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June 9, 2015

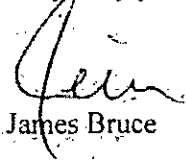
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case B 15340

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an application for compulsory pooling, *etc.*, together with a proposed advertisement. Please set the application for the July 9, 2015 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

Chevron U.S.A. Inc.
Room 43198
1400 Smith Street
Houston, Texas 77002

Attention: Kelly Bass

Chesapeake Exploration LLC
P.O. Box 18496
Oklahoma City, Oklahoma 73154

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

2015 JUN -9 P 12:50

Case No. 15340

APPLICATION

Mewbourne Oil Company applies for an order (i) approving a non-standard oil spacing and proration unit in the Lower Bone Spring formation (Querecho Plains-Lower Bone Spring Pool) comprised of the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 28, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and (ii) pooling all mineral interests in the Lower Bone Spring formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 28, and has the right to drill a well thereon.
2. Applicant has drilled its Querecho 28 OB Fed. Com. Well No. 1H to a depth sufficient to test the Lower Bone Spring formation. Applicant seeks to dedicate the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 28 to the well 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 170 feet from the south line and 1420 feet from the east line, and a terminus 333 feet from the north line and 2226 feet from the east line, of Section 28. The producing interval is orthodox.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 28 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 $W\frac{1}{2}E\frac{1}{2}$ of Section 28, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests underlying the $W\frac{1}{2}E\frac{1}{2}$ of Section 28 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 Lower Bone Spring formation comprised of the $W\frac{1}{2}E\frac{1}{2}$ of Section 28;
- B. Pooling all mineral interests in the Lower Bone Spring formation underlying the $W\frac{1}{2}E\frac{1}{2}$ of Section 28; and
- C. Designating applicant as operator of the well.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 15340 :

Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Lower Bone Spring formation (Querecho Plains-Lower Bone Spring Pool) comprised of the W/2E/2 of Section 28, Township 18 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Lower Bone Spring formation underlying the W/2E/2 of Section 28 for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Querecho 28 OB Fed. Com. Well No. 1H, a horizontal well with a surface location 170 feet from the south line and 1420 feet from the east line, and a terminus 333 feet from the north line and 2226 feet from the east line, of Section 28. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 9-1/2 miles south of Maljamar, New Mexico.

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