

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 mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised the W½ of Section 28, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the W½ of Section 28, and has the right to drill a well or wells thereon.
2. Applicant has drilled or proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation:
 - (a) The Thor 28 WXY Fee Well No. 1H, with a first take point in the SE/4SW/4, and a last take point in the NE/4NW/4; of Section 28;
 - (b) The Thor 28 WA Fee Well No. 3H, with a first take point in the SE/4SW/4, and a last take point in the NE/4NW/4; of Section 28;
 - (c) The Thor 28 WXY Fee Well No. 5H, with a first take point in the SW/4SW/4, and a last take point in the NW/4NW/4; of Section 28; and
 - (d) The Thor 28 WD Fee Well No. 8H, with a first take point in the SW/4SW/4, and a last take point in the NW/4NW/4; of Section 28.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W½ of Section 28 for the purposes set forth herein.

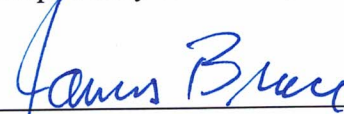
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the W½ of Section 28, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interest owners underlying the W½ of Section 28 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 Wolfcamp formation underlying the W½ of Section 28;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, 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, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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