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FEB 06 2018 AM10:54

February 6, 2018

Case 15991

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

Dear Florence:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an application for compulsory pooling, together with a proposed advertisement.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Notified

1. EOG Resources, Inc.
5509 Champions Dr.
Midland, TX 79706
Attn: Mr. Clay Haggard
2. RKI Exploration & Production, Inc.
3500 One Williams Center, Suite 3500
Tulsa, OK 74172
Attn: Mr. Nick Weems
3. Costilla Energy, Inc.
c/o Compass Operating, LLC
P.O. Box 1389
Midland, TX 79702-1389
Attn: Mr. Cadell Liedtke
4. Donald Bruce Sooly
and/or his heirs
address unknown
5. Ruby Kay Vesley
address Unknown
6. Tiffany Beth Kennedy
address Unknown
7. Helene Eller
address Unknown
8. Jacquelyn Jayner
address Unknown
9. Larry Sooly
address Unknown
10. Betty Byers
address Unknown
11. Jeanette Huffer
address Unknown
12. Michael Huffer
address Unknown
13. Thomas Huffer
address Unknown
14. John Huffer
address Unknown
15. Joy Huffer
address Unknown
16. David Huffer
address Unknown
17. Marlene Mitchell Colburn
address Unknown

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. ^{15 991}
15991 FEB 06 2018 AM 10:54

AMENDED APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 32, Township 23 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 S/2 of Section 32, and has the right to drill a well or wells thereon.

2. Applicant proposes to drill the the following wells:

(a) The Zeppelin 32 W0L1 State Com. 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 NW/4SW/4, and a terminus in the NE/4SE/4, of Section 32. The beginning and end of the producing interval will be orthodox; and

(b) The Zeppelin 32 W2L1 State Com. 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 NW/4SW/4, and a terminus in the NE/4SE/4, of Section 32. The beginning and end of the producing interval will be orthodox.

Applicant seeks to dedicate the S/2 of Section 32 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 S/2 of Section 32 for the purposes set forth herein.

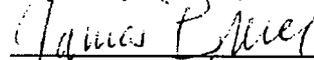
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation in the S/2 of Section 32, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the S/2 of Section 32 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 S/2 of Section 32;
- 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 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. 15991 (readvertised):

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 S/2 of Section 32, Township 23 South, Range 28 East, NMPM. The unit will be dedicated to (i) the Zeppelin 32 W2LI State Com. Well No. 2H, a horizontal well with a surface location in the NW/4SW/4, and a bottomhole location in the NE/4SE/4, of Section 32, and (ii) the Zeppelin 32 W0LI State Com. Well No. 1H, a horizontal well with a surface location in the NW/4SW/4, and a bottomhole location in the NE/4SE/4, of Section 32. The producing intervals of the wells 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 well. The unit is located approximately 2 miles south of Loving, New Mexico.