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June 26, 2018

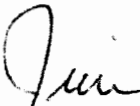
*Case 16313*

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 July 26, 2018 Examiner hearing. Thank you.

Very truly yours,

  
James Bruce

Attorney for Mewbourne Oil Company

Parties Notified

Fasken Land and Minerals, Ltd.  
6101 Holiday Hill Road  
Midland, Texas 79707  
Attn: Ms. Linda Hicks

T.I.G. Properties, L.P.  
P.O. Box 1343  
Midland, Texas 79702

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

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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

Case No. 16313

**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 SE/4 of Section 21 and the E/2 of Section 28, 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 SE/4 of Section 21 and the E/2 of Section 28, and has the right to drill a well thereon.
2. Applicant proposes to drill the Kansas 21/28 W0IP Fed. Com. Well No. 2H to test the Wolfcamp formation. The well is a horizontal well with a surface location in the NE/4SE/4 of Section 21, and a bottomhole location in the SE/4SE/4 of Section 28. The producing interval will be orthodox. The well will be dedicated to the non-standard unit comprised of the SE/4 of Section 21 and the E/2 of Section 28.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SE/4 of Section 21 and the E/2 of Section 28 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.

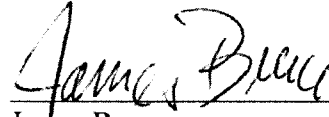
Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation in the SE/4 of Section 21 and the E/2 of Section 28, pursuant to NMSA 1978 §70-2-17.

5. Approval of the non-standard spacing and proration unit, and the pooling of all mineral interests in the Wolfcamp formation underlying the SE/4 of Section 21 and the E/2 of Section 28, 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 SE/4 of Section 21 and the E/2 of Section 28;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the SE/4 of Section 21 and the E/2 of Section 28;
- C. Designating applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's 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 well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A handwritten signature in cursive script, reading "James Bruce", 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

Case No. 16313:

***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 spacing and proration unit in the Wolfcamp formation comprised of the SE/4 of Section 21 and the E/2 of Section 28, 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 the Kansas 21/28 W0IP Fed. Com. Well No. ~~28~~<sup>24</sup>, a horizontal well with a surface location in the NE/4SE/4 of Section 21, and a bottomhole location in the SE/4SE/4 of Section 28. The producing interval will be orthodox. 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 2-1/2 miles southwest of Malaga, New Mexico.

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