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May 27, 2014

Case 15158

Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an original and one copy of an application for compulsory pooling, *etc.*, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set the application for the June 26, 2014 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

Ard Oil, Ltd.  
PH No. 5  
222 West 4th Street  
Fort Worth, Texas 76102

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY  
FOR A NON-STANDARD OIL SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

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Case No. 15158

APPLICATION

Mewbourne Oil Company applies for an order (i) approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the  $W\frac{1}{2}W\frac{1}{2}$  of Section 11, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and (ii) pooling all mineral interests from the base of the Second Bone Spring Carbonate to the base of the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the  $W\frac{1}{2}W\frac{1}{2}$  of Section 11, and has the right to drill a well thereon.
2. Applicant proposes to drill its Tamano 11 MD Fed. Com. Well No. 1H to a depth sufficient to test the Bone Spring formation. Applicant seeks to dedicate the  $W\frac{1}{2}W\frac{1}{2}$  of Section 11 to the well, from the base of the Second Bone Spring Carbonate to the base of the Bone Spring formation, to form a non-standard 160 acre oil spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The well is a horizontal well, with a surface location 188 feet from the south line and 903 feet from the west line, and a terminus 330 feet from the north line and 850 feet from the west line, of Section 11.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the  $W\frac{1}{2}W\frac{1}{2}$  of Section 11 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 W $\frac{1}{2}$ W $\frac{1}{2}$  of Section 11, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests underlying the W $\frac{1}{2}$ W $\frac{1}{2}$  of Section 11 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. Approving a non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W $\frac{1}{2}$ W $\frac{1}{2}$  of Section 11;
- B. Pooling all mineral interests from the base of the Second Bone Spring Carbonate to the base of the Bone Spring formation underlying the W $\frac{1}{2}$ W $\frac{1}{2}$  of Section 11;
- C. Designating applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge 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,



James Bruce  
Post Office Box 1056  
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(505) 982-2043

Attorney for Mewbourne Oil Company