

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**APPLICATION OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING
AND APPROVAL OF 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, limited to depths from the top of the First Bone Spring to the base of the Second Bone Spring, underlying a non-standard horizontal spacing unit comprised of the $W\frac{1}{2}$ of Section 15 and the $W\frac{1}{2}$ of Section 10, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the $W\frac{1}{2}$ of Section 15 and the $W\frac{1}{2}$ of Section 10, 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 Ibex 15/10 B1MD Federal Com. Well No. 1H and the Ibex 15/10 B2MD Federal Com. Well No. 1H, with first take points in the in the $SW\frac{1}{4}SW\frac{1}{4}$ of Section 15 and last take points in the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 10; and

(b) The Ibex 15/10 B1NC Federal Com. Well No. 1H and the Ibex 15/10 B2NC Federal Com. Well No. 1H, with first take points in the in the $SE\frac{1}{4}SW\frac{1}{4}$ of Section 15 and last take points in the $NE\frac{1}{4}NW\frac{1}{4}$ of Section 10.

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 15 and the $W\frac{1}{2}$ of Section 10 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, limited to depths

from the top of the First Bone Spring to the base of the Second Bone Spring, in the W½ of Section 15 and the W½ of Section 10, pursuant to NMSA 1978 §70-2-17.

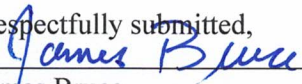
5. Applicant also requests approval of a non-standard spacing and proration unit in the Bone Spring formation (Antelope; Bone Spring, West Pool) for a unit comprised of the W/2 of Section 15 and the W/2 of Section 10.

6. The pooling of all uncommitted mineral interest owners in the Bone Spring formation, and approval of the non-standard spacing and proration unit, underlying the W½ of Section 15 and the W½ of Section 10, as set forth above, 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 Bone Spring formation, limited to depths from the top of the First Bone Spring to the base of the Second Bone Spring, underlying the W½ of Section 15 and the W½ of Section 10;
- 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 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,


James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Mewbourne Oil Company