

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

**APPLICATION OF MEWBOURNE OIL COMPANY  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**CASE NO. \_\_\_\_\_**

**APPLICATION**

Pursuant to NMSA 1978, § 70-2-17, Mewbourne Oil Company (“Mewbourne” or “Applicant”) (OGRID No. 14744) files this application with the Oil Conservation Division (“Division”) seeking an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a 1,271.48-acre, more or less, non-standard horizontal spacing unit comprised of Sections 6 and 7, Township 19 South, Range 35 East in Lea 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. Applicant seeks to dedicate the Unit to the following proposed wells (“Wells”):
  - a. Beefalo 7/6 State Com #401H to be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 18 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 6;
  - b. Beefalo 7/6 State Com #404H to be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 18 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 6; and
  - c. Beefalo 7/6 State Com #408H to be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 18 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 6.
3. The completed intervals of the Wells will be orthodox.

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

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

6. Applicant has submitted an administrative request for approval of a non-standard horizontal spacing unit.

7. 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 the operator of the proposed horizontal Wells and the Unit.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Oil Conservation Division on July 6, 2023, 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 initial Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- E. Approving the actual operating charges and costs of supervision, 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 wells.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Yarithza Peña

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

ypena@hinklelawfirm.com

*Counsel for Mewbourne Oil Company*