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January 21, 2014

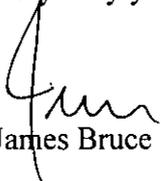
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 15089

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set the application for the February 20, 2014 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

Premier Oil and Gas, Inc.
901 Waterfall Way, Suite 205
Richardson, Texas 75080

Petrorep Inc.
Address Unknown

Corexcal
Address Unknown

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION RECEIVED OCD

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

2014 JAN 24 P 12: 54

Case No. 15089

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying the E½ of Section 22, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E½ of Section 22, and has the right to drill a well thereon.

2. Applicant proposes to drill its Owl Draw 22 BO Fed. Com. Well No. 1H to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate to the E½ of Section 22 to form a standard 320 acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing within that vertical extent. The well is a horizontal well, with a surface location in the NW¼NE¼, and a terminus in the SW¼SE¼, of Section 22.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E½ of Section 22 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 E½ of Section 22, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of Section 22 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 E½ of Section 22;
- 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. 15089 :

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 the E/2 of Section 22, Township 26 South, Range 27 East, NMPM, to form a standard 320 acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing within that vertical extent. The unit is to be dedicated to the Owl Draw 22 BO Fed. Com. Well No. 1H, a horizontal well with a surface location 330 feet from the north line and 1650 feet from the east line, and a terminus 330 feet from the south line and 1980 feet from the east line, of Section 22. 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 12-1/2 miles south-southeast of Black River Village, New Mexico.

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