

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

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

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

**APPLICATION**

Pursuant to NMSA § 70-2-17, Mewbourne Oil Company (“Applicant”) (OGRID No. 14744) applies for an order pooling all uncommitted interests in the Wolfcamp formation underlying a 959.81-acre, more or less, standard, overlapping horizontal spacing unit comprised of the W/2 of Sections 27 and 34, Township 23 South, Range 28 East, and the W/2 of Section 3, Township 24 South, Range 28 East, Eddy County, New Mexico (“Unit”). In support of its application, Applicant 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 following wells (“Wells”):
  - a. **Yardbirds 27/3 Fee 711H**, which will be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 27, Township 23 South, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 3, Township 24 South; and
  - b. **Yardbirds 27/3 Fee 713H**, which will be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 27, Township 23 South, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 3, Township 24 South.
3. The completed intervals of the Wells will be orthodox.
4. The Unit will partially overlap with the proposed spacing unit for the Yardbirds 27/3 Fee 715H (API No. pending) well, which will be located in Sections 27 and 34, Township 23

South, Range 28 East, and Section 3, Township 24 South, Range 28 East, and will produce from the Purple Sage, Wolfcamp (Gas) pool (Code 98220).

5. 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.

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

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 Wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 5, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed overlapping spacing unit;
- B. Pooling all uncommitted interests in the Unit;
- C. Approving the Wells in the Unit;
- D. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Wells;
- 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% 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

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