

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

Case No. _____

APPLICATION

Mewbourne Oil Company applies for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a non-standard horizontal spacing unit comprised of the S½ of Section 10 and the S½ of Section 11, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the S½ of Section 10 and the S½ of Section 11 (containing 640 acres), and has the right to drill a well or wells thereon.
2. Applicant proposes to drill (a) the Seabass 10/11 Fed. Com. Well No. 526H, with a first take point in the NW¼SW¼ of Section 10 and a last take point in the NE¼SE¼ of Section 11, and (b) the Seabass 10/11 Fed. Com. Well No. 528H, with a first take point in the SW¼SW¼ of Section 10 and a last take point in the SE¼SE¼ of Section 11, to depths sufficient to test the Bone Spring formation, and to dedicate the S½ of Section 10 and the S½ of Section 11 to the wells.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S½ of Section 10 and the S½ of Section 11 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests.

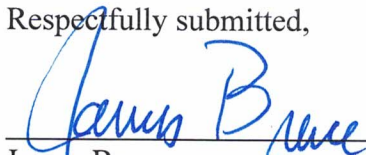
Therefore, applicant seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying S½ of Section 10 and the S½ of Section 11, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying the S½ of Section 10 and the S½ of Section 11 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interest owners in the Bone Spring formation (Sand Tank; Bone Spring Pool/Pool Code 96832) underlying the S½ of Section 10 and the S½ of Section 11;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, equipping, and testing the wells, and allocating the cost among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, equipping, and testing the well in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,


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