

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 20300

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N½ of Section 31 and the N½ of Section 32, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

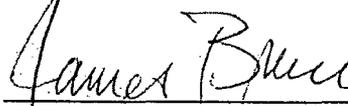
1. Applicant is an interest owner in the N½ of Section 31 and the N½ of Section 32, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells to test the Wolfcamp formation:
(a) the Sundown 31/32 W0DA Fee Well No. 1H, with a first take point in the NW/4NW/4 of 31 and a final take point in the NE/4NE/4 of Section 32; (b) the Sundown 31/32 W0EH Fee Well No. 2H, with a first take point in the SW/4NW/4 of 31 and a final take point in the SE/4NE/4 of Section 32; and (c) the Sundown 31/32 W0EH Fee Well No. 3H, with a first take point in the SW4NW/4 of 31 and a final take point in the SE/4NE/4 of Section 32.
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 N½ of Section 31 and the N½ of Section 32, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the N½ of Section 31 and the N½ of Section 32 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 N½ of Section 31 and the N½ of Section 32;
- 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,



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

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 20300:

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.
Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the N/2 of Section 31 and the N/2 of Section 32, Township 23 South, Range 27 East, NMPM. The unit will be dedicated to: (a) the Sundown 31/32 W0DA Fee Well No. 1H, with a first take point in the NW/4NW/4 of 31 and a final take point in the NE/4NE/4 of Section 32; (b) the Sundown 31/32 W0EH Fee Well No. 2H, with a first take point in the SW/4NW/4 of 31 and a final take point in the SE/4NE/4 of Section 32; and (c) the Sundown 31/32 W0EH Fee Well No. 3H, with a first take point in the SW4NW/4 of 31 and a final take point in the SE/4NE/4 of Section 32. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 13-1/2 miles west-southwest of Loving, New Mexico.

FEB 05 2019 PM 02:45

