

**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. 20179

**APPLICATION**

Pursuant to NMSA § 70-2-17, Mewbourne Oil Company ("Mewbourne") applies for an order pooling all uncommitted mineral interests in the Bone Spring formation in a standard 240-acre horizontal spacing unit comprised of the W/2 W/2 of Section 26 and the W/2 SW/4 of Section 23, Township 21 South, Range 34 East in Lea County, New Mexico. In support of its Application, Mewbourne states:

1. Mewbourne (OGRID No. 14744) is a working interest owner in the W/2 W/2 of Section 26 and the W/2 SW/4 of Section 23 and has the right to drill wells thereon.
2. The horizontal spacing unit will be dedicated to Mewbourne's proposed Inland 26/23 B2ML State Com #1H and Inland 26/23 B3ML State Com #2H wells. Both wells will be horizontally drilled from a surface location in Unit M in Section 26 to a last take point in Unit L in Section 23, Township 21 South, Range 34 East.
3. The completed intervals for both wells will be orthodox.
4. Mewbourne has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells, but has been unable to obtain voluntary agreements from all of the mineral interest owners.
5. The pooling of those uncommitted mineral interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to allow Mewbourne to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interest owners in the horizontal spacing unit should be pooled.

WHEREFORE, Mewbourne requests that this application be set for hearing on January 10, 2019 and that, after notice and hearing, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Bone Spring formation in the W/2 W/2 of Section 26 and the W/2 SW/4 of Section 23, Township 21 South, Range 34 East;


B. Authorizing Mewbourne to recover its costs of drilling, equipping, and completing the Inland 26/23 B2ML State Com #1H and Inland 26/23 B3ML State Com #2H wells;

C. Considering the costs of drilling and completing the wells and allocating the costs among the uncommitted mineral interest owners;

D. Approving the actual operating charges and costs of supervision during drilling and after completion, together with a provision for adjusting the rates pursuant to the COPAS accounting procedure; and

E. Imposing a 200% penalty for the risk assumed by Mewbourne in drilling and completing the Inland 26/23 B2ML State Com #1H and Inland 26/23 B3ML State Com #2H wells against any mineral interest owner who does not voluntarily participate in the drilling of the wells.

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## **PROPOSED NOTICE**

**Case No. \_\_\_\_\_: Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all uncommitted mineral interests in the Bone Spring formation in a standard 240-acre horizontal spacing unit comprised of the W/2 W/2 of Section 26 and the W/2 SW/4 of Section 23, Township 21 South, Range 34 East in Lea County. The horizontal spacing unit will be dedicated to the proposed Inland 26/23 B2ML State Com #1H and Inland 26/23 B3ML State Com #2 H wells, both of which will be horizontally drilled from a surface location in Unit M in Section 26 to last take point in Unit L in Section 23, Township 21 South, Range 34 East. The completed intervals for both wells will be orthodox. Also to be considered will be the costs of drilling and completing the wells and the allocation of the costs, the designation of Mewbourne Oil Company as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The location of the wells is approximately 12.5 miles west of Eunice, New Mexico.

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