

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)

[jamesbruce@aol.com](mailto:jamesbruce@aol.com)

April 3, 2018

APR 03 2018 PM 01:37

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

*Case 16081*

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an application for compulsory pooling, *etc.*, together with a proposed advertisement. Please set the application for the May 3, 2018 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Being Notified

EOG Y Resources, Inc.  
5509 Champions Drive  
Midland, Texas 79706  
Attn: Land Manager

Kaiser-Francis Oil Company  
P.O. Box 21468  
Tulsa, Oklahoma 74121-1468  
Attn: Michael Maxey

OXY Y-1 Company  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046-0521  
Attn: Land Manager

EOG A Resources, Inc.  
5509 Champions Drive  
Midland, Texas 79706  
Attn: Land Manager

Marathon Oil Permian LLC  
5555 San Felipe St.  
Houston, Texas 77056  
Attn: Matt Brown

Keir-McGee Oil & Gas Onshore, L.P.  
P.O. Box 1330  
Houston, Texas 77251-1330  
Attn: Cade Simmons

EOG M Resources, Inc.  
5509 Champions Drive  
Midland, Texas 79706  
Attn: Land Manager

OXY USA Inc.  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046-0521  
Attn: Land Manager

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APR 03 2018 PM 01:37

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

Case No. 16081

APPLICATION

Mewbourne Oil Company applies for an order approving a 480 acre non-standard gas spacing and proration unit in the Wolfcamp formation comprised of the W/2 of Section 26 and the SW/4 of Section 23, Township 24 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 W/2 of Section 26 and the SW/4 of Section 23, and has the right to drill a well thereon.
2. Applicant proposes to drill the following wells to test the Wolfcamp formation:
  - (a) The Rustler Breaks 26/23 W2ML Fee Com. Well No. 1H, a horizontal well with a surface location in the NW/4NW/4 of Section 35, and a terminus in the NW/4SW/4 of Section 23; and
  - (b) The Rustler Breaks 26/23 W0ML Fee Com. Well No. 2H, a horizontal well with a surface location in the NW/4NW/4 of Section 35, and a terminus the NW/4SW/4 of Section 23.

The producing interval of each well will be at orthodox locations.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2 of Section 26 and the SW/4 of Section 23 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 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 W/2 of Section 26 and the SW/4 of Section 23, 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 W/2 of Section 26 and the SW/4 of Section 23, 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 W/2 of Section 26 and the SW/4 of Section 23;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 26 and the SW/4 of Section 23;
- C. Designating applicant as operator of the wells;
- D. Considering the cost of drilling and completing the well, 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 that reads "James Bruce". The signature is written in dark ink and is positioned above a horizontal line.

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 16081:

***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 480 acre non-standard gas spacing and proration unit in the Wolfcamp formation underlying (the W/2 of Section 26 and the SW/4 of Section 23, Township 24 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 Rustler Breaks 26/23 W2ML Fee Com. Well No. 1H, a horizontal well with a surface location in the NW/4NW/4 of Section 35, and a terminus in the NW/4SW/4 of Section 23; and (ii) the Rustler Breaks 26/23 W0ML Fee Com. Well No. 2H, a horizontal well with a surface location in the NW/4NW/4 of Section 35, and a terminus the NW/4SW/4 of Section 23. The producing interval of each well 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 2 miles south of Malaga, New Mexico.

APR 03 2018 PM01:40