

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

**APPLICATION OF MEWBOURNE  
OIL COMPANY FOR 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 pooling all uncommitted interests in the Bone Spring formation underlying a standard 619.84-acre, more or less, horizontal well spacing unit comprised of Lot 6 (NW4SW4 equivalent), Lot 7 (SW4SW4 equivalent), E2SW4, SE4 of irregular Section 6 and S2 of Section 5, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. 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. Applicant seeks to initially dedicate the above-referenced spacing unit to the following proposed wells:
  - **Sig 6-5 B2LI Fed 1H** and the **Sig 6-5 B3LI Fed 1H** wells to be horizontally drilled from a surface location in Lot 7 (SW4SW4 equivalent) of irregular Section 6 to a bottom hole location in NE4SE4 (Unit I) of Section 5, Township 20 South, Range 29 East.
  - **Sig 6-5 B2MP Fed 1H** well to be horizontally drilled from a surface location in Lot 7 (SW4SW4 equivalent) of irregular Section 6 to a bottom hole

location in the SE4SE4 (Unit P) of Section 5, Township 20 South, Range 29 East.

3. The completed interval of the Sig 6-5 B3LI Fed 1H 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 spacing unit.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the working 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.

6. To allow the recovery of Applicant's just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 3, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial wells thereon;
- B. Designating Applicant as operator of the horizontal spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;

- 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 wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

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**ATTORNEYS FOR MEWBOURNE OIL  
COMPANY**

**Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 619.84-acre, more or less, horizontal well spacing unit comprised of Lot 6 (NW4SW4 equivalent), Lot 7 (SW4SW4 equivalent), E2SW4, SE4 of irregular Section 6 and S2 of Section 5, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the following proposed wells:

- **Sig 6-5 B2LI Fed 1H** and the **Sig 6-5 B3LI Fed 1H** wells to be horizontally drilled from a surface location in Lot 7 (SW4SW4 equivalent) of irregular Section 6 to a bottom hole location in NE4SE4 (Unit I) of Section 5, Township 20 South, Range 29 East.
- **Sig 6-5 B2MP Fed 1H** well to be horizontally drilled from a surface location in Lot 7 (SW4SW4 equivalent) of irregular Section 6 to a bottom hole location in the SE4SE4 (Unit P) of Section 5, Township 20 South, Range 29 East.

The completed interval of the Sig 6-5 B3LI Fed 1H 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 spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost 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 14 miles northeast of Carlsbad, New Mexico.