

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING AND APPROVAL
OF OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. _____

APPLICATION

Pursuant to NMSA § 70-2-17, Mewbourne Oil Company, (OGRID No. 14744) (“Mewbourne” or “Applicant”) applies for an order pooling all uncommitted interests in the Third Bone Spring Sand interval of the Bone Spring formation underlying a 478.29-acre, more or less, standard, overlapping horizontal spacing unit comprised of Lot 4, SE/4 SW/4 and S/2 SE/4 (S/2 S/2 equivalent) of irregular Section 19, Township 18 South, Range 30 East, and the S/2 S/2 of Sections 23 and 24, Township 18 South, Range 29 East, Eddy County, New Mexico (“Unit”). In support of its application, Mewbourne states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **IOU 23/19 Fed Com #617H** well (“Well”), which will be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 23, Township 18 South, Range 29 East, to a bottom hole location in the SE/4 SE/4 (Unit P) of irregular Section 19, Township 18 South, Range 30 East.
3. The completed interval of the Well will be orthodox.
4. Due to a depth severance within the Unit, Applicant seeks to pool only those uncommitted interests from the top of the Third Bone Spring Sand at a stratigraphic equivalent of approximately 8709’ TVD, as observed on the well log for the Chocolate Chip 19 Federal Com #001 well (API No. 30-015-32215), to the base of the Bone Spring formation.

5. The spacing Unit for the Well will partially overlap with the spacing units for the following wells, which produce from the Santo Nino; Bone Spring Pool (Code 54600):

- a. Santo Nino 19 Federal #002 well (API No. 30-015-28328) located in the E/2 SE/4 of Section 19, Township 18 South, Range 30 East;
- b. Santo Nino 19 Federal #001 well (API No. 30-015-28329) located in the W/2 SE/4 of Section 19, Township 18 South, Range 30 East; and
- c. Terlingua 23 State #501H well (API No. 30-015-44052) located in the E/2 E/2 of Section 23, Township 18 South, Range 29 East.

6. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.

7. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated as operator of the Well and the Unit.

WHEREFORE, Applicant requests that this application 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. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Approving the overlapping spacing Unit;
- D. Designating Applicant as operator of the Unit and the Well to be drilled thereon;

- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- F. 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
- G. Imposing a 200% penalty 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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