

**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 (“Applicant”) (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division for an order pooling a 640-acre, more or less, standard horizontal well spacing unit in the Wolfcamp formation underlying the S2 of Sections 22 and 21, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. In support Applicant 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 proposed spacing unit to the following proposed wells:
 - **Papa Grande 22/21 WOIL Fee 1H**, with a first take point in the NE4SE4 (Unit I) of Section 22 and a last take point in the NW4SW4 (Unit L) of Section 21.
 - **Papa Grande 22/21 WOPM Fee 1H**, with a first take point in the SE4SE4 (Unit P) of Section 22 and a last take point in the SW4SW4 (Unit M) of Section 21.
3. 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.
4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

5. Approval of this application will allow the efficient recovery of the oil and gas reserves underlying the subject lands, and is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 6, 2023, 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,

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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 a 640-acre, more or less, standard horizontal well spacing unit in the Wolfcamp formation underlying the S2 of Sections 22 and 21, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be initially dedicated to the following proposed wells:

- **Papa Grande 22/21 WOIL Fee 1H**, with a first take point in the NE4SE4 (Unit I) of Section 22 and a last take point in the NW4SW4 (Unit L) of Section 21.
- **Papa Grande 22/21 WOPM Fee 1H**, with a first take point in the SE4SE4 (Unit P) of Section 22 and a last take point in the SW4SW4 (Unit M) of Section 21.

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 1 mile south of Carlsbad, New Mexico.