

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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

**Case No. 20250\_\_\_\_\_**

**APPLICATION**

Mewbourne Oil Company applies for an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 17 and Lots 7, 8 and S/2NE/4 (the S/2N/2) of Section 18, Township 22 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 S/2N/2 of Section 17 and the S/2N/2 of Section 18, and has the right to drill a well thereon.
2. Applicant proposes to drill the Little Rascals 17/18 B3HE Fed. Com. Well No. 1H to a depth sufficient to test the Bone Spring formation, and to dedicate S/2N/2 of Section 17 and the S/2N/2 of Section 18 (containing 230.73 acres) thereto. The well is a horizontal well with a first take point in the SE/4NE/4 of 17 and a final take point in the SW/4NW/4 of Section 18.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2N/2 of Section 17 and the S/2N/2 of Section 18 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 Bone Spring

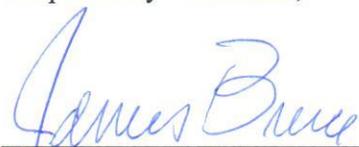
formation underlying the S/2N/2 of Section 17 and the S/2N/2 of Section 18, pursuant to NMSA 1978 §§70-2-17.

5. The pooling of all mineral interests in the Bone Spring formation underlying the S/2N/2 of Section 17 and the S/2N/2 of Section 18 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 interests in the Bone Spring formation underlying the S/2N/2 of Section 17 and the S/2N/2 of Section 18;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the wells, and allocating the cost thereof among the well's 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 and completing the well in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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Attorney for Mewbourne Oil Company

PARTIES NOTIFIED

Marathon Oil Permian LLC  
5555 San Felipe Street  
Houston, Texas 77056  
Attn: Land Manager

Devon Energy Production Company, L.P.  
333 W. Sheridan Ave.  
Oklahoma City, OK 73102  
Attn: Land Manager

XTO Energy Inc.  
22777 Springwoods Village Pkwy.  
Spring, Texas 77389  
Attn: Land Manager

Maverick Oil & Gas Corp  
C/O Kimbrough Engineering Co.  
1001 W. Wall Street  
Midland, TX 79701  
Attn: Land Manager