

Application of Mewbourne Oil Company for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Eddy County, New Mexico. Mewbourne Oil Company (“Applicant”) applies for an order pooling all uncommitted interests in the Wolfcamp formation underlying a 1,269.92 acre, more or less, non-standard horizontal spacing unit comprised of Sections 19 and 20, Township 21 South, Range 27 East, Eddy County, New Mexico (“Unit”). The Unit will be dedicated to the following wells (“Wells”): The **Canal 20/19 Fed Com #712H** well, which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 20 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 19; the **Canal 20/19 Fed Com #714H** well, which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 20 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 19; the **Canal 20/19 Fed Com #716H** well, which will be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 21 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 19; and the **Canal 20/19 Fed Com #718H** well, which will be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 21 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 19. The completed intervals of the Wells will be orthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 3 miles north of Carlsbad, New Mexico.