

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

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 a non-standard 960-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the E/2 of Section 35 and all of Section 36, Township 18 South, Range 31 East, NMPM, Eddy 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 drilled **Lead Belly 36/35 Fed Com #521H** well, with a surface location in the NE/4 SE/4 (Unit I) of Section 36 and bottomhole location in the NW/4 NE/4 (Unit B) of Section 35; **Lead Belly 36/35 Fed Com #523H** and **Lead Belly 36/35 Fed Com #624H** well, with a surface location in the NE/4 SE/4 (Unit I) of Section 36 and bottomhole location in the SW/4 NE/4 (Unit G) of Section 35; **Lead Belly 36/35 Fed Com #525H** and **Lead Belly 36/35 Fed Com #626H** well, with a surface location in the NE/4 SE/4 (Unit I) of Section 36 and bottomhole location in the NW/4 SE/4 (Unit J) of Section 35; and **Lead Belly 36/35 Fed Com #527H**, **Lead Belly 36/35 Fed Com #622H**, and

Lead Belly 36/35 Fed Com #628H well, with a surface location in the NE/4 SE/4 (Unit I) of Section 36 and bottomhole location in the SW/4 SE/4 (Unit O) of Section 35.

3. Applicant will file separately for administrative approval of the non-standard horizontal 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 March 13, 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,

HOLLAND & HART LLP

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ATTORNEYS FOR MEWBOURNE OIL COMPANY

CASE: _____

Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling a non-standard 960-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the E/2 of Section 35 and all of Section 36, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. This spacing unit will be initially dedicated to the proposed **Lead Belly 36/35 Fed Com #521H** well, with a surface location in the NE/4 SE/4 (Unit I) of Section 36 and bottomhole location in the NW/4 NE/4 (Unit B) of Section 35; **Lead Belly 36/35 Fed Com #523H** and **Lead Belly 36/35 Fed Com #624H** well, with a surface location in the NE/4 SE/4 (Unit I) of Section 36 and bottomhole location in the SW/4 NE/4 (Unit G) of Section 35; **Lead Belly 36/35 Fed Com #525H** and **Lead Belly 36/35 Fed Com #626H** well, with a surface location in the NE/4 SE/4 (Unit I) of Section 36 and bottomhole location in the NW/4 SE/4 (Unit J) of Section 35; and **Lead Belly 36/35 Fed Com #527H**, **Lead Belly 36/35 Fed Com #622H**, and **Lead Belly 36/35 Fed Com #628H** well, with a surface location in the NE/4 SE/4 (Unit I) of Section 36 and bottomhole location in the SW/4 SE/4 (Unit O) of Section 35. 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 spacing unit, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 30 miles northeast of Carlsbad, New Mexico.