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June 21, 2016


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

Case 15508

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an application for compulsory pooling, together with a proposed advertisement. Please set the application for the July 21, 2016 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

Parties Being Notified

- 1) James H. Qualls, Trustee of the Maze C. Qualls Living Trust
3230 Cool Branch Road
Churchville, Maryland 21028-1110
- 2) Current Trustee of the Maze Captola Qualls Trust dated October 27, 1999
3230 Cool Branch Road
Churchville, Maryland 21028-1110
- 3) James Harold Qualls, dealing in his sole and separate property
3230 Cool Branch Road
Churchville, Maryland 21028-1110
- 4) Reba N. Robertson
108 Elm Court SE
Rio Rancho, New Mexico 87124-8213
- 5) The Estate of Frederick K. Batchelor
Address Unknown

Or the heirs and devisees of Frederick K. Batchelor, who may be:

Elverta Alyce Batchelor Quinn
2485 Acadia Court
Kannapolis, North Carolina 28083

Milton Doyle Batchelor
204 S. Gold Canyon St.
Ridgecrest, California 93555

Judy Rae Batchelor Shinnall
1703 Corbin St.
Jacksonville, Arkansas 72076

- 6) Alice Batchelor, or the heirs and devisees of Alice Batchelor
Address Unknown
- 7) The Estate of Elverta L. Rannells,
Address Unknown

Or the heirs or devisees of Elverta L. Rannells, who may be:

Gwenda L. Taft
411 E. Spruce Street
Iola, Kansas 66749-3442

- 8) Western Commerce Bank, Trustee of the Corrine B. Grace Trust
P.O. Box 1358
Carlsbad, New Mexico 88221

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

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Case No. 15508

APPLICATION

Mewbourne Oil Company applies for an order (i) pooling all mineral interests in the Wolfcamp formation underlying the W½ of Section 27, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and (ii) approving an unorthodox gas well location, and in support thereof, states:

1. Applicant is an interest owner in the W½ of Section 27, and has the right to drill a well thereon.
2. Applicant drilled its Speedwagon 27 W2DM Fee Well No. 1H to a depth sufficient to test the Wolfcamp formation (South Culebra Bluff-Wolfcamp Gas Pool). Applicant seeks to dedicate the W½ of Section 27 to the well to form a standard 320 acre gas spacing and proration unit in the Wolfcamp formation for all pools developed on 320 acre spacing within that vertical extent. The well is a horizontal well, with a surface location 190 feet from the north line and 660 feet from the west line, the initial take point 590 feet from the north line and 698 feet from the west line, and a terminus 330 feet from the south line and 660 feet from the west line, of Section 27. The terminus is unorthodox.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W½ of Section 27 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 W½ of Section 27, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the W½ of Section 27 and approval of the unorthodox gas well location 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 W½ of Section 27;
- B. Approving the unorthodox gas well location
- 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
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 15508:

Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 27, Township 23 South, Range 28 East, NMPM, for all pools developed on 320 acre spacing within that vertical extent. The unit is to be dedicated to the Speedwagon 27 W2DM Fee Well No. 1H, a horizontal well with a surface location 190 feet from the north line and 660 feet from the west line, the first take point 590 feet from the north line and 698 feet from the west line, and a terminus 330 feet from the south line and 660 feet from the west line, of Section 27. The location is unorthodox. 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 1 mile southeast of Loving, New Mexico.

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