

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 20609

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N $\frac{1}{2}$ of Section 31 and the N $\frac{1}{2}$ of Section 32, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

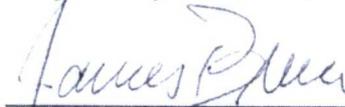
1. Applicant is an interest owner in the N $\frac{1}{2}$ of Section 31 and the N $\frac{1}{2}$ of Section 32, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells to test the Wolfcamp formation:
(a) the Sundown 31/32 W0DA Fee Well No. 1H, with a first take point in the NW/4NW/4 of 31 and a final take point in the NE/4NE/4 of Section 32; (b) the Sundown 31/32 W0EH Fee Well No. 2H, with a first take point in the SW/4NW/4 of 31 and a final take point in the SE/4NE/4 of Section 32; and (c) the Sundown 31/32 W0EH Fee Well No. 3H, with a first take point in the SW4NW/4 of 31 and a final take point in the SE/4NE/4 of Section 32.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners 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 join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying the N $\frac{1}{2}$ of Section 31 and the N $\frac{1}{2}$ of Section 32, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the N½ of Section 31 and the N½ of Section 32 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 in the Wolfcamp formation underlying the N½ of Section 31 and the N½ of Section 32;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling and completing the wells, and allocating the cost 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 and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



James Bruce
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Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Mewbourne Oil Company

PARTIES NOTIFIED

1. The heirs or devisees of Lindsey Brininstool
1400 West Tyler Avenue
Lovington, New Mexico 88260-2443
2. Danny L. Smith and Tweetsy Kay Smith,
and/or their heirs or devisees
1207 Greer Drive
Carlsbad, New Mexico 88220
3. Dennis H. Schmidt and Victoria J. Schmidt,
and/or their heirs or devisees
1915 Solana Road
Carlsbad, New Mexico 88220-2603
4. Jeffrey Caswell Neal
1305 Alpha Street
Carlsbad, New Mexico 88220-4604
5. Judith Gene Hanttula
3996 Marble Hill Road
Frisco, Texas 75034
6. Janet Elizabeth Vogt
13404 Piedra Grande Place NE
Albuquerque, New Mexico 87111-9217
7. Mary Sue Price McDonald
507 Who Who Drive
Carlsbad, New Mexico 88220
8. Henry Lloyd Price
812 Hopi Road
Carlsbad, New Mexico 88220
9. The heirs and devisees of Thomas Winston Price who apparently are:
 1. Kerry and Lisa Watson
1507 Monroe Street
Carlsbad, New Mexico 88220-4140
 2. Tommy and Christie Price
304 Grassburr Lane
Carlsbad, New Mexico 88220-9617

3. Michael Price
304 Grassburr Lane
Carlsbad, New Mexico 88220-9617

10. The heirs or devisees of Otis L. Price who apparently are:

1. Mary Sue Price McDonald
2. Henry Lloyd Price
3. Kerry and Lisa Watson
- 4.
4. Tommy and Christie Price
5. Michael Price
6. Glenn Osie Price, Jr.
7901 Wilmington Drive
Rowlett, Texas 75089
7. Sherry Lynn Smith Yeager
812 Hopi Road
Carlsbad, New Mexico 88220
8. Steven Neal Smith
HC 32 Apartment 520
Quemado, New Mexico 87829-9606