

**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") (OGRID No. 14744), through its undersigned attorneys, applies for an order pooling all mineral interests in the Bone Spring formation (Avalon; Bone Spring East Pool Code 3713) in a horizontal spacing unit comprised of the S/2 of Section 31 and the S/2 of Section 32, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of its application, Applicant states:

1. Applicant is an interest owner in the S/2 of Section 31 and the S/2 of Section 32, T20S, R29E, and has the right to drill a well thereon.
2. Applicant proposes to drill the **Normandy 31/32 B3LI Federal Com #1H** well to a depth sufficient to test the Bone Spring formation, and has dedicated the S/2 of Section 31 and the S/2 of Section 32 to the well to form a 640 acre horizontal spacing unit in the Bone Spring formation. The well has a surface hole location in the NW/4 SW/4 (Lot 3) of Section 31 (2549' FSL and 360' FWL), a first take point 1340' FSL and 100' FWL of section 31, and a final take point in the NE/4 SE/4 (Unit I) of Section 32 (1340' FSL and 100' FEL).
3. Applicant has in good-faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2 of Section 31 and the S/2 of Section 32 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 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 in the S/2 of Section 31 and the S/2 of Section 32.

5. The pooling of interests in the Bone Spring formation underlying the S/2 of Section 31 and the S/2 of Section 32 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of these proposed horizontal wells and spacing unit.

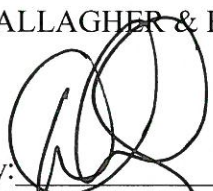
WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 3, 2019, and after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the S/2 of Section 31 and the S/2 of Section 32;
- B. Designating Applicant as the operator of the well;
- C. Considering the cost of drilling, equipping and completing the well and allocating the costs among the wells' working interest owners;
- D. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

F. Imposing a 200% charge for the risk in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully Submitted,

GALLAGHER & KENNEDY, P.A.

  
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CASE NO. \_\_\_\_\_: **Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks and order pooling all mineral interest owners underlying a 640-acre, more or less, horizontal spacing unit comprised of the S/2 of Section 31 and the S/2 of Section 32, Township 20 South, Range 29 East, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the **Normandy 31/32 B3LI Federal Com #1H**, well to be drilled from a surface hole location in the NW/4 SW/4 (Lot 3) of Section 31, T20S, R29E to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 32, T20S, R29E to a depth sufficient to test the Bone Spring formation for oil production. The completed interval for the well will remain within the standard setbacks as required by the statewide rules for oil wells. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of a 200% charge for risk involved in the drilling and completing of the well. Said area is located approximately seven miles northeast of Carlsbad, New Mexico.