

**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 AND 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 (1) approving an overlapping, 962.45 acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation underlying the NE/4 of Section 35, the N/2 of Section 36, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and Lots 1-2, the W/2 NW/4, and the NE/4 (N/2 equivalent) of irregular Section 31, the NW/4 of Section 32, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests 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 spacing unit to the drilled **Lead Belly 35/32 Federal Com 521H** and **Lead Belly 35/32 Federal Com 622H** wells, both with surface locations in the NW/4 NE/4 (Unit B) of Section 35, to bottomhole locations in the NE/4 NW/4 (Unit C) of Section 32; and the **Lead Belly 35/32 Federal Com 523H** and **Lead Belly 35/32**

Federal Com 624H wells, both with surface locations in the NW/4 NE/4 (Unit B) of Section 35, to bottomhole locations in the SE/4 NW/4 (Unit F) of Section 32.

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

- 160-acre horizontal well spacing unit comprised of the W/2 W/2 of Section 36, T18S-R31E, dedicated to COG Operating LLC's Nervous Horz Com 4H (API: 30-015-37146);
- 160-acre horizontal well spacing unit comprised of the W/2 E/2 of Section 36, T18S-R31E, dedicated to COG Operating LLC's Nervous Horz Com 3H (API: 30-015-37145);
- 160-acre horizontal well spacing unit comprised of the E/2 E/2 of Section 36, T18S-R31E, dedicated to COG Operating LLC's Nervous Horz Com 2H (API: 30-015-37143);
- 121.18-acre horizontal well spacing unit comprised of Lot 1, the NE/4 NW/4, and the NW/4 NE/4 of irregular Section 31, T18S-R32E, dedicated to COG Operating LLC's SDL Federal Com 1H (API: 30-025-39537);
- 40-acre vertical well spacing unit comprised of the SW/4 NE/4 (Unit G) of irregular Section 31, T18S-R32E, dedicated to COG Operating LLC's LPC 31 Federal 2 (API: 30-025-38157);
- 41.27-acre vertical well spacing unit comprised of Lot 2 (SW/4 NW/4 equivalent) of irregular Section 31, T18S-R32E, dedicated to COG Operating LLC's LPC 31 Federal 4 (API: 30-025-38109);
- 40-acre vertical well spacing unit comprised of the SE/4 NW/4 (Unit F) of irregular Section 31, T18S-R32E, dedicated to COG Operating LLC's LPC 31 Federal 3 (API: 30-025-37859);
- 40-acre vertical well spacing unit comprised of the NE/4 NE/4 (Unit A) of irregular Section 31, T18S-R32E, dedicated to COG Operating LLC's EGL Federal 1 (API: 30-025-35690);
- 40-acre vertical well spacing unit comprised of the NW/4 NW/4 (Unit D) of Section 32, T18S-R32E, dedicated to RAYBAW Operating LLC's Hulkster 1 (API: 30-025-38446);

- 40-acre vertical well spacing unit comprised of the NE/4 NW/4 (Unit C) of Section 32, T18S-R32E, dedicated to RAYBAW Operating LLC's N Lusk 32 State 1 (API: 30-025-35747);
 - 40-acre vertical well spacing unit comprised of the SW/4 NW/4 (Unit E) of Section 32, T18S-R32E, dedicated to RAYBAW Operating LLC's Hulkster 2 (API: 30-025-38844); and
 - 40-acre vertical well spacing unit comprised of the SE/4 NW/4 (Unit F) of Section 32, T18S-R32E, dedicated to RAYBAW Operating LLC's Watkins 32 State 1 (API: 30-025-31735).
4. Applicant will file separately for administrative approval of the non-standard horizontal spacing unit.
5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all mineral interest 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 October 9, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed overlapping 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 well;

- 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,

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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 and Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) approving an overlapping, 962.45 acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation underlying the NE/4 of Section 35, the N/2 of Section 36, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and Lots 1-2, the W/2 NW/4, and the NE/4 (N/2 equivalent) of irregular Section 31, the NW/4 of Section 32, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in this acreage. This spacing unit will be initially dedicated to the proposed **Lead Belly 35/32 Federal Com 521H** and **Lead Belly 35/32 Federal Com 622H** wells, both with surface locations in the NW/4 NE/4 (Unit B) of Section 35, to bottomhole locations in the NE/4 NW/4 (Unit C) of Section 32; and the **Lead Belly 35/32 Federal Com 523H** and **Lead Belly 35/32 Federal Com 624H** wells, both with surface locations in the NW/4 NE/4 (Unit B) of Section 35, to bottomhole locations in the SE/4 NW/4 (Unit F) of Section 32. The proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

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 - 40-acre vertical well spacing unit comprised of the SE/4 NW/4 (Unit F) of Section 32, T18S-R32E, dedicated to RAYBAW Operating LLC's Watkins 32 State 1 (API: 30-025-31735).

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.