

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

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR APPROVAL OF AN OVERLAPPING HORIZONTAL
WELL 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 a standard 161.13-acre, more or less, horizontal well spacing unit in the Bone Spring formation limited to the Second Bone Spring interval underlying Lot 4, the SE4SW4 and the S2SE4 of irregular Section 30, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico, and (b) pooling the uncommitted interest owners in this acreage. 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 **Choctaw Bingo 30 Fed Com 528H** well to be horizontally drilled in the Second Bone Spring Sand interval from a surface location in the SW4 of Section 30, with a first take point in SW4SW4 equivalent (Lot 4) and a last take point in SE4SE4 (Unit P) of Section 30.
3. This proposed horizontal well spacing unit will overlap the following existing or proposed spacing units in the Bone Spring formation:
 - A 40-acre Bone Spring vertical spacing unit comprised of the SE4SW4 (Unit

N) of Section 30, dedicated to the Geronimo 30 Federal #002 well (API 30-025-37946) operated by Mewbourne Oil Company in the Second Bone Spring Carbonate;

- A 40-acre Bone Spring vertical spacing unit comprised of the SW4SW4 equivalent (Lot 4) of Section 30, dedicated to Geronimo 30 Federal Com #001 well (API 30-025-37623), operated by Mewbourne Oil Company in the First Bone Spring interval;
- An 80-acre Bone Spring horizontal spacing unit comprised of the E2SE4 of Section 30, dedicated Nana 30 Federal #001H well (API 30-025-39365), operated by Raybaw Operating, LLC, in the First Bone Spring interval;
- An 80-acre Bone Spring horizontal spacing unit comprised of the W2SE4 of Section 30, dedicated to the Nana 30 Federal #002H well (API 30-025-39579), operated by Raybaw Operating, LLC, in the First Bone Spring interval; and
- A 640-acre horizontal well spacing unit that Applicant has proposed in the Bone Spring formation underlying the S2 of Sections 29 and 30 for the Choctaw Bingo 30/29 Fed Com 467H, 526H, 625H and 627H wells to be drilled in the First, Second and Third intervals of the Bone Spring formation.

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 October 31, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the overlapping horizontal well spacing unit and pooling all uncommitted interest owners therein;
- B. Designating Applicant as operator of this spacing unit and the horizontal wells 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

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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 161.13-acre, more or less, horizontal well spacing unit in the Bone Spring formation limited to the Second Bone Spring Sand interval underlying Lot 4, the SE4SW4 and the S2SE4 of irregular Section 30, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico, and (b) pooling the uncommitted interest owners in this acreage. Said unit will be initially dedicated to the proposed **Choctaw Bingo 30 Fed Com 528H** well to be horizontally drilled in the Second Bone Spring interval from a surface location in the SW4 of Section 30, with a first take point in SW4SW4 equivalent (Lot 4) and a last take point in SE4SE4 (Unit P) of Section 30. This proposed horizontal well spacing unit will overlap the following existing or proposed spacing units in the Bone Spring formation:

- A 40-acre Bone Spring vertical spacing unit comprised of the SE4SW4 (Unit N) of Section 30, dedicated to the Geronimo 30 Federal #002 well (API 30-025-37946) operated by Mewbourne Oil Company in the Second Bone Spring Carbonate;
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- An 80-acre Bone Spring horizontal spacing unit comprised of the W2SE4 of Section 30, dedicated to the Nana 30 Federal #002H well (API 30-025-39579), operated by Raybaw Operating, LLC, in the First Bone Spring interval; and
- A 640-acre horizontal well spacing unit that Applicant has proposed in the Bone Spring formation underlying the S2 of Sections 29 and 30 for the Choctaw Bingo 30/29 Fed Com 467H, 526H, 625H and 627H wells to be drilled in the First, Second and Third intervals of the Bone Spring formation.

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 10 miles north of Maljamar, New Mexico.