

**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 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, 320-acre, more or less, standard horizontal well spacing unit in the Bone Spring formation underlying E/2 W/2 of Irregular Section 18 and E/2 W/2 of Irregular Section 19, all in Township 18 South, Range 34 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 spacing unit and has the right to drill thereon.
2. Mewbourne seeks to dedicate the above-referenced spacing unit to the proposed **Macho Man 18/19 Federal Com 523H** (API No. 30-025-Pending) well, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 18, to a bottom hole location in SE/4 SW/4 (Unit N) of Section 19.
3. The proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- 40-acre vertical well spacing unit comprised of the Unit C of Section 18, T24S-R28E, dedicated to the Mescalero Ridge E Federal #001 well (API No. 30-025-38060); and
- 40-acre horizontal well spacing unit comprised of Unit F of Section 18, T24S-R28E, dedicated to the Mescalero Ridge F Federal #002 well (API No. 30-025-38409).

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 August 6, 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 interest owners in the horizontal spacing unit;
- C. Designating Applicant as operator of the overlapping horizontal well spacing unit and the horizontal well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, completing, and equipping 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 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, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) approving an overlapping, 320-acre, more or less, standard horizontal well spacing unit in the Bone Spring formation underlying E/2 W/2 of Irregular Section 18 and E/2 W/2 of Irregular Section 19, all in Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in this acreage. **Macho Man 18/19 Federal Com 523H** (API No. 30-025-Pending) well, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 18, to a bottom hole location in SW/4 SW/4 (Lot 4) of Section 19. The proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- 40-acre vertical well spacing unit comprised of Unit C of Section 18, T24S-R28E, dedicated to the Mescalero Ridge E Federal #001 well (API No. 30-025-38060); and
- 40-acre horizontal well spacing unit comprised of Unit F of Section 18, T24S-R28E, dedicated to the Mescalero Ridge F Federal #002 well (API No. 30-025-38409).

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 27 miles northwest of Hobbs, New Mexico.