

**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,  
EDDY 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 for an order (a) approving a 640-acre, more or less, overlapping non-standard horizontal well spacing unit in the Bone Spring formation underlying the N/2 of Section 12, Township 19 South, Range 30 East, and Lots 1-2, E/2 NW/4, and NE/4 (N/2 equivalent) of irregular Section 7, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico and (b) pooling all uncommitted interests in this acreage. In support of its application, Mewbourne states:

1. Applicant is a working interest owner in the proposed overlapping horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Zeke 12/7 Fed Com #611H**, to be drilled horizontally from a surface location in NW/4 NW/4 (Unit D) of Section 12, T19S-R30E, a first take point in NW/4 NW/4 (Unit D) of Section 12, T19S-R30E and last take point the NE/4 NE/4 (Unit A) of irregular Section 7, T19S-R31E; and **Zeke 12/7 Fed Com #613H**, to be drilled horizontally from a surface location in NW/4 NW/4 (Unit D) of Section 12, T19S-R30E, a first take point in SW/4 NW/4 (Unit E) of Section 12, T19S-R30E and last take point the SE/4 NE/4 (Unit H) of irregular Section 7, T19S-R31E.

3. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:

- 160-acre spacing unit comprised of the W/2 W/2 of Section 12, T19S-R31E, dedicated to the Crescent Hale 12 Federal 1H (API: 30-015-39025) well currently operated by Cimarex Energy Co. of Colorado;
- 160-acre spacing unit comprised of the E/2 W/2 of Section 12, T19S-R31E, dedicated to the Crescent Hale 12 Federal 2H (API: 30-015-40054) well currently operated by Cimarex Energy Co. of Colorado;
- 160-acre spacing unit comprised of the W/2 E/2 of Section 12, T19S-R31E, dedicated to the Crescent Hale 12 Federal 3H (API: 30-015-40837) well currently operated by Cimarex Energy Co. of Colorado;
- 40-acre spacing unit comprised of Lot 1 of irregular Section 7, T19S-R31E, dedicated to the Strawberry 7 Federal 3 (API: 30-015-37171) well currently operated by Devon Energy Company LP;
- 40-acre spacing unit comprised of NW/4 NE/4 of irregular Section 7, T19S-R31E, dedicated to the Strawberry 7 Federal 2 (API: 30-015-32375) well currently operated by Devon Energy Company LP;
- 40-acre spacing unit comprised of NE/4 NE/4 of irregular Section 7, T19S-R31E, dedicated to the Strawberry 7 Federal 7 (API: 30-015-38485) well currently operated by Devon Energy Company LP;
- 160-acre spacing unit comprised of Lot 1, NE/4 NW/4, and N/2 NE/4 of irregular Section 7, T19S-R31E, dedicated to the Strawberry 7 Federal Com 11H (API: 30-015-42490) well currently operated by Devon Energy Company LP; and
- 160-acre spacing unit comprised of Lot 2, SE/4 NW/4, and S/2 NE/4 of irregular Section 7, T19S-R31E, dedicated to the Strawberry 7 Federal Com 5H (API: 30-015-37257) and Strawberry 7 Federal Com 8H (API: 30-015-41507) well currently operated by Devon Energy Company LP.

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

5. 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.

6. 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. Approving the proposed overlapping non-standard spacing unit;
- B. Pooling all uncommitted interests in the horizontal spacing unit;
- C. Designating Applicant as operator of the overlapping horizontal spacing unit and the horizontal wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- E. 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
- F. 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,

HOLLAND & HART LLP

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**ATTORNEYS FOR MEWBOURNE OIL COMPANY**

CASE: \_\_\_\_\_

**Application of Mewbourne Oil Company for Approval an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving a 640-acre, more or less, overlapping non-standard horizontal well spacing unit in the Bone Spring formation underlying the N/2 of Section 12, Township 19 South, Range 30 East, and Lots 1-2, E/2 NW/4, and NE/4 (N/2 equivalent) of irregular Section 7, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico and (b) pooling all uncommitted interests in this acreage. This spacing unit will be initially dedicated to the proposed **Zeke 12/7 Fed Com #611H**, to be drilled horizontally from a surface location in NW/4 NW/4 (Unit D) of Section 12, T19S-R30E, a first take point in NW/4 NW/4 (Unit D) of Section 12, T19S-R30E and last take point the NE/4 NE/4 (Unit A) of irregular Section 7, T19S-R31E; and **Zeke 12/7 Fed Com #613H**, to be drilled horizontally from a surface location in NW/4 NW/4 (Unit D) of Section 12, T19S-R30E, a first take point in SW/4 NW/4 (Unit E) of Section 12, T19S-R30E and last take point the SE/4 NE/4 (Unit H) of irregular Section 7, T19S-R31E. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:

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- 160-acre spacing unit comprised of the W/2 E/2 of Section 12, T19S-R31E, dedicated to the Crescent Hale 12 Federal 3H (API: 30-015-40837) well currently operated by Cimarex Energy Co. of Colorado;
- 40-acre spacing unit comprised of Lot 1 of irregular Section 7, T19S-R31E, dedicated to the Strawberry 7 Federal 3 (API: 30-015-37171) well currently operated by Devon Energy Company LP;
- 40-acre spacing unit comprised of NW/4 NE/4 of irregular Section 7, T19S-R31E, dedicated to the Strawberry 7 Federal 2 (API: 30-015-32375) well currently operated by Devon Energy Company LP;
- 40-acre spacing unit comprised of NE/4 NE/4 of irregular Section 7, T19S-R31E, dedicated to the Strawberry 7 Federal 7 (API: 30-015-38485) well currently operated by Devon Energy Company LP;

- 160-acre spacing unit comprised of Lot 1, NE/4 NW/4, and N/2 NE/4 of irregular Section 7, T19S-R31E, dedicated to the Strawberry 7 Federal Com 11H (API: 30-015-42490) well currently operated by Devon Energy Company LP; and
- 160-acre spacing unit comprised of Lot 2, SE/4 NW/4, and S/2 NE/4 of irregular Section 7, T19S-R31E, dedicated to the Strawberry 7 Federal Com 5H (API: 30-015-37257) and Strawberry 7 Federal Com 8H (API: 30-015-41507) well currently operated by Devon Energy Company LP.

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 9.6 miles southeast of Loco Hills, New Mexico.