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FEB 07 2018 AM 09:06

February 6, 2018

Case 16002

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 unit and compulsory pooling, together with a proposed advertisement. Please set the application for the March 8, 2018 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

Parties Notified

1. Brooks Oil & Gas Interests, Ltd.
2926 Viale Seravezza
Santa Fe, New Mexico 87505
Attn: Mr. David K. Brooks
2. Bird 2000 Limited Partnership
P.O. Box 164009
Fort Worth, TX 76161
3. Silverton Petroleum, Inc.
P.O. Box 26
Graham, TX 76450
4. McKay Living Trust dated July 2, 1982
P.O. Box 2014
Roswell, NM 88202
5. Roy L. McKay
P.O. Box 2014
Roswell, NM 88202
6. Quaestor Corporation
1039 N. Interstate 35E Ste 301
Carrollton, TX 75006
-or-
2243 Valwood Parkway
Farmers Branch, TX 75234
(Last known addresses-returned unclaimed)
(Publish notice)
7. EOG Resources, Inc.
5509 Champions Drive
Midland, TX 79706
Attn: Land Manager
8. Costilla Energy, Inc.
P.O. Box 10369
Midland, TX 79702
-or-
400 W Illinois, Suite 1000
Midland, TX 79701
(Last known addresses-returned unclaimed)
(Publish notice)
9. Thomas McRae Sloan
6905 Sunrise Ct.
Midland, TX 79707
10. M. Brad Bennett and Linda L. Bennett,
husband and wife
P.O. Box 51510
Midland, TX 79710-1510

11. Stratco Operating Company, Inc.
400 Buckeye Trail
Austin, TX 78746

12. Estate of Glenn Whittington, deceased
3524 Jewell Ave.
Lansing, MI 48910

13. Successors and assigns of Mrs. W.R. Snow
(Address unknown)
(Publish notice)

14. Howard D. and Katie H. Henry
(Address unknown)
(Publish notice)

15. Estate of Jennettie Gossett Laxson, deceased, who appear to be the following:

Hazel Laxson
4412 Apple Street
Carlsbad, NM 88220

Johnny Lee Laxson
224 West Ogden Road
Loving, NM 88256

Ruby Lee Burkham
414 San Juan Manor
Carlsbad, NM 88220

Malcolm Ray Laxson
560 Flying R Ranch Rd.
Spring Branch, TX 78070

Heirs and/or devisees of Melvin Laxson
P.O. Box 1031
Carlsbad, NM 88221
(Last known address for Melvin Laxson)

16. Estate of M.F. Fraley, deceased
(Address unknown)
(Publish notice)

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

FEB 07 2018 AM 09:06

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

Case No. 16002

APPLICATION

Mewbourne Oil Company applies for an order (i) approving a non-standard spacing and proration unit in the Wolfcamp formation comprised of the N½ of Section 9 and the N½ of Section 8, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and (ii) 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 N½ of Section 9 and the N½ of Section 8, and has the right to drill a well thereon.

2. Applicant proposes to drill the following wells to test the Wolfcamp formation:

(a) The Chicago 9/8 W0HE Fee Com. Well No. 1H, a horizontal well with a surface location in the SE¼NE¼ of 9, and a terminus in the SW¼NW¼ of Section 8. The beginning and end of the producing interval will be orthodox; and

(b) The Chicago 9/8 W2HE Fee Com. Well No. 2H, a horizontal well with a surface location in the SE¼NE¼ of 9, and a terminus in the SW¼NW¼ of Section 8. The beginning and end of the producing interval will be orthodox.

Applicant seeks to dedicate the N½ of Section 9 and the N½ of Section 8 to the wells to form a non-standard 640 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 N½ of Section 9 and the N½ of Section 8 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 N½ of Section 9 and the N½ of Section 8, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard spacing and proration unit, and the pooling of all mineral interests in the Wolfcamp formation underlying the N½ of Section 9 and the N½ of Section 8, 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 (project area) in the Wolfcamp formation comprised of the N½ of Section 9 and the N½ of Section 8;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the N½ of Section 9 and the N½ of Section 8;
- 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 cursive script, appearing to read "James Bruce", is written over a horizontal line.

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

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

FEB 06 2018 PM03:32

Case No. 16002 :

Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 640-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the N/2 of Section 9 and the N/2 of Section 8, Township 24 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the Chicago 9/8 W0HE Fee Com. Well No. 1H and the Chicago 9/8 W2HE Fee Com. Well No. 2H, horizontal wells with surface locations in the SE/4NE/4 of Section 9, and bottomhole locations in the SW/4NW/4 of Section 8. 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 2 miles west-northwest of Malaga, New Mexico.