

Section 26: NE/4, E/2 NW/4, N/2 S/2

Section 36: All

**Township 18 North, Range 31 East, NMPM**

Sections 1 - 36: All

**Township 19 North, Range 29 East, NMPM**

Section 1: NE/4, E/2 NW/4

**Township 19 North, Range 30 East, NMPM**

Section 20: W/2 NE/4, S/2 SE/4

Sections 21-28: All

Section 29: NE/4

Section 32: NE/4 NE/4

Section 33: NW/4, W/2 NE/4, NE/4 NE/4, NW/4 SE/4, NE/4 SW/4

Section 34: N/2, E/2 SE/4

Sections 35-36: All

**Township 19 North, Range 31 East, NMPM**

Sections 19 – 36: All

The subject area is located approximately 15 miles northeast of Mosquero, New Mexico.

**11. CASE 14977: (Continued from the May 2, 2013 Examiner Hearing.)**

*(This case will be continued to the June 13, 2013 Examiner Hearing.)*

***Application of Mewbourne Oil Company for approval of a non-standard oil spacing and proration unit, an unorthodox oil well location, and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving an 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation (South Culebra Bluff-Bone Spring Pool) comprised of the W/2 E/2 of Section 35, Township 23 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the W/2 E/2 of Section 35 to form a non-standard 160 acre oil spacing and proration unit (project area), for all pools or formations developed on 40 or 80 acre spacing within that vertical extent. The unit is to be dedicated to the Layla 35 OB Well No. 1, a horizontal well with a surface location 150 feet from the south line and 1980 feet from the east line, and a terminus 330 feet from the north line and 1980 feet from the east line, of Section 35. The location is unorthodox under the rules governing the South Culebra Bluff-Bone Spring Pool. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3 miles north-northeast of Malaga, New Mexico.