

**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 non-standard, 632.03-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying Lots 1-4 and the S/2 N/2 (N/2 equivalent) of irregular Section 1, Township 19 South, Range 30 East, and Lots 1-4 (N/2 N/2), Lot 5 (SW/4 NW/4), SE/4 NW/4 and the S/2 NE/4 (N/2 equivalent) of irregular Section 6, Township 19 South, Range 31 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 horizontal spacing unit and has the right to drill thereon.
2. Mewbourne seeks to dedicate the above-referenced overlapping horizontal spacing unit to the proposed **Tin Man 1/6 Fed Com #601H** well to be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 1, T19S-R30E, to a bottom hole location in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 6, T19S-R31E, and the **Tin Man 1/6 Fed Com #623H** well to be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 1, T19S-R30E, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 6, T19S-R31E.

3. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:

- A 160.32-acre horizontal well spacing unit comprised of Lot 4 (NW/4 NW/4), SW/4 NW/4, W/2 SW/4 of Section 1, T19S-R30E, operated by Cimarex Energy Co. of Colorado and dedicated to the Crescent Hale "1" Federal Com 1H (30-015-37652);
- A 160.22-acre horizontal well spacing unit comprised of Lot 3 (NE/4 NW/4), SE/4 NW/4, E/2 SW/4 of Section 1, T19S-R30E, operated by Cimarex Energy Co. of Colorado and dedicated to the Crescent Hale "1" Federal Com 2H (30-015-38524);
- A 160.14-acre horizontal well spacing unit comprised of Lot 2 (NW/4 NE/4), SW/4 NE/4, W/2 SE/4 of Section 1, T19S-R30E, operated by Chi Operating Inc and dedicated to the Wizard Federal Com 6H (30-015-38543);
- A 159.85-acre horizontal well spacing unit comprised of Lot 3 (NE/4 NW/4), SE/4 NW/4, E2 SW/4 of Section 6, T19S-R31E, operated by Permian Resources Operating, LLC and dedicated to the Hackberry 6 Federal 4H (30-015-41248);
- A 159.74-acre horizontal spacing unit comprised of Lot 2 (NW/4 NE/4), SW/4 NE/4, W/2 SE/4 of Section 6, T19S-R31E, operated by Devon Energy Production Company, L.P. and dedicated to the Helios 6 Federal Com 2H (30-015-38483) and the Helios 6 Federal Com 4H (30-015-42316); and
- A 159.63-acre horizontal well spacing unit comprised of Lot 1 (NE/4 NE/4), SE/4 NE/4, E/2 SE/4 of Section 6, T19S-R31E, operated by Devon Energy Production Company, L.P. and dedicated to the Helios 6 Federal Com 1H (30-015-38482) and the Helios 6 Federal Com 3H (30-015-41619).

4. Applicant will file separately for administrative approval of the non-standard horizontal spacing unit.

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 May 8, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interest owners in the horizontal spacing unit;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping 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 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 non-standard, 632.03-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying Lots 1-4 and the S/2 N/2 (N/2 equivalent) of irregular Section 1, Township 19 South, Range 30 East, and Lots 1-4 (N/2 N/2), Lot 5 (SW/4 NW/4), SE/4 NW/4 and the S/2 NE/4 (N/2 equivalent) of irregular Section 6, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Mewbourne seeks to dedicate the above-referenced overlapping horizontal spacing unit to the proposed **Tin Man 1/6 Fed Com #601H** well to be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 1, T19S-R30E, to a bottom hole location in Lot 1 (NE/NE equivalent) of irregular Section 6, T19S-R31E, and the **Tin Man 1/6 Fed Com #623H** well to be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 1, T19S-R30E, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 6, T19S-R31E. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:

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- A 159.85-acre horizontal well spacing unit comprised of Lot 3 (NE/4 NW/4), SE/4 NW/4, E2 SW/4 of Section 6, T19S-R31E, operated by Permian Resources Operating, LLC and dedicated to the Hackberry 6 Federal 4H (30-015-41248);
- A 159.74-acre horizontal spacing unit comprised of Lot 2 (NW/4 NE/4), SW/4 NE/4, W/2 SE/4 of Section 6, T19S-R31E, operated by Devon Energy Production Company, L.P. and dedicated to the Helios 6 Federal Com 2H (30-015-38483) and the Helios 6 Federal Com 4H (30-015-42316); and
- A 159.63-acre horizontal well spacing unit comprised of Lot 1 (NE/4 NE/4), SE/4 NE/4, E/2 SE/4 of Section 6, T19S-R31E, operated by Devon Energy Production Company, L.P. and dedicated to the Helios 6 Federal Com 1H (30-015-38482) and the Helios 6 Federal Com 3H (30-015-41619).

Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as wells 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 16 miles south of Loco Hills, New Mexico.