approval of this application vacating Division pooling Orders R-22377 and R-22378. 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. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Bravos 15-10 B2OB Fed Com 1H** and **Bravos 15 10 B2PA Federal Com 1H** wells to be horizontally drilled from a surface location in the SE4SE4 (Unit P) of Section 15 to bottom hole locations, respectively, in NW4NE4 (Unit B) and the NE4NE4 (Unit A) of Section 10.
- 3. This 640-acre non-standard horizontal well spacing unit in the Mescalero Escarpe; Bone Spring Pool (Pool Code 45793) has been approved by the Division under Administrative Order NSP-2144.

- 4. Upon approval of this application, Mewbourne requests that the Division vacate Orders R-22377 and R-22378, issued in Case Nos. 22953 and 22954, creating Bone Spring spacing units covering this same acreage.
- 5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the working 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.
- 7. To allow the recovery of Applicant's just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 2, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial well thereon;
- B. Designating Applicant as operator of the horizontal spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. 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;

- E. Imposing a 200% charge 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 well; and
- F. Upon approval of this application vacating Division pooling Orders R-22377 and R-22378.

Respectfully submitted,

HOLLAND & HART LLP

Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Paula M. Vance

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

mhfeldewert@hollandhart.com

agrankin@hollandhart.com

jbroggi@hollandhart.com

pmvance@hollandhart.com

ATTORNEYS FOR MEWBOURNE OIL COMPANY

Application of Mewbourne Oil Company for Compulsory Pooling and to Vacate Division Pooling Orders R-22377 and R-22378, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) pooling all uncommitted interests in the Bone Spring formation underlying a non-standard 640acre, more or less, horizontal spacing unit comprised of the E2 of Sections 15 and 10, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) upon approval of this application vacating Division pooling Orders R-22377 and R-22378. This 640-acre non-standard horizontal well spacing unit in the Mescalero Escarpe; Bone Spring Pool (Pool Code 45793) has been approved by the Division under Administrative Order NSP-2144. This non-standard horizontal spacing unit is to be initially dedicated to the proposed Bravos 15-10 B2OB Fed Com 1H and Bravos 15 10 B2PA Federal Com 1H wells to be horizontally drilled from a surface location in the SE4SE4 (Unit P) of Section 15 to bottom hole locations, respectively, in NW4NE4 (Unit B) and the NE4NE4 (Unit A) of Section 10. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost 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 20 miles southwest of Lovington, New Mexico.