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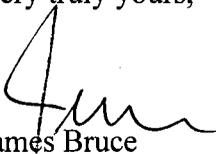
July 17, 2012

Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set the application for the August 23, 2012 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

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Case 14884

Parties Being Pooled

COG Operating LLC  
Concho Oil & Gas LLC  
Suite 100  
550 West Texas  
Midland, Texas 79701

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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

Case No. 14884

**APPLICATION**

Mewbourne Oil Company applies for an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the W $\frac{1}{2}$  of Section 15, Township 25 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the W $\frac{1}{2}$  of Section 15, and has the right to drill a well thereon.
2. Applicant proposes to drill its San Lorenzo 15 DM Fee Com. Well No. 1 to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the W $\frac{1}{2}$  of Section 15 to the well to form a standard 320 acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing within that vertical extent. The well is a horizontal well, with a surface location in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ , and a terminus in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ , of Section 15.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W $\frac{1}{2}$  of Section 15 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 well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the W $\frac{1}{2}$  of Section 15, pursuant to NMSA 1978 §70-2-17.

5. Approval of the pooling of all mineral interests underlying the W $\frac{1}{2}$  of Section 15 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 interests from the surface to the base of the Wolfcamp formation underlying the W $\frac{1}{2}$  of Section 15;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's 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 and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 14884 :

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

Mewbourne Oil Company seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the W/2 of Section 15, Township 25 South, Range 28 East, NMPM, to form a standard 320 acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing within that vertical extent. The unit is to be dedicated to the San Lorenzo 15 DM Fee Com. Well No. 1, a horizontal well with a surface location in the NW/4NW/4, and a terminus in the SW/SW/4, of Section 15. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 7 miles south of Malaga, New Mexico.