

**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 the W/2 E/2 of Sections 9 and 16, Township 18 South, Range 33 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. Mewbourne seeks to dedicate the above-referenced spacing unit to the proposed **Dire Wolf 16-9 Fed Com 526H** well, to be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 16, and a bottomhole location in the NW/4 NE/4 (Unit B) of Section 9.
3. The proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing unit:

- A 320-acre horizontal well spacing unit comprised of the E/2 of Section 16, Township 18 South, Range 33 East, operated by EOG Resources Inc and dedicated to the Grace 16 State Com 502H (API No. 30-025-49159).

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all 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 the W/2 E/2 of Sections 9 and 16, Township 18 South, Range 33 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 **Dire Wolf 16-9 Fed Com 526H** well, to be drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 16, and a bottomhole location in the NW/4 NE/4 (Unit B) of Section 9. The proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing unit:

- A 320-acre horizontal well spacing unit comprised of the E/2 of Section 16, Township 18 South, Range 33 East, operated by EOG Resources Inc and dedicated to the Grace 16 State Com 502H (API No. 30-025-49159).

Also to be considered will be the cost of drilling and completing the well 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 well. Said area is located approximately 23 miles southwest of Lovington, New Mexico.