

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

**APPLICATION OF MEWBOURNE OIL
COMPANY FOR 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 pooling all uncommitted mineral owners in the Bone Spring formation underlying a 1,600-acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation underlying Lots 3-4, E/2 SW/4, and SE/4 (S/2 equivalent) of irregular Section 7, Lots 1-4, E/2 W/2, and E/2 (entire Section equivalent) of irregular Sections 18 and 19, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. 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 **Black Pearl 7/19 Fed Com #526H**, to be drilled horizontally from a surface location in NW/4 SE/4 (Unit J) of irregular Section 7, a first take point in NW/4 SE/4 (Unit J) of irregular Section 7 and last take point the SW/4 SE/4 (Unit O) of irregular Section 19; and **Black Pearl 7/19 Fed Com #528H**, to be drilled horizontally from a surface location in NE/4 SE/4 (Unit I) of irregular Section 7, a first take point in NE/4 SE/4 (Unit I) of irregular Section 7 and last take point the SE/4 SE/4 (Unit P) of irregular Section 19.

3. Applicant has filed a separate administrative application for approval of a non-standard spacing unit.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all mineral owners in the subject spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted mineral owners in the horizontal spacing unit;
- 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 wells;
- 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 wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

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ATTORNEYS FOR MEWBOURNE OIL COMPANY

CASE: _____

Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a 1,600-acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation underlying Lots 3-4, E/2 SW/4, and SE/4 (S/2 equivalent) of irregular Section 7, Lots 1-4, E/2 W/2, and E/2 (entire Section equivalent) of irregular Sections 18 and 19, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. This spacing unit will be initially dedicated to the proposed **Black Pearl 7/19 Fed Com #526H**, to be drilled horizontally from a surface location in NW/4 SE/4 (Unit J) of irregular Section 7, a first take point in NW/4 SE/4 (Unit J) of irregular Section 7 and last take point the SW/4 SE/4 (Unit O) of irregular Section 19; and **Black Pearl 7/19 Fed Com #528H**, to be drilled horizontally from a surface location in NE/4 SE/4 (Unit I) of irregular Section 7, a first take point in NE/4 SE/4 (Unit I) of irregular Section 7 and last take point the SE/4 SE/4 (Unit P) of irregular Section 19. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, the operating costs and charges for supervision, the designation of applicant as operator of the proposed non-standard spacing unit, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 13 miles west of Hobbs, New Mexico.