

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

**APPLICATION OF MEWBOURNE OIL COMPANY  
FOR APPROVAL OF AN OVERLAPPING SPACING  
UNIT AND COMPULSORY POOLING,  
LEA 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 (a) approving an a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W2E2 of Sections 23 and 14, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) pooling the uncommitted mineral owners in this proposed spacing unit. 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 horizontal spacing unit to the proposed **Stone Cold 23/14 Fed Com 523H** well, to be horizontally drilled from a surface location in the NE4 of Section 26, with a first take point in the SW4SE4 (Unit O) of Section 23 and a last take point in the NW4NE4 (Unit B) of Section 14.
3. This proposed spacing unit will overlap an existing 40-acre spacing unit comprised of the NW4NE4 (Unit B) of Section 14 dedicated to the Mescalero Ridge “D” Federal No. 1 (30-025-29508) operated by Seely Oil Company and completed in the Mescalero Escarpe; Bone Spring Pool [45793].

4. 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.

5. The approval of this overlapping horizontal well spacing unit and the pooling of uncommitted mineral owners will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 13, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed overlapping horizontal well spacing unit and pooling all uncommitted mineral owners therein;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping 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; and
- E. 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,

HOLLAND & HART LLP

By:  \_\_\_\_\_

Michael H. Feldewert  
Adam G. Rankin  
Paula M. Vance  
Post Office Box 2208  
Santa Fe, NM 87504  
505-988-4421  
505-983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
pmvance@hollandhart.com

**ATTORNEYS FOR MEWBOURNE OIL COMPANY**

**CASE \_\_\_\_\_:** **Application of Mewbourne Oil Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre overlapping horizontal well spacing unit in the Bone Spring formation underlying the W2E2 of Sections 23 and 14, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) pooling all the uncommitted mineral owners therein. Said unit will be initially dedicated to the proposed **Stone Cold 23/14 Fed Com 523H** well, to be horizontally drilled from a surface location in the NE4 of Section 26, with a first take point in the SW4SE4 (Unit O) of Section 23 and a last take point in the NW4NE4 (Unit B) of Section 14. This proposed spacing unit will overlap an existing 40-acre spacing unit comprised of the NW4NE4 (Unit B) of Section 14 dedicated to the Mescalero Ridge “D” Federal No. 1 (30-025-29508) operated by Seely Oil Company and completed in the Mescalero Escarpe; Bone Spring Pool [45793]. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 19 miles southwest of Lovington, New Mexico.