

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

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No. 12698

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests from the base of the Yates formation to the base of the Morrow formation underlying the E $\frac{1}{2}$ of Section 15, Township 21 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the E $\frac{1}{2}$ of Section 15, and has the right to drill a well thereon.

2. Applicant proposes to drill its Esperanza "15" St. Com. Well No. 1, at an unorthodox gas well location 2232 feet from the south line and 1980 feet from the east line of the section,¹ to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:

(a) The NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 15 to form a standard 40 acre oil spacing and proration unit for any and all formations and/or pools developed on 40 acre spacing within that vertical extent, including the Undesignated La Huerta-Delaware Pool, Undesignated East Avalon-Bone Spring Pool, and Undesignated East Carlsbad-Bone Spring Pool;

(b) The SE $\frac{1}{4}$ of Section 15 to form a standard 160 acre gas spacing and proration unit for any and all formations and/or

¹Applicant has filed an application for administrative approval of the unorthodox gas well location.

pools developed on 160 acre spacing within that vertical extent, including the Undesignated East Avalon-Bone Spring Gas Pool; and

(c) The E½ of Section 15 to form a standard 320 acre gas spacing and proration unit for any and all formations and/or pools developed on 320 acre spacing within that vertical extent, including the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Cedar Hills-Upper Pennsylvanian Gas Pool, Burton Flat-Strawn Gas Pool, and Burton Flat-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E½ of Section 15 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 well 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 E½ of Section 15, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of Section 15 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 E½ of Section 15 from the base of the Yates formation to the base of the Morrow

formation;

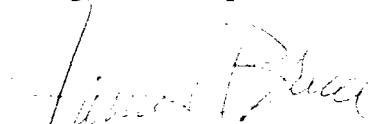
B. Designating applicant as operator of the well;

C. Considering the cost of drilling and completing the well, and allocating the cost thereof among the well's 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 penalty for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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