

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, EDDY 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 non-standard horizontal spacing unit comprised of all of Sections 19 and 20, Township 21 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in all of Sections 19 and 20 (containing 1280 acres), 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 Far West 19/20 B3DA Fed. Com. Well No. 1H, with a first take point in the NW/4NW/4 of Section 19 and a last take point in the NE/4NE/4 of Section 20; and (b) the Far West 19/20 B3EH Fed. Com. Well No. 1H, with a first take point in the SW/4NW/4 of Section 19 and a last take point in the SE/4NE/4 of Section 20. Applicant also intends to drill additional wells in the non-standard unit.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in all of Sections 19 and 20 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 underlying all of Sections 19 and 20, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying all of Sections 19 and 20 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing. The Division enters its order:

- A. Pooling all uncommitted mineral interest owners in the Bone Spring formation (Avalon; Bone Spring Pool/Pool Code 96381) underlying all of Sections 19 and 20;
- B. Designating applicant as operator of the proposed wells;
- C. Considering the cost of drilling, completing, testing, 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; and
- E. 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