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June 26, 2018

Case 16315

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 July 26, 2018 Examiner hearing. Thank you.

Very truly yours,

James Bruce

Attorney for Mewbourne Oil Company

## Parties Notified

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

MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240 Attn: Nick Weeks

Tap Rock Resources LLC 602 Park Point Drive, Suite 200 Golden, Colorado 80401 Attn: Clayton Sporich

Lucille A. Paine 306 Oriole Street Ojai, CA 93023-3046 Attn: Sharon Thomas

Justin Nine and Sara Nine 4414 10th Street Lubbock, TX 79416

Tim Lilley and Tashina Lilley 4425 98th, Suite 200 Lubbock, TX 79424

Marc Lilley and Lisa Lilley 2135 Sedona Hills Parkway Las Cruces, NM 88011

Stanico Energy Corporation P.O. Box 32467 Oklahoma City, OK 73123

Fort Worth Mineral Company, LLC 500 Main Street, Suite 1200 Fort Worth, Texas 76102

Carnegie Energy, LLC 4925 Greenville Avenue, Suite 200 Dallas, TX 75206 The Flora Jane Hopkins Revocable Intervivos Trust 24476 Chamalea Mission Viejo, CA 92691

Roy G. Barton, Jr. and Claudia R. Barton 1919 North Turner Street Hobbs, NM 88240

Jimmie Lee Collier, Individually and the Estate of James A. Collier, deceased P.O. Box 63 Elgin, OK 73538

Julie J. Bistline Martin P.O. Box 10911 Southport, North Carolina 28461-0911

Anna Pauline Swearingen 512 Cedar Street Concordia, KS 66901

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Dale M. Richardson 5615 East 39 Ter Kansas City, Missouri

Margaret L. Mehl 702 NE Cambridge Drive Lees Summit, MO 64086

Estate of Ruby Rogers & Melvin P. Rogers 3104 E. Broadway Space 108 Mesa, Arizona 85204

Estate of Stella E. Herrell 2704 Meadow Green Bedford, TX 76021

Estate of George A. Lundblade Attn: Chalmers A. Loughridge 3901 Riva Drive Alexandria, VA 22309-3053

July 25 2018 Peligible

## BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 16315

## APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying Lots 3, 4, S/2NW/4, and SW/4 (the W/2) of Section 2, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

- 1. Applicant is an interest owner in the W/2 of Section 2, and has the right to drill a well or wells thereon.
- 2. Applicant proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation:
  - (a) The Skynyrd 2 W0CN Fee Well No. 1H, a horizontal well with a surface location in the NE/4NW/4 and a terminus in the SE/4SW/4 of Section 2;
  - (b) The Skynyrd 2 W0DM Fee Well No. 1H, a horizontal well with a surface location in the NW/4NW/4 and a terminus in the SW/4SW/4 of Section 2; and
  - (c) The Skynyrd 2 W0DM Fee Well No. 2H, a horizontal well with a surface location in the NW/4NW/4 and a terminus in the SW/4SW/4 of Section 2.

The producing interval of each well will be orthodox. Applicant seeks to dedicate the W/2 of Section 2 to the wells to form a standard 320.20 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 W/2 of Section 2 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 wells, 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 2, pursuant to NMSA 1978 §§70-2-17.
- 5. The pooling of all mineral interests in the Wolfcamp formation underlying the W/2 of Section 2 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 Wolfcamp formation underlying the W/2 of Section 2;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' 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 wells in the event a working interest owner elects not to participate in the wells.

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. \_\_\_\_\_ 16315 :

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying Lots 3, 4, S/2NW/4, and SW/4 (the W/2) of Section 2, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to (i) the Skynyrd 2 W0CN Fee Well No. 1H, a horizontal well with a surface location in the NE/4NW/4 and a terminus in the SE/4SW/4 of Section 2; (ii) the Skynyrd 2 W0DM Fee Well No. 1H, a horizontal well with a surface location in the NW/4NW/4 and a terminus in the SW/4SW/4 of Section 2; and (iii) the Skynyrd 2 W0DM Fee Well No. 2H, a horizontal well with a surface location in the NW/4NW/4 and a terminus in the SW/4SW/4 of Section 2. 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 1-1/2 miles north-northeast of Malaga, New Mexico.

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