

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**APPLICATION OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING
AND A NON-STANDARD SPACING AND
PRORATION UNIT, LEA COUNTY, NEW MEXICO.****Case No.** _____**APPLICATION**

Mewbourne Oil Company applies for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a non-standard spacing and proration horizontal spacing unit comprised of the NE/4 of Section 33, the E/2 of Section 28, and the E/2 of Section 21, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the NE/4 of Section 33, the E/2 of Section 28, and the E/2 of Section 21, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells to depths sufficient to test the Bone Spring formation:
 - (a) the Charolais 33/21 B1GB State Com. Well No. 1H, with a first take point in the SW/4NE/4 of Section 33 and a last take point in the NW/4NE/4 of Section 21; and
 - (b) the Charolais 33/21 B1HA State Com. Well No. 1H, with a first take point in the SE/4NE/4 of Section 33 and a last take point in the NE/4NE/4 of Section 21.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation in the NE/4 of Section 33, the E/2 of Section 28, and the E/2 of Section 21 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 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 uncommitted mineral interest owners in the Bone Spring formation in the NE/4 of Section 33, the E/2 of Section 28, and the E/2 of Section 21, pursuant to NMSA 1978 §70-2-17.

5. Applicant also requests approval of a nonstandard spacing and proration unit in the Bone Spring formation (Pearl; Bone Spring Pool) for a unit comprised of the NE/4 of Section 33, the E/2 of Section 28, and the E/2 of Section 21.

6. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying the NE/4 of Section 33, the E/2 of Section 28, and the E/2 of Section 21 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 uncommitted interest owners in the Bone Spring formation underlying the NE/4 of Section 33, the E/2 of Section 28, and the E/2 of Section 21;
- B. Approving the non-standard spacing and proration unit;
- C. Designating applicant as operator of the wells;
- D. Considering the cost of drilling, completing, testing, and equipping the wells, and allocating the cost thereof among the wells' working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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