

**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 Section 14 and all of Section 15, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in Sections 14 and 15 (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, and to dedicate Sections 14 and 15 thereto:

(a) the John Denver 15/14 Fed. Com. Well No. 521H, with a first take point in the NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 15 and a last take point in the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 14;

(b) the John Denver 15/14 Fed. Com. Well No. 523H, with a first take point in the SW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 15 and a last take point in the SE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 14;

(c) the John Denver 15/14 Fed. Com. Well No. 526H, with a first take point in the NW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 15 and a last take point in the NE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 14; and

(d) the John Denver 15/14 Fed. Com. Well No. 528H, with a first take point in the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 15 and a last take point in the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 14.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in all of Section 14 and all of Section 15 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 Section 14 and all of Section 15, pursuant to NMSA 1978 §70-2-17.

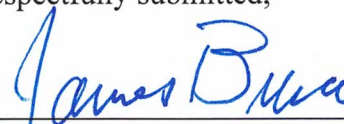
5. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying all of Section 14 and all of Section 15 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- A. Pooling all mineral interest owners in the Bone Spring formation (Sand Tank; Bone Spring Pool/Pool Code 96832) underlying all of Section 14 and all of Section 15;
- B. Designating applicant as operator of the 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 well in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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