

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

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

Case No. 20091

APPLICATION

Pursuant to NMSA § 70-2-17, Mewbourne Oil Company ("Mewbourne") applies for an order pooling all uncommitted mineral interests in the Wolfcamp formation in a standard 160-acre horizontal spacing unit comprised of the E/2 W/2 of Section 21, Township 26 South, Range 32 East in Lea County, New Mexico. In support of its Application, COG states:

1. Mewbourne (OGRID No. 14744) is a working interest owner in the E2/ W/2 of Section 21 and has the right to drill wells thereon.
2. The horizontal spacing unit will be dedicated to Mewbourne's proposed Red Hills West 21 W0CN Fed Com #1H and Red Hills West 21 W1CN Fed Com #2H wells. Both wells will be horizontally drilled from a surface location in Unit C to a bottom hole location in Unit N in Section 21, Township 26 South, Range 32 East.
3. The completed intervals for both wells will be orthodox.
4. Mewbourne has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells, but has been unable to obtain voluntary agreements from all of the mineral interest owners.
5. The pooling of those uncommitted mineral interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to allow Mewbourne to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interest owners in the horizontal spacing unit should be pooled.

WHEREFORE, Mewbourne requests that this application be set for hearing on November 15, 2018 and that, after notice and hearing, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Wolfcamp formation in the E/2 W/2 of Section 21, Township 26 South, Range 32 East;

B. Authorizing Mewbourne to recover its costs of drilling, equipping, and completing the Red Hills West 21 W0CN Fed Com #1H and Red Hills West 21 W1CN #2H wells;

C. Considering the costs of drilling and completing the wells and allocating the costs among the uncommitted mineral interest owners;

D. Approving the actual operating charges and costs of supervision during drilling and after completion, together with a provision for adjusting the rates pursuant to the COPAS accounting procedure; and

E. Imposing a 200% penalty for the risk assumed by Mewbourne in drilling and completing the Red Hills West 21 W0CN Fed Com #1H and Red Hills West W1CN #2H wells against any mineral interest owner who does not voluntarily participate in the drilling of the wells.

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