

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

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

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CASE NO. 14918

APPLICATION

MEWBOURNE OIL COMPANY, ("Mewbourne") through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order (1) creating a non-standard 160-acre spacing and proration unit comprised of the N/2 S/2 of Section 10, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage to form a 160-acre project area in this formation. In support of its application, Mewbourne states:

1. Mewbourne is a working interest owner in the N/2 S/2 of Section 10 and has the right to drill thereon.

2. Mewbourne proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed Tamano 10 Fed Com 8H Well to be horizontally drilled from a surface location 1,737 feet from the South line and 260 feet from the West line to a bottom hole location 1,800 feet from the South line and 330 feet

from the East line of Section 10. The completed interval for this well will be within the 330-foot standard offset required by the rules.

3. The subject spacing unit includes more than one federal lease. All working interest owners and record title holders must ratify and join a federal communitization agreement before production can be approved by the U.S. Bureau of Land Management ("BLM").

4. Mewbourne has obtained the voluntary agreement of all the working interests in the subject spacing unit under a joint operating agreement, but has been unable to obtain the voluntary ratification and joinder to the communitization agreement of all the working interest owners necessary for BLM approval.

5. Mewbourne, therefore, has sought and been unable to obtain the voluntary agreement necessary for the development of these lands from all of the working interest owners in the subject spacing unit.

6. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

7. In order to permit Mewbourne to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests in this non-standard spacing unit should be pooled and Mewbourne should be designated the operator of this proposed horizontal well and spacing unit.

WHEREFORE, Mewbourne requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 1, 2012, and, after notice and hearing as required by law, the Division enter its order:

- A. Creating a non-standard spacing and proration unit in the Bone Spring formation comprised of the N/2 S/2 of Section 10, Township 18 South, Range 31 East, NMPM;
- B. Pooling all mineral interests in the non-standard spacing and proration unit; and
- C. Designating Mewbourne operator of this non-standard spacing unit and the horizontal well to be drilled thereon.

Respectfully submitted,

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By 

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ATTORNEYS FOR COG OPERATING LLC

CASE 14918:

Application of Mewbourne Oil Co. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre spacing and proration unit comprised of the N/2 S/2 of Section 10, Township 18 South, Range 31 East, NMPM, Eddy County, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Tamano 10 Fed Com 8H well to be horizontally drilled from a surface location 1,737 feet from the South line and 260 feet from the West to a bottom hole location 1,800 feet from the South line and 330 feet from the East line of Section 10. The completed interval for this well will be within the 330-foot standard offset required by the rules. Said area is located approximately 14 miles southeast of Loco Hills, New Mexico.