

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

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

CASE NO. _____

APPLICATION

Mewbourne Oil Company ("Applicant") files this application with the Oil Conservation Division (the "Division") for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 17, the E/2E/2 of Section 8, and Lot 16 and the E/2SE/4 of Section 5, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico (the "Unit). In support of this application, Applicant states:

1. Applicant is an interest owner and 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:
 - (a) The Cousin Eddy Fed. Unit Com. Well No. 10H, with a first take point in the SE/4SE/4 of Section 17 and a last take point in Lot 16 of Section 5;
 - (b) The Cousin Eddy Fed. Unit Com. Well No. 121H, with a first take point in the SE/4SE/4 of Section 17 and a last take point in Lot 16 of Section 5; and
 - (c) The Cousin Eddy Fed. Unit Com. Well No. 15H, with a first take point in the SE/4SE/4 of Section 17 and a last take point in Lot 16 of Section 5.
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

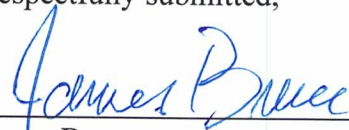
their interests to the wells, certain interest owners have failed or refused to commit their interests. Therefore, Applicant seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the Unit, pursuant to NMSA 1978 Sec. 70-2-17.

4. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying the Unit will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
Phone: (505) 982-2043
Cell: (505) 660-6612

jamesbruc@aol.com

Attorney for Mewbourne Oil Company

Application of Mewbourne Oil Company for compulsory pooling, Lea 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 the E/2E/2 of Section 17, the E/2E/2 of Section 8, and Lot 16 and the E/2SE/4 of Section 5, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico (the "Unit). In support of this application, Applicant proposes to drill the following wells in the Unit to depths sufficient to test the Bone Spring formation:

- (a) The Cousin Eddy Fed. Unit Com. Well No. 10H, with a first take point in the SE/4SE/4 of Section 17 and a last take point in Lot 16 of Section 5;
- (b) The Cousin Eddy Fed. Unit Com. Well No. 12H, with a first take point in the SE/4SE/4 of Section 17 and a last take point in Lot 16 of Section 5; and
- (c) The Cousin Eddy Fed. Unit Com. Well No. 15H, with a first take point in the SE/4SE/4 of Section 17 and a last take point in Lot 16 of Section 5.

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 4 miles south-southeast of Halfway, New Mexico.