

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

**APPLICATION OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING,
LEA 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 321.09-acre standard horizontal well spacing unit in the Bone Spring formation underlying the S2N2 of Sections 29 and the S2NE4, SE4NW4, Lot 2 (SW4NW4 equivalent) of irregular Section 30, Township 18 South, Range 32 East, NMPM, Lea 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 proposed **Thundercloud 29/30 B2HE Fed Com 1H** well to be horizontally drilled with a first take point in the SE4NE4 (Unit H) of Section 29 and a last take point in the SW4NW4 equivalent (Lot 2) of irregular Section 30.
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 August 3, 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 well 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 well;
- 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 well 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 Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a 321.09-acre standard horizontal well spacing unit in the Bone Spring formation underlying the S2N2 of Sections 29 and the S2NE4, SE4NW4, Lot 2 (SW4NW4 equivalent) of irregular Section 30, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be initially dedicated to the 1. The proposed **Thundercloud 29/30 B2HE Fed Com 1H** well to be horizontally drilled with a first take point in the SE4NE4 (Unit H) of Section 29 and a last take point in the SW4NW4 equivalent (Lot 2) of irregular Section 30. 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 9 miles southwest of Maljamar, New Mexico.



[DATE]

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico: Thundercloud 29/30 B2HE Fed Com 1H well (S2N2 spacing unit)

Greetings:

This letter is to advise you that Mewbourne Oil Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on August 3, 2023, and the status of the hearing can be monitored through the Division’s website at <http://www.emnrd.nm.gov/ocd/>.

Due to the remodeling of the state building where the New Mexico Oil Conservation Division is located, hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Thomas Sloan at (432) 682-3715, or at tsloan@mewbourne.com.

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ATTORNEY FOR MEWBOURNE OIL COMPANY

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