

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 Wolfcamp formation underlying a horizontal spacing unit comprised of Lots 1, 2, NE/4, and E/2NW/4 (the N/2) of Section 29 and the N/2 of Section 30, Township 21 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the N/2 of Section 29 and the N/2 of Section 30 (containing 635.00 acres), and has the right to drill a well or wells thereon.

2. Applicant proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation:

(a) the Elysian Fields 29/30 Fee Well No. 712H, with a first take point in the NE/4NE/4 of Section 29 and a last take point in Lot 1 of Section 30; and

(b) the Elysian Fields 29/30 Fee Well No. 714H, with a first take point in the SE/4NE/4 of Section 29 and a last take point in Lot 2 of Section 30.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2 of Section 29 and the N/2 of Section 30 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

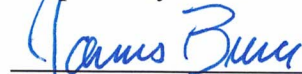
Wolfcamp formation underlying the N/2 of Section 29 and the N/2 of Section 30, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all uncommitted mineral interest owners in the Wolfcamp formation underlying the N/2 of Section 29 and the N/2 of Section 30 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 Wolfcamp formation (Carlsbad; Wolfcamp, East (gas) Pool/Pool Code 74160) underlying the N/2 of Section 29 and the N/2 of Section 30;
- 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,



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