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October 1, 2018

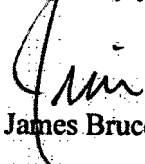
Case 16499

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 November 1, 2018 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 16499

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 35 and the S/2S/2 of Section 34, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the S/2S/2 of Section 35 and the S/2S/2 of Section 34, and has the right to drill a well thereon.
2. Applicant proposes to drill the Wishbone 35/34 B2PM State Com. Well No. 1H to a depth sufficient to test the Bone Spring formation, and to dedicate S/2S/2 of Section 35 and the S/2S/2 of Section 34 thereto. The well is a horizontal well with a first take point in the SE/4SE/4 of 35 and a final take point in the SW/4SW/4 of Section 34.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2S/2 of Section 35 and the S/2S/2 of Section 34 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 Bone Spring

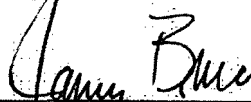
formation underlying the S/2S/2 of Section 35 and the S/2S/2 of Section 34, pursuant to NMSA 1978 §§70-2-17.

5. The pooling of all mineral interests in the Bone Spring formation underlying the S/2S/2 of Section 35 and the S/2S/2 of Section 34 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 Bone Spring formation underlying the S/2S/2 of Section 35 and the S/2S/2 of Section 34;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's 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 well 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. 16499:

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.

Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the S/2S/2 of Section 35 and the S/2S/2 of Section 34, Township 18 South, Range 29 East, NMPM. The unit will be dedicated to the Wishbone 35/34 B2PM State Com. Well No. 1H, a horizontal well with a first take point in the SE/4SE/4 of Section 35 and a final take point in the SW/4SW/4 of Section 34. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9 miles south-southwest of Loco Hills, New Mexico.

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