

**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 pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) approving a standard 636.96-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying Lot 3, NE/4 SW/4, and N/2 SE/4 (N/2 S/2 equivalent) of irregular Section 7, Township 19 South, Range 31 East, and the N/2 S/2 of Sections 12, 11, and 10, Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. In support of its application, Mewbourne states:

1. Applicant is a working interest owner in the proposed spacing unit and has the right to drill thereon.
2. Mewbourne seeks to dedicate the above-referenced spacing unit to the proposed **Toto 7/10 Federal Com 616H** well, to be drilled from a surface hole location in NW/4 SW/4 (Unit L) of Section 8, T19S-R31E, to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 10, T19S-R30E.
3. The proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring Formation:

- 156.96-acre horizontal well spacing unit comprised of Lot 3, NE/4 SW/4, and N/2 SE/4 (N/2 S/2 equivalent) of irregular Section 7, T19S-R31E, operated by Devon Energy Production Company, LP and dedicated to the Strawberry 7 Federal 006H (API No. 30-015-38195) and Strawberry 7 Federal 009H (API No. 30-015-41574);
- 40-acre vertical well spacing unit comprised of the NW/4 SE/4 (Unit J) of Section 11, T19S-R30E, operated by Matador Production Company and dedicated to the Hale 11 Federal 002 (API No. 30-015-25832);
- 40-acre vertical well spacing unit comprised of the NE/4 SW/4 (Unit K) of Section 11, T19S-R30E, operated by Matador Production Company and dedicated to the Hale 11 Federal 001 (API No. 30-015-25778);
- 200-acre horizontal well spacing unit comprised of the N/2 S/2 of Section 10 and NW/4 SW/4 of Section 11, T19S-R30E, operated by Cimarex Energy Co. of Colorado and dedicated to the Crescent Hale 10 Federal 003H (API No. 30-015-40784);
- 160-acre horizontal well spacing unit comprised of the E/2 E/2 of Section 11, T19S-R30E, operated by Cimarex Energy Co. of Colorado and dedicated to the Crescent Hale 11 Federal 001H (API No. 30-015-38494);
- 160-acre horizontal well spacing unit comprised of the W/2 W/2 of Section 12, T19S-R30E, operated by Cimarex Energy Co. of Colorado and dedicated to the Crescent Hale 12 Federal 001H (API No. 30-015-39025);
- 160-acre horizontal well spacing unit comprised of the E/2 W/2 of Section 12, T19S-R30E, operated by Cimarex Energy Co. of Colorado and dedicated to the Crescent Hale 12 Federal 002H (API No. 30-015-40054); and
- 160-acre horizontal well spacing unit comprised of the W/2 E/2 of Section 12, T19S-R30E, operated by Cimarex Energy Co. of Colorado and dedicated to the Crescent Hale 12 Federal 002H (API No. 30-015-40054).

4. 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.

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 8, 2026, 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;
- B. Designating Applicant as operator of the overlapping horizontal spacing unit and the horizontal well 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,

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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, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) approving a standard 636.96-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying Lot 3, NE/4 SW/4, and N/2 SE/4 (N/2 S/2 equivalent) of irregular Section 7, Township 19 South, Range 31 East, and the N/2 S/2 of Sections 12, 11, and 10, Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Mewbourne seeks to dedicate the above-referenced spacing unit to the proposed **Toto 7/10 Federal Com 616H** well, to be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 8, T19S-R31E, to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 10, T19S-R30E. The proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring Formation:

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- 40-acre vertical well spacing unit comprised of the NE/4 SW/4 (Unit K) of Section 11, T19S-R30E, operated by Matador Production Company and dedicated to the Hale 11 Federal 001 (API No. 30-015-25778);
- 200-acre horizontal well spacing unit comprised of the N/2 S/2 of Section 10 and NW/4 SW/4 of Section 11, T19S-R30E, operated by Cimarex Energy Co. of Colorado and dedicated to the Crescent Hale 10 Federal 003H (API No. 30-015-40784);
- 160-acre horizontal well spacing unit comprised of the E/2 E/2 of Section 11, T19S-R30E, operated by Cimarex Energy Co. of Colorado and dedicated to the Crescent Hale 11 Federal 001H (API No. 30-015-38494);
- 160-acre horizontal well spacing unit comprised of the W/2 W/2 of Section 12, T19S-R30E, operated by Cimarex Energy Co. of Colorado and dedicated to the Crescent Hale 12 Federal 001H (API No. 30-015-39025);
- 160-acre horizontal well spacing unit comprised of the E/2 W/2 of Section 12, T19S-R30E, operated by Cimarex Energy Co. of Colorado and dedicated to the Crescent Hale 12 Federal 002H (API No. 30-015-40054); and

- 160-acre horizontal well spacing unit comprised of the W/2 E/2 of Section 12, T19S-R30E, operated by Cimarex Energy Co. of Colorado and dedicated to the Crescent Hale 12 Federal 002H (API No. 30-015-40054).

Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 9.6 miles southeast of Loco Hills, New Mexico.