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2016 APR 18 A 8:04

April 18, 2016

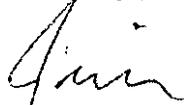
Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

*Case 15490*

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an application for compulsory pooling and an unorthodox well location, together with a proposed advertisement. Please set the application for the May 26, 2016 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Being Notified

Petrorep, Inc.  
address unknown

Corexcal  
address unknown

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED 003

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

APR 18 A 8:04  
Case No. 15490

APPLICATION

Mewbourne Oil Company applies for an order approving a 640 acre non-standard spacing and proration unit in the Wolfcamp formation for the W $\frac{1}{2}$  of Section 22 and the W $\frac{1}{2}$  of Section 27, Township 26 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and approving an unorthodox gas well location, and in support thereof, states:

1. Applicant is an interest owner in the W $\frac{1}{2}$  of Section 22 and the W $\frac{1}{2}$  of Section 27, and has the right to drill a well thereon.
2. Applicant proposes to drill its Owl Draw 27/22 W2NC Fed. Com. Well No. 2H to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the W $\frac{1}{2}$  of Section 22 and the W $\frac{1}{2}$  of Section 27 to the well to form a non-standard standard 640 acre gas spacing and proration unit in the Wolfcamp formation. The well is a horizontal well, with a surface location 170 feet from the south line and 2230 feet from the west line of Section 27, and a terminus 330 feet from the north line and 2310 feet from the west line of Section 22. The beginning and end of the producing interval will be unorthodox, with the first take point approximately 330 feet from the south line and 2231 feet from the west line of Section 27.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W $\frac{1}{2}$  of Section 22 and the W $\frac{1}{2}$  of Section 27 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 W½ of Section 22 and the W½ of Section 27, pursuant to NMSA 1978 §70-2-17.

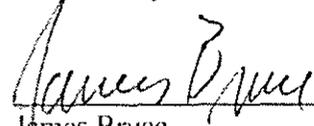
5. The approval of the non-standard spacing and proration unit, the pooling of all mineral interests in the Wolfcamp formation underlying the W½ of Section 22 and the W½ of Section 27, and approval of the unorthodox gas well location, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

- A. Approving the non-standard spacing and proration unit in the Wolfcamp formation;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the W½ of Section 22 and the W½ of Section 27;
- C. Approving the unorthodox gas 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, appearing to read "James Bruce", is 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. 15490 :

*Application of Mewbourne Oil Company for a nonstandard spacing and proration unit, compulsory pooling, and an unorthodox gas well location, Eddy County, New Mexico.* Mewbourne Oil Company seeks an order approving a 640 acre non-standard spacing and proration unit in the Wolfcamp formation underlying the W/2 of Section 22 and the W/2 of Section 27, Township 26 South, Range 27 East, NMPM, pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit, and approving an unorthodox gas well location. The unit is to be dedicated to the Owl Draw 27/22 W2NC Fed. Com. Well No. 2H, a horizontal well with a surface location 170 feet from the south line and 2230 feet from the west line of Section 27, and a terminus 330 feet from the north line and 2310 feet from the west line of Section 22. The beginning and end of the producing interval will be unorthodox. 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 13-1/2 miles south-southeast of Black River Village, New Mexico.

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