

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING AND APPROVAL OF
OVERLAPPING WELL UNITS, EDDY COUNTY,
NEW MEXICO.**

Case No. _____

APPLICATION

Mewbourne Oil Company applies for an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2 of Section 18 and the S/2 of Section 17, Township 23 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 S/2 of Section 18 and the S/2 of Section 17, and has the right to drill a well or wells thereon.

2. Applicant proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation:

(a) The Slider 18/17 W0LI Fed. Com. Well No. 1H, with a first take point in the NW/4SW/4 of 18 and a last take point in the NE/4SE/4 of Section 17; and

(b) The Slider 18/17 W0MP Fed. Com. Well No. 1H, with a first take point in the SW/4SW/4 of 18 and a last take point in the SE/4SE/4 of Section 17.

The S/2 of Section 18 and the S/2 of Section 17 will be dedicated to the wells.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2 of Section 18 and the S/2 of Section 17 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 Wolfcamp formation underlying the S/2 of Section 18 and the S/2 of Section 17, pursuant to NMSA 1978 §§70-2-17.

5. The proposed well unit overlaps the following existing, producing well unit, and applicant requests approval of the overlapping well units:

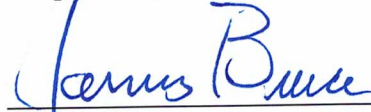
<u>Well Name</u>	<u>Well Unit</u>	<u>Operator</u>
Slider 18 W2MD Fed. Com. Well No. 1H	W/2 §18-23S-27E	Mewbourne Oil Co.

6. The pooling of all mineral interest owners in the Wolfcamp formation underlying the S/2 of Section 18 and the S/2 of Section 17, and approval of the overlapping well units, 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 uncommitted mineral interest owners in the Wolfcamp formation underlying the S/2 of Section 18 and the S/2 of Section 17;
- 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;
- 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; and
- F. Approving the overlapping well units.

Respectfully submitted,



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