

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
MEWBOURNE OIL COMPANY**

**CASE NO. 22673
ORDER NO. R-22329**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on July 7, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Mewbourne Oil Company (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator does not propose any supervision and risk charges for the Well(s) described in Exhibit A, because the uncommitted oil and gas interests the Operator is seeking to be pool by this Application do not include any working interests.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Because the interests to be pooled by this Order do not include any working interests, there is no necessity to provide in this Order for allocation of costs, risk charges, or overhead charges.
23. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

24. The Unit shall terminate if (a) the owners of all Uncommitted Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
25. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ADRIENNE SANDOVAL
DIRECTOR
AES/jag

Date: 10/28/2022

Exhibit A

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

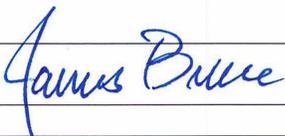
Case:	22673
Date	June 16, 2022
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company/OGRID No. 14744
Applicant's Counsel:	James Bruce
Case Title:	Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Mighty Ducks Wolfcamp wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Entire Wolfcamp formation
Pool Name and Pool Code:	Purple Sage; Wolfcamp (Gas)/Pool Code 98220
Well Location Setback Rules:	Purple Sage pool rules and current horizontal well rules
Spacing Unit Size:	Half Section/320 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres
Building Blocks:	320 acres
Orientation:	East-West
Description: TRS/County	S/2 §15 and S/2 §16-22S-27E, NMPM, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	N/A (pooling a Record Title Owner only)
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Mighty Ducks 15/16 W0IL State Com. Well No. 2H API No. 30-015-46807 SHL: 350 FSL & 270 FEL §15 BHL: 1980 FSL & 330 FWL §16 FTP: 1980 FSL & 330 FEL §15 LTP: 1980 FSL & 330 FWL §16 Upper Wolfcamp/TVD 9020 feet/MD 19470 feet

Revised
EXHIBIT 5

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Mighty Ducks 15/16 WOPM State Com. Well No. 2H
 API No. 30-015-46808
 SHL: 350 FSL & 240 FEL §15
 BHL: 660 FSL & 330 FWL §16
 FTP: 660 FSL & 330 FEL §15
 LTP: 660 FSL & 330 FWL §16
 Upper Wolfcamp/TVD 9020 feet/MD 19470 feet

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	N/A
Production Supervision/Month \$	N/A
Justification for Supervision Costs	N/A
Requested Risk Charge	N/A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	N/A
Tract List (including lease numbers and owners)	
Pooled Parties (including ownership type)	
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2--B
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-B
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	N/A
Cost Estimate to Equip Well	N/A
Cost Estimate for Production Facilities	N/A
Geology	
Summary (including special considerations)	N/A
Spacing Unit Schematic	N/A
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	N/A

Target Formation	Wolfcamp
HSU Cross Section	N/A
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 2-A
Tracts	Exhibit 2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2
General Location Map (including basin)	N/A
Well Bore Location Map	Exhibit 2-A
Structure Contour Map - Subsea Depth	N/A
Cross Section Location Map (including wells)	N/A
Cross Section (including Landing Zone)	N/A
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	June 14, 2022

Effective