

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 20581

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2 of Section 15 and the S/2 of Section 16, Township 22 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 S/2 of Section 15 and the S/2 of Section 16, and has the right to drill a well or wells thereon.

2. Applicant proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation:

(a) The Mighty Ducks 16/15 W0PM State Com. Well No. 1H, with a first take point in the SW/4SW/4 of Section 16 and a final take point in the SE/4E/4 of Section 15; and

(b) The Mighty Ducks 16/15 W0LI State Com. Well No. 2H, with a first take point in the NW/4SW/4 of 16 and a final take point in the NE/4SE/4 of Section 15.

Applicant will dedicate S/2 of Section 15 and the N/2 of Section 16 to the wells.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2 of Section 15 and the S/2 of Section 16 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 S/2 of Section 15 and the S/2 of Section 16, pursuant to NMSA 1978 §§70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the S/2 of Section 15 and the S/2 of Section 16 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 S/2 of Section 15 and the S/2 of Section 16;
- 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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PROPOSED ADVERTISEMENT

Case No. _____:

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 S/2 of Section 15 and the S/2 of Section 16, Township 22 South, Range 27 East, NMPM. The unit will be dedicated to: (a) The Mighty Ducks 16/15 WOPM State Com. Well No. 1H, with a first take point in the SW/4SW/4 of 16 and a final take point in the SE/4SE/4 of Section 15; and (b) The Mighty Ducks 16/15 WOLI State Com. Well No. 2H, with a first take point in the NW/4SW/4 of 16 and a final take point in the NE/4SE/4 of Section 15. 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 3 miles north-northwest of Otis, New Mexico.