

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

CASE NO. _____

APPLICATION

Mewbourne Oil Company ("Applicant") files this application with the Oil Conservation Division (the "Division") for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a non-standard spacing unit comprised of Lots 1-4 and the S/2N/2 (the N/2) of Section 5, and Lots 1-5, SE/4NW/4, and S/2NE/4 (the N/2) of Section 6, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico (the "Unit). In support of this application, Applicant states:

1. Applicant is an interest owner and operator in the Unit, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells in the Unit:
 - (a) The Fresh Squeezed 6/5 Fed. Com. Well No. 404H, with a first take point in the SW/4NW/4 (Unit E) of Section 6 and a last take point in the SE/4NE/4 (Unit H) of Section 5;
 - (b) The Fresh Squeezed 6/5 Fed. Com. Well No. 521H, with a first take point in the NW/4NW/4 (Unit D) of Section 6 and a last take point in the NE/4NE/4 (Unit A) of Section 5; and

(c) The Fresh Squeezed 6/5 Fed. Com. Well No. 523H, with a first take point in the SW/4NW/4 (Unit E) of Section 6 and a last take point in the SE/4NE/4 (Unit H) of Section 5.

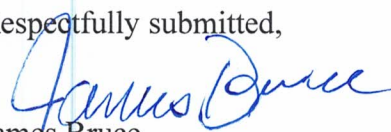
3. Although Applicant has in good faith sought to obtain voluntary joinder of all other mineral interest owners in the Unit to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to commit their interests. Therefore, Applicant seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the Unit, pursuant to NMSA 1978 Sec. 70-2-17.

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

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division, and, after notice and hearing, the Division issue its order:

- A. Pooling all uncommitted mineral interest owners in the Bone Spring formation underlying the Unit;
- B. Designating Applicant as operator of the wells and the Unit;
- C. Considering the cost of drilling, completing, testing, and equipping the wells, and allocating the cost thereof 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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