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

APPLICATION OF MEWBOURNE OIL COMPANY TO REVOKE OR MODIFY THE INJECTION AUTHORITY GRANTED UNDER ORDER NO. R-10139 FOR THE STATE MA COM NO. 1 OPERATED BY ENDEAVOR ENERGY RESOURCES, LP, EDDY COUNTY, NEW MEXICO.

CASE NO. _____

APPLICATION

Mewbourne Oil Company ("Mewbourne") (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division for an order revoking or modifying the injection authority granted by Order R-10139, issued in June of 1994 in Case No. 10968. In support of its application, Mewbourne states:

1. Mewbourne is a working interest owner in the affected acreage and has the right to drill thereon.

2. Endeavor Energy Resources, LP ("Endeavor") is the current operator of record for the State MA Com No. 1 (30-015-23709), a produced water disposal well located 1980 feet from the North line and 660 feet from the East line (Unit H) in Section 3, Township 25 South, Range 28 East, N.M.P.N., Eddy County, New Mexico (the "State MA SWD").

3. On June 22, 1994, the Division issued Order No. R-10139 authorizing Siete Oil and Gas Company to re-complete the State MA well for disposal in the Bone Spring formation through perforations at "approximately 7,287 feet to approximately 7,740 feet."

4. The State MA was initially drilled and completed by Amoco Production Company in 1981 as a Morrow gas production well and the well was recompleted to the Atoka formation in 1983. In 1992, MW Petroleum Corporation recompleted the well to the Bone Spring, through perforations 7287 feet to 7418 feet. At the time R-10139 was issued, Siete Oil and Gas Company represented to the Division in the filed Form C-108, dated May 10, 1994, that "water injection will be into a zone not productive of oil and gas".

5. First injection into the State MA SWD began in 1994 through the existing Bone Spring perforations and new perforations were added between 7290 feet through 7740 feet. The current injection zone includes the First Bone Spring Sand interval of the Bone Spring formation, an interval that has proven to be productive or potentially productive of hydrocarbons since the advent of horizontal drilling.

6. The continued operation of the State MA SWD is negatively affecting the correlative rights of Mewbourne and other offsetting operators to recover reserves from the Bone Spring formation underlying their acreage with horizontal wells.

7. Mewbourne has requested that Endeavor voluntarily cease injection of produced water into the State MA SWD, but as of the date of the filing this application the well remains an active injection well.

8. Revocation or modification of the injection authority granted by Order R-10139 will prevent the waste of recoverable hydrocarbons and will protect correlative rights.

WHEREFORE, Mewbourne requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 6, 2022, and, after notice and hearing as required by law, the Division enter an order revoking or modifying the injection authority granted by Order R-10139.

Respectfully submitted,

HOLLAND & HART LLP

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ATTORNEYS FOR MEWBOURNE OIL COMPANY

Case No. ____: Application of Mewbourne Oil Company to Revoke or Modify the Injection Authority Granted Under Order No. R-10139 for the State MA Com No. 1 Operated by Endeavor Energy Resources, LP, Eddy County, New Mexico. Applicant seeks an order revoking or modifying the injection authority granted by Order R-10139, issued in June of 1994 in Case No. 10968, for the State MA Com No. 1 (30-015-23709), located 1980 feet from the North line and 660 feet from the East line (Unit H) in Section 3, Township 25 South, Range 28 East, N.M.P.N., Eddy County, New Mexico. The approved injection zone is from "approximately 7,287 feet to approximately 7,740 feet" and includes the First Bone Spring Sand interval of the Bone Spring formation, an interval which has proven to be productive or potentially productive of hydrocarbons since the advent of horizontal drilling. Said area is located approximately 4.5 miles south of Malaga, New Mexico.