

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF MEWBOURNE OIL COMPANY  
TO VACATE ORDER NO. R-21575 AND FOR  
COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.**

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

**APPLICATION**

Mewbourne Oil Company (“Mewbourne” or “Applicant”) applies for an order (a) vacating Order No. R-21575, and (b) pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of Lots 1 - 4 (the N/2N/2) of Section 3 and Lots 1 - 4 (the N/2N/2) of Section 4, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, containing 336.12 acres, and in support thereof, states:

1. Applicant is an interest owner in the N/2N/2 of Section 3 and the N/2N/2 of Section 4, and has the right to drill a well thereon.
2. Applicant proposes to drill the Judge 3/4 B3AD Fed. Com. Well No. 1H to a depth sufficient to test the Bone Spring formation (Parkway; Bone Spring Pool/Pool Code 49622), with a first take point in Lot 1 of Section 3 and a last take point in Lot 4 of Section 4.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2N/2 of Section 3 and the N/2N/2 of Section 4 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 well or to otherwise commit their interests to the well, 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 underlying the N/2N/2 of Section 3 and the N/2N/2 of Section 4, pursuant to NMSA 1978 §70-2-17.

5. Order No. R-21575 pooled the N/2 of Section 2 and the N/2 of Section 3, Township 20 South, Range 29 East, N.M.P.M. for the purpose of drilling the proposed Meridian 3 Fed. State Com. Well No. 113H. The operator of the well is Colgate Operating, LLC (“Colgate”).

6. In conjunction with three other applications filed by Mewbourne, covering portions of Sections 3 and 4, those two sections will be fully developed by Mewbourne’s development plan, which is superior to the plan proposed by Colgate. As a result, Mewbourne requests that Order No. R-21575 be vacated so that Mewbourne may reasonably develop all of Sections 3 and 4.

7. Vacating Order No. R-21575, and pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying the N/2N/2 of Section 3 and the N/2N/2 of Section 4, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

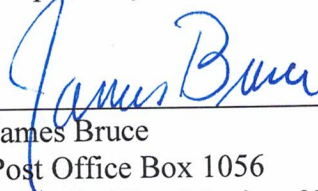
**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

- A. Vacating Order No. R-21575;
- B. Pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the N/2N/2 of Section 3 and the N/2N/2 of Section 4;
- C. *Designating applicant as operator of the well;*
- D. *Considering the cost of drilling, completing, testing, and equipping the well, and allocating the cost among the well’s 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 well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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