

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

**APPLICATION OF MEWBOURNE OIL COMPANY  
FOR COMPULSORY POOLING AND APPROVAL  
OF NON-STANDARD SPACING UNIT,  
EDDY COUNTY, NEW MEXICO**

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

**APPLICATION**

Pursuant to NMSA § 70-2-17, Mewbourne Oil Company, (OGRID No. 14744) (“Mewbourne” or “Applicant”) applies for an order pooling all uncommitted interests in the Second Bone Spring interval of the Bone Spring formation underlying an 876.42-acre, more or less, non-standard horizontal spacing unit comprised of the N/2 of Section 19, Township 18 South, Range 30 East, the N/2 of Section 24, Township 18 South, Range 29 East, and the NW/4 and W/2 NE/4 of Section 23, Township 18 South, Range 29 East, Eddy County, New Mexico (“Unit”). In support of its application, Mewbourne 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. **IOU 19/23 Fed Com #521H**, which will be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 20, Township 18 South, Range 30 East, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 23, Township 18 South, Range 29 East; and
  - b. **IOU 19/23 Fed Com #523H**, which will be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 20, Township 18 South, Range 30 East, to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 23, Township 18 South, Range 29 East.

3. The "West Area" of the spacing unit is the NW/4 and W/2 NE/4 of Section 23, Township 18 South, Range 29 East. The "East Area" of the spacing unit is the N/2 of Section 24, Township 18 South, Range 29 East, and the N/2 of Section 19, Township 18 South, Range 30 East. The West Area and the East Area are separated by the E/2 of the NE/4 of Section 23, Township 18 South, Range 29 East ("Separating Area"). The Separating Area is not part of the Unit. Therefore, Applicant requests approval of a non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5) NMAC, which will create cost efficiencies, prevent waste, and protect correlative rights.

4. The completed intervals of the Wells will be orthodox. The Wells will traverse the Separating Area but will not be completed within it.

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 as 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 March 5, 2026, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;

- C. Approving the non-standard spacing 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% penalty 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,

HARDY MCLEAN LLC

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