

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. _____

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interest owners in the Bone Spring formation in a horizontal spacing unit underlying the $W\frac{1}{2}W\frac{1}{2}$ of Section 19 and the $W\frac{1}{2}W\frac{1}{2}$ of Section 18, 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 $W\frac{1}{2}W\frac{1}{2}$ of Section 19 and the $W\frac{1}{2}W\frac{1}{2}$ of Section 18, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the Santa Vaca 19/18 B2MD State Com. Well No. 1H and the Santa Vaca 19/18 B3MD State Com. Well No. 2H to depths sufficient to test the Bone Spring formation, and has dedicated the $W\frac{1}{2}W\frac{1}{2}$ of Section 19 and the $W\frac{1}{2}W\frac{1}{2}$ of Section 18 to the wells. The wells are horizontal wells, with first take points in the $SW\frac{1}{4}SW\frac{1}{4}$ of Section 19 and last take points in the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 18.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the $W\frac{1}{2}W\frac{1}{2}$ of Section 19 and the $W\frac{1}{2}W\frac{1}{2}$ of Section 18 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 mineral interest owners in the Bone Spring

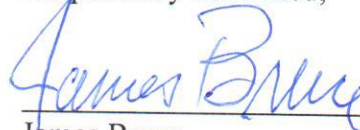
formation underlying the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 19 and the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 18, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interest owners in the Bone Spring formation underlying the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 19 and the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 18 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 Bone Spring formation underlying the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 19 and the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 18;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, and equipping 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, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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