

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

2017 DEC 12 A 11: 47

Case No. 15915

AMENDED APPLICATION

Mewbourne Oil Company applies for an order approving a 320 acre non-standard gas spacing and proration unit in the Wolfcamp formation comprised of the NE/4 of Section 20 and the NW/4 of Section 21, Township 23 South, Range 28 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 NE/4 of Section 20 and the NW/4 of Section 21, and has the right to drill a well or wells thereon.

2. Applicant proposes to drill the following wells:

(a) The Whitesnake 20/21 W0BC Fee Well No. 2H, to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in the NE/4NW/4 of Section 20 and a terminus in the NE/4NW/4 of Section 21. The beginning and end of the producing interval will be orthodox; and

(b) The Whitesnake 20/21 W2BC Fee Well No. 1H, to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in the NE/4NW/4 of Section 20 and a terminus in the NE/4NW/4 of Section 21.

The beginning and end of the producing interval will be orthodox.

Applicant seeks to dedicate the NE/4 of Section 20 and the NW/4 of Section 21 to the wells to form a non-standard 320 acre gas spacing and proration unit in the Wolfcamp formation.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the NE/4 of Section 20 and the NW/4 of Section 21 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 wells or to otherwise commit their interests to the wells, 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 NE/4 of Section 20 and the NW/4 of Section 21, pursuant to NMSA 1978 §§70-2-17, 18.

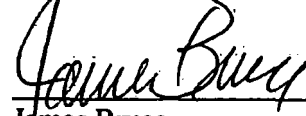
5. The approval of the non-standard spacing and proration unit, and the pooling of all mineral interests in the Wolfcamp formation underlying the NE/4 of Section 20 and the NW/4 of Section 21, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Approving a non-standard gas spacing and proration unit in the Wolfcamp formation comprised of the NE/4 of Section 20 and the NW/4 of Section 21;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the NE/4 of Section 20 and the NW/4 of Section 21;
- C. Designating applicant as operator of the wells;
- D. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' 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 wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
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Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 15915:

Application of Mewbourne Oil Company for a nonstandard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico (re-advertised). Mewbourne Oil Company seeks an order approving a 320 acre non-standard gas spacing and proration unit in the Wolfcamp formation underlying the NE/4 of Section 20 and the NW/4 of Section 21, Township 23 South, Range 28 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: (i) the Whitesnake 20/21 W0BC Fee Well No. 2H, to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in the NE/4NW/4 of Section 20 and a terminus in the NE/4NW/4 of Section 21. The beginning and end of the producing interval will be orthodox; and (ii) the Whitesnake 20/21 W2BC Fee Well No. 1H to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in the NE/4NW/4 of Section 20 and a terminus in the NE/4NW/4 of Section 21. The beginning and end of the producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 1/2 miles north of Loving, New Mexico.

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