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April 12, 2011

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

Case 14643

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an original and one copy of an application for compulsory pooling, *etc.*, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set the application for the May 12, 2011 Examiner hearing. Thank you.

Very truly yours,

  
James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

Walter Parker III  
2710 Rockville Road  
Fairfield, California 94534

Addresses unknown

Marilyn Harris  
Tommy Harris, Jr.  
John Harris  
Ella June Harris  
Michelle Harris  
Rachael Harris  
Byron Mann

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 14643

APPLICATION

Mewbourne Oil Company applies for an order (i) approving a non-standard oil spacing and proration unit in the Glorieta-Yeso formation comprised of the  $W\frac{1}{2}SW\frac{1}{4}$  of Section 15, Township 20 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, (ii) pooling all mineral interests in the Glorieta-Yeso formation underlying the non-standard unit, and in support thereof, states:

N. TRVRS; GLORIETA YESO POOL (97565)

1. Applicant is an interest owner in the  $W\frac{1}{2}SW\frac{1}{4}$  of Section 15, and has the right to drill a well thereon.

2. Applicant proposes to drill its Limousine 15 ML Well No. 1 to a depth sufficient to test the Glorieta-Yeso formation. Applicant seeks to dedicate the  $W\frac{1}{2}SW\frac{1}{4}$  of Section 15 to the well, as to the Glorieta-Yeso formation, to form a non-standard 80 acre oil spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The well is a horizontal well, with a surface location 245 feet from the north line and 370 feet from the west line of adjoining Section 22, and a terminus 2310 feet from the south line and 370 feet from the west line of Section 15.

3. The producing interval of the well will be orthodox, although the well will penetrate the top of the Glorieta-Yeso formation at an unorthodox location in the  $SW\frac{1}{4}SW\frac{1}{4}$  of Section 15.

4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 15 for the purposes set forth herein.

5. 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 W $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 15, pursuant to NMSA 1978 §§70-2-17, 18.

6. Approval of the non-standard unit, the pooling of all mineral interests underlying the W $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 15, and the unorthodox location, 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 oil spacing and proration unit (project area) in the Glorieta-Yeso formation comprised of the W $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 15;
- B. Pooling all mineral interests in the Glorieta-Yeso formation underlying the W $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 15;
- C. Approving the unorthodox oil well location;
- D. Designating applicant as operator of the well;
- E. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- F. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

G. 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,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above a horizontal line.

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

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 14643 :

*Application of Mewbourne Oil Company for approval of a non-standard oil spacing and proration unit, an unorthodox oil well location, and compulsory pooling, Eddy County, New Mexico.* Mewbourne Oil Company seeks an order approving an 80-acre non-standard oil spacing and proration unit (project area) in the Glorieta-Yeso formation comprised of the W/2SW/4 of Section 15, Township 20 South, Range 25 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Glorieta-Yeso formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Limousine 15 ML Well No. 1, a horizontal well with a surface location 245 feet from the north line and 370 feet from the west line of adjoining Section 22, and a terminus 2310 feet from the south line and 370 feet from the west line of Section 15. The producing interval of the well will be orthodox, although the well will penetrate the top of the Glorieta-Yeso formation at an unorthodox location in the SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> of Section 15. Applicant seeks approval of the unorthodox location. 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 3-1/2 miles southwest of Seven Rivers, New Mexico.

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