

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MEWBOURNE OIL COMPANY
TO AMEND ORDER NO. R-22796 FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. _____

APPLICATION

Mewbourne Oil Company applies for an order amending Order No. R-22796 to pool additional uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S $\frac{1}{2}$ of Section 21 and the S $\frac{1}{2}$ of Section 20, Township 20 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and approval of a non-standard spacing and proration unit, and in support thereof, states:

1. Applicant is an interest owner in the S $\frac{1}{2}$ of Section 21 and the S $\frac{1}{2}$ of Section 20 (containing 640 acres), and has the right to drill a well or wells thereon.
2. Applicant proposes to drill (a) the Wine Mixer 21/20 B3IL Fed. Com. Well No. 1H, with a first take point in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21 and a last take point in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 20, and (b) the Wine Mixer 21/20 B3PM Fed. Com. Well No. 1H, with a first take point in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21 and a last take point in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 20.

The wells will be dedicated to a non-standard unit comprised of the S $\frac{1}{2}$ of Section 21 and the S $\frac{1}{2}$ of Section 20.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S $\frac{1}{2}$ of Section 21 and the S $\frac{1}{2}$ of Section 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 S½ of Section 21 and the S½ of Section 20, pursuant to NMSA 1978 §70-2-17.

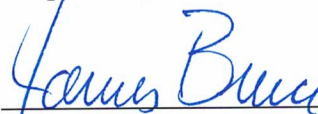
5. Upon approval of the application, applicant requests that Order Nos. R-22296 and R-22297 be vacated.

6. The pooling of all mineral interest owners in the Bone Spring formation underlying the S½ of Section 21 and the S½ of Section 20, and approval of the non-standard spacing and proration unit, 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 mineral interest owners in the Bone Spring formation (Avalon; Bone Spring/Pool Code 96381) underlying the S½ of Section 21 and the S½ of Section 20;
- 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,



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