

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF MEWBOURNE OIL COMPANY  
FOR APPROVAL OF A NON-STANDARD HORIZONTAL  
SPACING UNIT AND 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 Lots 1-4 (the N/2N/2) of Section 1, Lots 1-4 (the N/2N/2) of Section 2, Lots 1-4 (the N/2N/2) of Section 3, the S/2N/2 and S/2 of Section 1, the S/2N/2 and S/2 of Section 2, and the S/2N/2 and S/2 of Section 3 (collectively All of Sections 1, 2, and 3), Township 20 South, Range 27 East, NMPM (containing 1924.32 acres), and in support thereof, states:

1. Applicant is an interest owner in Sections 1 - 3 and has the right to drill a well or wells thereon.
2. The unit will initially be dedicated to (a) the Dama Dorado 1/3 Fed. Com. Well No. 626H, with a first take point in the NE/4SE/4 of Section 1 and a last take point in the NW/4SW/4 of Section 3, and (b) the Dama Dorado 1/3 Fed. Com. Well No. 628H, with a first take point in the SE/4SE/4 of Section 1 and a last take point in the SW/4SW/4 of Section 3.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in Sections 1 - 3 and 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.

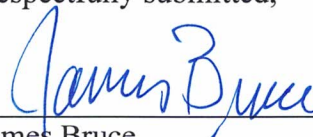
Therefore, applicant seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying Sections 1 - 3, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all uncommitted mineral interest owners in the Bone Spring formation underlying the Sections 1 - 3 and 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 (Avalon; Bone Spring, North/Pool Code 3712) underlying Sections 1 - 3;
- B. Approving the non-standard horizontal spacing unit;
- C. Designating applicant as operator of the wells;
- D. Considering the cost of drilling, completing, equipping, and testing the wells, and allocating the cost among the well's 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, equipping, and testing the wells in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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