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August 29, 2017

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 application for compulsory pooling, together with a proposed advertisement. Please set the application for the September 28, 2017 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

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2017 AUG 29 P 2:47

Case 15828

Parties Notified

**Pintail Production Company
6467 Southwest Boulevard
Fort Worth, Texas 76132**

Attention: Harvey H. Mueller, II

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

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Case No. 15828

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying the E½ of Section 19, Township 24 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E½ of Section 19, and has the right to drill a well thereon.
2. Applicant proposes to drill its Archduke 19 W2AP Fed. Well No. 1H to a depth sufficient to test the Wolfcamp formation, and seeks to dedicate to the E½ of Section 19 to the well to form a standard 320.00 acre gas spacing and proration unit in the Purple Sage-Wolfcamp Gas Pool. The well is a horizontal well with a surface location 50 feet from the north line and 330 feet from the east line, and a terminus 330 feet from the south line and 330 feet from the east line, of Section 19. The beginning and end of the producing interval will be orthodox.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E½ of Section 19 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 E½ of Section 19, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of Section 19 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 E½ of Section 19;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's 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 well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 15828:

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.
Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 19, Township 24 South, Range 27 East, NMPM, to form a standard 320 acre gas spacing and proration unit in the Purple Sage-Wolfcamp Gas Pool. The unit will be dedicated to the Archduke 19 W2AP Fed. Well No. 1H, a horizontal well with a surface location 50 feet from the north line and 330 feet from the east line, and a terminus 330 feet from the south line and 330 feet from the east line, of Section 19. The beginning and end of the producing interval are orthodox. 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 1-1/2 miles east of Black River Village, New Mexico.

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