

**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

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 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Section 28 and the E/2 of Section 21, Township 23 South, Range 28 East in Eddy County, New Mexico. In support of its application, Mewbourne states:

1. Mewbourne (OGRID No. 14744) is a working interest owner in the proposed horizontal spacing unit and has the right to drill wells thereon.
2. The horizontal spacing unit will be dedicated to the following wells:
 - a. the Starship 28-21 W0OB Fee #1H well, which will be horizontally drilled from a surface location in Unit P in Section 28 to a bottom hole location in Unit B in Section 21; and
 - b. the Starship 28-21 W0OB Fee #2H well, which will be horizontally drilled from a surface location in Unit P in Section 28 to a bottom hole location in Unit B in Section 21.
3. The completed intervals for the 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 all uncommitted mineral interests in the Wolfcamp formation underlying the E/2 of Section 28 and the E/2 of Section 21 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 interests in the horizontal spacing unit should be pooled.

WHEREFORE, Mewbourne requests that this application be set for hearing on December 12, 2019 and that, after notice and hearing, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying the E/2 of Section 28 and the E/2 of Section 21, Township 23 South, Range 28 East.

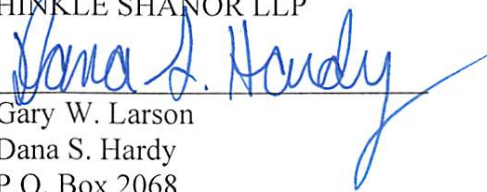
B. Designating Mewbourne as the operator of the Starship 28-21 W0OB Fee #1H and Starship 28-21 W0OB Fee #2H wells.

C. Authorizing Mewbourne to recover its costs of drilling, equipping, and completing the Starship 28-21 W0OB Fee #1H and Starship 28-21 W0OB Fee #2H wells and allocating the costs among the wells' working 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 Starship 28-21 W0OB Fee #1H and Starship 28-21 W0OB Fee #2H wells against any mineral interest owner who does not voluntarily participate in the drilling of the wells.

HINKLE SHANOR LLP



Dana S. Hardy

Gary W. Larson

Dana S. Hardy

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

glarson@hinklelawfirm.com

dhardy@hinklelawfirm.com

Counsel for Mewbourne Oil Company