

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, 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 underlying a proximity tract horizontal spacing unit comprised of the E/2 of Section 28 and the E/2 of Section 33, Township 21 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E/2 of Section 28 and the E/2 of Section 33 (containing 640 acres), and has the right to drill a well thereon.

2. Applicant proposes to drill the Lobo 33/28 Fed. Com. Well No. 626H with a first take point in the SW/4SE/4 of Section 33 and a last take point in the NW/4NE/4 of Section 28, to a depth sufficient to test the Bone Spring formation. The well's perforated interval will be 1330 from the east lines of the sections.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E/2 of Section 28 and the E/2 of Section 33 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 E/2 of Section 28 and the E/2 of Section 33, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying the E/2 of Section 28 and the E/2 of Section 33 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 (Bilbrey Basin; Bone Spring/Pool Code 5695) underlying the E/2 of Section 28 and the E/2 of Section 33;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling, completing, equipping, and testing the well, and allocating the cost among the well's 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, equipping, and testing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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