

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING AND APPROVAL
OF UNORTHODOX WELL LOCATIONS, 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 NW/4 of Section 14 and the W/2 of Section 11, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and approval of unorthodox well locations, and in support thereof, states:

1. Applicant is an interest owner in the NW/4 of Section 14 and the W/2 of Section 11 of Section 14, 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 Wolfcamp formation:

(a) the Fuller 14/11 W1ED Fed. Com. Well No. 1H, with a first take point in the SW/4NW/4 of Section 14 and a last take point in the NW/4NW/4 of Section 11;

(b) the Fuller 14/11 W1ED Fed. Com. Well No. 2H, with a first take point in the SW/4NW/4 of Section 14 and a last take point in the NW/4NW/4 of Section 11;

(c) the Fuller 14/11 W1FC Fed. Com. Well No. 1H, with a first take point in the SE/4NW/4 of Section 14 and a last take point in the NE/4NW/4 of Section 11; and

(d) the Fuller 14/11 W1FC Fed. Com. Well No. 2H, with a first take point in the SE/4NW/4 of Section 14 and a last take point in the NE/4NW/4 of Section 11.

The first and last take points of the wells will be 100 feet from the end lines of the well unit.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the NW/4 of Section 14 and the W/2 of Section 11 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 Wolfcamp formation underlying the NW/4 of Section 14 and the W/2 of Section 11 pursuant to NMSA 1978 §70-2-17.

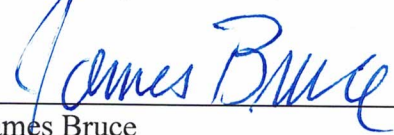
5. The pooling of all uncommitted mineral interest owners in the Wolfcamp formation underlying NW/4 of Section 14 and the W/2 of Section 11, and approval of the unorthodox well locations, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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 NW/4 of Section 14 and the W/2 of Section 11;
- B. Approving the unorthodox well locations;
- 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,



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