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

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

CASE NO.
----------

## **APPLICATION**

In accordance with NMSA 1978, § 70-2-17, Mewbourne Oil Company ("Mewbourne" or "Applicant") (OGRID No. 14744), through its undersigned attorneys, applies for an order pooling all uncommitted interests in the Wolfcamp formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Sections 35 and 34, Township 20 South, Range 27 East, Eddy County, New Mexico ("Unit"). In support of this application, Mewbourne states the following.

- 1. Mewbourne is a working interest owner in the Unit and has the right to drill thereon.
- 2. Applicant seeks to dedicate the Unit to the proposed **Cripple Creek 35/34 Fed Com #711H** well ("Well"), to be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 35 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 34.
  - 3. The completed interval of the Well will be orthodox.
- 4. 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 interests owners in the Unit.
- 5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. 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 the operator of the proposed horizontal Well and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an

Examiner of the Oil Conservation Division on March 7, 2024, 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 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 charged 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,

HINKLE SHANOR LLP

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

Dana S. Hardy Jaclyn M. McLean

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 98208623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com Counsel for Mewbourne Oil Company