

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF MEWBOURNE OIL  
COMPANY TO RE-OPEN CASE NO. 21770  
FOR COMPULSORY POOLING TO POOL  
ADDITIONAL PARTIES, EDDY COUNTY,  
NEW MEXICO.**

Case No. \_\_\_\_\_

**APPLICATION**

Mewbourne Oil Company applies for an order pooling additional mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W $\frac{1}{2}$  of Section 35 and the W $\frac{1}{2}$  of Section 26, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the W $\frac{1}{2}$  of Section 35 and the W $\frac{1}{2}$  of Section 26, and has the right to drill a well or wells thereon.

2. Applicant proposes to drill the following wells on the unit to depths sufficient to test the Wolfcamp formation:

(a) The Layla 35/26 W0MD Fee Well No. 1H, with a first take point in the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 35 and a last take point in the NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 26;

(b) The Layla 35/26 W0NC Fee Well No. 1H, with a first take point in the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 35 and a last take point in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 26; and

(c) The Layla 35/26 W0NC Fee Well No. 2H, with a first take point in the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 35 and a last take point in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 26.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W $\frac{1}{2}$  of Section 35 and the W $\frac{1}{2}$  of Section 26 for the purposes set forth herein.

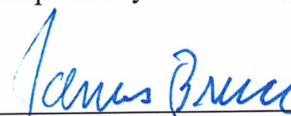
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain mineral interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying W $\frac{1}{2}$  of Section 35 and the W $\frac{1}{2}$  of Section 26, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interest owners in the Wolfcamp formation underlying the W $\frac{1}{2}$  of Section 35 and the W $\frac{1}{2}$  of Section 26 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 interest owners in the Wolfcamp formation underlying the W $\frac{1}{2}$  of Section 35 and the W $\frac{1}{2}$  of Section 26 to form a standard 640 acre spacing and proration unit;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, and equipping the wells and allocating the cost thereof 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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