

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

**APPLICATION OF MEWBOURNE OIL
COMPANY FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL SPACING
UNIT AND 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 (1) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the E/2 E/2 of Sections 28 and 33, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. In support of its application, Mewbourne states:

1. Applicant is a working interest owner in the proposed overlapping spacing unit and has the right to drill thereon.
2. Mewbourne seeks to dedicate the above-referenced overlapping horizontal spacing unit to the proposed **Kansas 28/33 Fed Com 558H** well, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 28, a first take point in the NE/4 NE/4 (Unit A) of Section 28, and to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 33.
3. The completed interval of the well will comply with state setbacks for oil wells.
4. The proposed horizontal well spacing unit will overlap the following existing spacing unit in the Bone Spring formation:

- A 160-acre horizontal well spacing unit comprised of the E/2 E/2 of Section 33, T24S-R28E, operated by COG Operating LLC and dedicated to the Really Scary Federal 5H (30-015-40241).

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

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

WHEREFORE, Applicant requests that this matter be set for hearing before an Examiner of the Oil Conservation Division on August 7, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed overlapping non-standard spacing unit;
- B. Pooling all uncommitted interest owners in the overlapping horizontal spacing unit and approving the initial well thereon;
- C. Designating Applicant as operator of this overlapping horizontal spacing unit and the horizontal well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- E. 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
- F. 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 Approval an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the E/2 E/2 of Sections 28 and 33, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico., and (2) pooling all uncommitted interests in this acreage. Mewbourne seeks to dedicate the above-referenced spacing unit to the proposed **Kansas 28/33 Fed Com 558H** well, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 28, a first take point in the NE/4 NE/4 (Unit A) of Section 28, and to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 33. The proposed horizontal well spacing unit will overlap the following existing spacing unit in the Bone Spring formation:

- A 160-acre horizontal well spacing unit comprised of the E/2 E/2 of Section 33, T24S-R28E, operated by COG Operating LLC and dedicated to the Really Scary Federal 5H (30-015-40241).

Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 2 miles southwest of Malaga, New Mexico.