

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 20488

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying a 640-acre horizontal spacing unit comprised of the S/2 of Section 11 and the S/2 of Section 12, Township 23 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the N/2 of Section 11 and the N/2 of Section 12, 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 (Purple Sage-Wolfcamp Gas Pool):

(a) The Wingman 12/11 W0IL Fed. Com. Well No. 1H, with a first take point in the NE/4SE/4 of Section 12 and final take point in the NW/4SW/4 of Section 11; and

(b) The Wingman 12/11 W0MP Fed. Com. Well No. 1H, with a first take point in the SE/4SE/4 of Section 12 and final take point in the SW/4SW/4 of Section 11.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2 of Section 11 and the S/2 of Section 12 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.

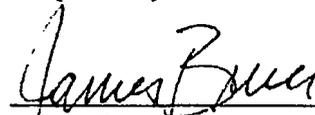
Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying the N/2 of Section 11 and the N/2 of Section 12, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the S/2 of Section 11 and the S/2 of Section 12 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 11 and the S/2 of Section 12;
- 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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Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. _____:

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.
Mewbourne Oil Company seeks an order pooling of all mineral interests in the Wolfcamp formation underlying a 640-acre horizontal spacing unit comprised of the S/2 of Section 11 and the S/2 of Section 12, Township 23 South, Range 26 East, NMPM. The unit will be dedicated to (i) the Wingman 12/11 W0IL Fed. Com. Well No. 1H, with a first take point in the NE/4SE/4 of Section 12 and a final take point in the NW/4SW/4 of Section 11, and (ii) the Wingman 12/11 W0MP Fed. Com. Well No. 1H, with a first take point in the SE/4SE/4 of Section 12 and a final take point in the SW/4SW/4 of Section 11. 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 9-1/2 miles west-northwest of Loving, New Mexico.