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*Case 15964*

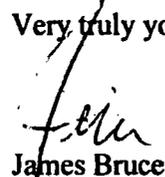
January 9, 2018

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 February 8, 2018 Examiner hearing. Thank you.

Very truly yours,

  
James Bruce

Attorney for Mewbourne Oil Company

Parties Notified

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Omaha, NE 68130

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1420 S 185<sup>th</sup> Circle  
Omaha, NE 68130

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Russell Family LLC  
c/o Catherine Ehlinger  
1803 Wichita Street  
Houston, TX 77004

A. Michael Foley  
111 North 127<sup>th</sup> Plaza  
Omaha, NE 68154

Ann Marie Abboud  
9771 Westchester Drive  
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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

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Case No. 15964

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 11, Township 26 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the W/2 of Section 11, and has the right to drill a well or wells thereon.

2. Applicant proposes to drill the following wells:

(a) The Delaware Ranch 11 W2NC 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 SE/4SW/4, and a terminus in the NE/4NW/4, of Section 11. The beginning and end of the producing interval will be orthodox; and

(b) The Delaware Ranch 11 W1NC 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 SE/4SW/4, and a terminus in the NE/4NW/4, of Section 11. The beginning and end of the producing interval will be orthodox.

Applicant seeks to dedicate the W/2 of Section 11 to the wells to form a 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 W/2 of Section 11 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 W/2 of Section 11, pursuant to NMSA 1978 §§70-2-17, 18.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the W/2 of Section 11 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 W/2 of Section 11;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' 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 wells in the event a working interest owner elects not to participate in the wells.

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. 15964:

*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 W/2 of Section 11, Township 26 South, Range 28 East, NMPM. The unit will be dedicated to the Delaware Ranch 11 W2NC Fee Well No. 1H and the Delaware Ranch 11 W1NC Fee Well No. 2H, horizontal wells with surface locations in the SE/4SW/4, and bottomhole locations in the NE/4NW/4, of Section 11 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 4 miles north-northwest of the intersection of U.S. Highway 285 with the New Mexico/Texas state line.

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