

**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 an overlapping, 480-acre, more or less, standard horizontal well spacing unit in the Bone Spring formation underlying the NW/4 of Section 26, and N/2 of Section 27, Township 18 South, Range 31 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 horizontal spacing unit and has the right to drill thereon.
2. Mewbourne seeks to dedicate the above-referenced spacing unit to the proposed **Hazy 26/27 Federal 403H, Hazy 26/27 Federal 524H and Hazy 26/27 Federal 623H** wells, to be drilled from surface locations in the NE/4 NW/4 (Unit C) of Section 26, with first take points in the SE/4 NW/4 (Unit F) of Section 26, and bottomhole locations in the SW/4 NW/4 (Unit E) of Section 27; **Hazy 26/27 Federal 401H, Hazy 26/27 Federal 502H, Hazy 26/27 Federal 521H and Hazy 26/27 Federal 621H** wells, to be drilled from surface locations in the NE/4 NW/4 (Unit

C) of Section 26, with first take points in the NE/4 NW/4 (Unit C) of Section 26, and bottomhole locations in the NW/4 NW/4 (Unit D) of Section 27.

3. The completed interval of the **Hazy 26/27 Federal 502H** well is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal well spacing unit under 19.15.16.15.B(1)(b) NMAC.

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

- 40-acre vertical well spacing unit comprised of the NE/4 NW/4 (Unit C) of Section 26, T18S-R31E, dedicated to the Hinkle Federal #002H well (API No. 30-015-23388), operated by NSP Resources, LLC (OGRID No. 333426).

5. 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.

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 September 3, 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 wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;

- 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 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 an overlapping, 480-acre, more or less, standard horizontal well spacing unit in the Bone Spring formation underlying the NW/4 of Section 26, and N/2 of Section 27, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. This spacing unit will be initially dedicated to the proposed **Hazy 26/27 Federal 403H, Hazy 26/27 Federal 524H and Hazy 26/27 Federal 623H** wells, to be drilled from surface locations in the NE/4 NW/4 (Unit C) of Section 26, with first take points in the SE/4 NW/4 (Unit F) of Section 26, and bottomhole locations in the SW/4 NW/4 (Unit E) of Section 27; **Hazy 26/27 Federal 401H, Hazy 26/27 Federal 502H, Hazy 26/27 Federal 521H and Hazy 26/27 Federal 621H** wells, to be drilled from surface locations in the NE/4 NW/4 (Unit C) of Section 26, with first take points in the NE/4 NW/4 (Unit C) of Section 26, and bottomhole locations in the NW/4 NW/4 (Unit D) of Section 27. The completed interval of the **Hazy 26/27 Federal 502H** well is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal well spacing unit under 19.15.16.15.B(1)(b) NMAC. The proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing unit:

- 40-acre vertical well spacing unit comprised of the NE/4 NW/4 (Unit C) of Section 26, T18S-R31E, dedicated to the Hinkle Federal #002H well (API No. 30-015-23388), operated by NSP Resources, LLC (OGRID No. 333426).

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 10 miles southwest of Maljamar, New Mexico.