

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL  
COMPANY FOR COMPULSORY POOLING  
AND AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

NO. 11829

APPLICATION

Mewbourne Oil Company hereby applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N $\frac{1}{4}$  of Section 35, Township 23 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and for an unorthodox gas well location, and in support thereof states:

1. Applicant is a working interest owner in the N $\frac{1}{4}$  of said Section 35, and has the right to drill a well thereon.

2. Applicant proposes to drill its Black River "35" State Com. Well No. 1, at a location 760 feet from the North line and 1650 feet from the West line of the Section 35,<sup>1</sup> to test the Morrow formation, and seeks to dedicate the N $\frac{1}{4}$  of Section 35 to the well for all pools or formations spaced on 320 acres, including the South Carlsbad-Morrow Gas Pool and the North Black River-Atoka Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N $\frac{1}{4}$  of Section 35 for the purposes set forth herein.

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<sup>1</sup>The well's location is unorthodox in the Morrow formation only (South Carlsbad-Morrow Gas Pool). Mewbourne Oil Company filed an application for administrative approval of the unorthodox location with the Division on June 5, 1997. If that application is approved, the unorthodox location portion of this application will be dismissed.

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 N½ of Section 35, pursuant to N.M. Stat. Ann. § 70-2-17 (1995 Repl. Pam.).

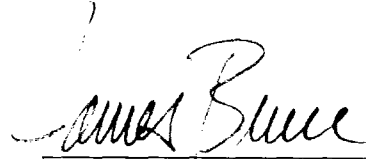
5. The pooling of all mineral interests underlying the N½ of Section 35, and the approval of the unorthodox well location, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, Applicant requests that, after notice and hearing, the Division enter its order:

- (a) Pooling all mineral interests in the N½ of Section 35, from the surface to the base of the Morrow formation;
- (b) Designating applicant as operator of the well;
- (c) Considering the cost of drilling and completing the well, and allocating the cost thereof among the well's working interest owners;
- (d) Approving actual operating charges and costs charged for supervision, together with a provision adjusting said rates per the COPAS accounting procedure;
- (e) Setting a penalty for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well;
- (f) Approving the unorthodox gas well location; and

(g) Granting such further relief as the Division deems proper.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

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