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2017 NOV 21 P 3: 12

November 21, 2017

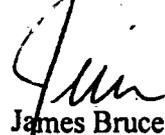
*Case 15914*

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 a non-standard spacing and proration unit and compulsory pooling, together with a proposed advertisement. Please set the application for the December 21, 2017 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

**Parties Notified**

J.M. Mineral Land & Co., Inc.  
P.O. Box 1015  
Midland, TX 79702  
Attn: Jon Morgan

Magnolia Royalty Company, Inc.  
P.O. Box 10703  
Midland, Texas 79702  
Attn: John Norwood

Herman Clifford Walker, III  
P.O. Box 10135  
Midland, Texas 79702

Eric D. Boyt  
P.O. Box 2602  
Midland, Texas 79702

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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

Case No. 15914

**APPLICATION**

Mewbourne Oil Company applies for an order approving a 479.88 acre non-standard gas spacing and proration unit in the Wolfcamp formation comprised of Lots 1, 2, S/2NE/4, and SE/4 (the E/2 equivalent) of Section 6 and the NE/4 of Section 7, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the E/2 of Section 6 and the NE/4 of Section 7, and has the right to drill a well thereon.
2. Applicant proposes to drill its Pecos Valley 7/6 W2HA Fed. Com. Well No. 1H to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the E/2 of Section 6 and the NE/4 of Section 7 to the well to form a non-standard 479.88 acre gas spacing and proration unit in the Wolfcamp formation. The well is a horizontal well, with a surface location in the SE/4NE/4 of Section 7, and a terminus in Lot 1 of Section 6. 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 E/2 of Section 6 and the NE/4 of Section 7 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 in the E/2 of Section 6 and the NE/4 of Section 7, pursuant to NMSA 1978 §70-2-17.

5. Approval of the non-standard spacing and proration unit, and the pooling of all mineral interests in the Wolfcamp formation underlying the E/2 of Section 6 and the NE/4 of Section 7, 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 spacing and proration unit in the Wolfcamp formation comprised of the E/2 of Section 6 and the NE/4 of Section 7;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 6 and the NE/4 of Section 7;
- 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,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above a horizontal line.

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

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 15914:

***Application of Mewbourne Oil Company for a nonstandard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 479.88 acre non-standard spacing and proration unit in the Wolfcamp formation underlying Lots 1, 2, S/2NE/4, and SE/4 (the E/2) of Section 6 and the NE/4 of Section 7, Township 24 South, Range 29 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the Pecos Valley W2HA Fed. Com. Well No. 1H, a horizontal well with a surface location in the SE/4NE/4 of Section 7, and a terminus in Lot 1 of Section 6. The producing interval will be 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 3-1/2 miles northeast of Malaga, New Mexico.

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