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August 19, 2014

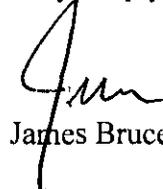
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 15194

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 September 18, 2014 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

Westway Petroleum
6440 N. Central Expressway, Suite 308
Dallas, TX 75206

Mr. Robert N. Varn
address unknown

Joanne M. Cains
6091 Gleneagles Ct.
Redding, CA 96003-9794

Mr. T. Grover Swift, Jr.
749 North Main St.
Fort Worth, TX 76164

S.K. Clay Trust
address unknown

W.P. Kendall Trust
address unknown

Ms. Patricia A. McMillian
address unknown

Mr. Lewis F. Holmes
1109 SC Highway 191
Trenton, SC 29847

Ms. Marcia Kamph,
Successor Trustee of Trust 454F
1320 E. Ocean Front
Newport Beach, CA 92661

Estate of E. Trompeter
aka Earl Trompeter, Deceased
and his unknown Heirs
address unknown

William Evert Andrau Trust #1 and #2
address unknown

Helene B. Hewett/Barbara A. Powell Trust #1 and #2
address unknown

Mr. William Jacobs
address unknown

Mr. Andrew E. McMahon
address unknown

Mr. Russell S. Sampson
address unknown

Mr. Ivor J. Silver
address unknown

Mr. Alex M. Roter
address unknown

Ms. Ann S. Ragsdale
address unknown

Mr. Anthony Hawe
2724 American Sadler Dr.
Park City, Utah 84060

Estate of Athur A. Ostmann
c/o The Frahm Law Firm, LLC
5770 Mexico Road, Suite A
St. Peters, MO 63376
Attn: Lorna L. Frahm

Mr. Arturo G. Sterling
address unknown

Ms. Dorothy Hinchliff
address unknown

First State Bank and/or its Successors
address unknown

Mr. George M. Oringdulph
and H.E. Oringdulph
address unknown

Mr. Gilbert T. Kanegawa
address unknown

Mr. Glenn E. Duke
address unknown

Mr. Thomas Geimer
address unknown

Mr. Harry Bersner
address unknown

Mr. Warren N. Rosenquist and wife, Judith V. Rosenquist
address unknown

Mr. Harry F. Poll
address unknown

Mr. William W. Fetner
address unknown

Mr. Harry L. Green, Sr.
address unknown

Ms. Janet S. Joslin
address unknown

Estate of John Steinman
address unknown

Mr. Larry M. Pickett and wife, Betty Jean Pickett
address unknown

Mr. Leroy L. Burnette
address unknown
Mr. John L. Steffan
address unknown

Louesther Zwick Trust, IV
address unknown

M.D. Williams and D.L. Pilant
address unknown

Mr. Mark J. Sandler and wife, Beth Sandler
address unknown

Mr. Norton S. Waldfogel
address unknown

Mr. Steven R. Lindersmith
address unknown

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 15194

APPLICATION

Mewbourne Oil Company applies for an order (i) approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 17, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and (ii) pooling all mineral interests in the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 17, and has the right to drill a well thereon.
2. Applicant proposes to drill its Glock 17 B2EH Fed. Well No. 1H, to a depth sufficient to test the Bone Spring formation, and dedicate the S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 17 to the well in the Bone Spring formation to form a non-standard 160 acre oil spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing. The well is a horizontal well, with a surface location 2320 feet from the north line and 170 feet from the west line, and a terminus 2100 feet from the north line and 330 feet from the east line, of Section 17.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 17 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 $\frac{1}{2}$ N $\frac{1}{2}$ of Section 17, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests underlying the S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 17 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 Bone Spring formation comprised of the S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 17;
- B. Pooling all mineral interests in the Bone Spring formation underlying the S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 17;
- 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,



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

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 15194 :

Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving an 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2N/2 of Section 17, Township 20 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the S/2N/2 of Section 17 for all pools or formations developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the Glock 17 B2EH Fed. Well No. 1H, a horizontal well with a surface location in the SW/4NW/4, and a terminus in the SE/4NE/4, of Section 17. 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 17 miles east-southeast of Lakewood, New Mexico.