

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

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

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

**APPLICATION**

Mewbourne Oil Company ("Applicant") files this application with the Oil Conservation Division (the "Division") for an order pooling uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 9 and the S/2S/2 of Section 8, Township 22 South, Range 27 East, Eddy County, New Mexico (the "Unit"). In support of this application, Applicant states:

1. Applicant is an interest owner an operator in the Unit, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells in the Unit to depths sufficient to test the Bone Spring formation: The Sandlot 9/8 Well Nos. 527H and 557H, with first take points in the SE/4SE/4 of Section 9 and last take points in the SW/4SW/4 of Section 8.
3. Although Applicant has in good faith sought to obtain voluntary joinder of all other mineral interest owners in the Unit 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 commit their interests. Therefore, Applicant seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the Unit, pursuant to NMSA 1978 Sec. 70-2-17.

**WHEREFORE**, Applicant requests this application be set for hearing before an Examiner of the Division, and, after notice and hearing, the Division issue its order:

- A. Pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the Unit;
- B. Designating Applicant as operator of the wells and the Unit;
- C. Considering the cost of drilling, completing, testing, and equipping the wells, and allocating the cost thereof 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, testing, and equipping the wells in the event a working interest owner elects not to participate in the wells

Respectfully submitted,



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Attorney for Mewbourne Oil Company

***Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico:***

Mewbourne Oil Company ("Applicant") has filed an application with the Oil Conservation Division for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 9 and the S/2S/2 of Section 8, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico (the "Unit). Applicant proposes to drill the following wells in the Unit to test the Bone Spring formation: The Sandlot 9/8 Well Nos. 527H and 557H, with first take points in the SE/4SE/4 of Section 9 and last take points in the SW/4SW/4 of Section 8. Also to be considered will be the cost of drilling, completing, testing, and equipping the wells, and the allocation of the cost thereof among the wells' working interest owners, designation of Applicant as operator of the wells and the Unit, approval of actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure, and setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells in the event a working interest owner elects not to participate in the wells. The Unit is located approximately 3-1/2 miles northwest of Otis, New Mexico.