

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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

Case No. 20251

**APPLICATION**

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 17 and Lots 5-8 and NE/4 (the N/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 N/2 of Section 17 and the N/2 of Section 18, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells:
  - (a) The Little Rascals 17/18 W0AD Fed. Com. Well No. 1H to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well with a first take point in the NE/4NE/4 of 17 and a final take point in the NW/4NW/4 of Section 18;
  - (b) The Little Rascals 17/18 W0HE Fed. Com. Well No. 2H to a depth sufficient to test the Wolfcamp formation. 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; and
  - (c) The Little Rascals 17/18 W0HE Fed. Com. Well No. 3H to a depth sufficient to test the Wolfcamp formation. 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.

Applicant will dedicate N/2 of Section 17 and the N/2 of Section 18 (containing 621.80 acres) to the wells.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N/2 of Section 17 and the N/2 of Section 18 for the purposes set forth herein.

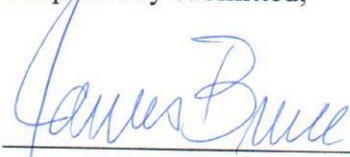
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying the N/2 of Section 17 and the N/2 of Section 18, pursuant to NMSA 1978 §§70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the N/2 of Section 17 and the N/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 Wolfcamp formation underlying the N/2 of Section 17 and the N/2 of Section 18;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling and completing 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 and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

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