

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

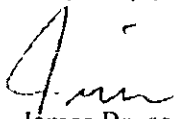
June 20, 2016

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 21, 2016 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

RECEIVED OCD

2016 JUN 20 P 2:10

Case 15507

Parties Being Notified

J.M. Turney *et ux.* Steve Turney
3144 Wabash Avenue
Fort Worth, Texas

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

2016 JUN 20 P 2:11

APPLICATION OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING
AND AN UNORTHODOX WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

Case No. 15507

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying Lots 3, 4, S½NW¼, and SW¼ (the W½) of Section 3, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and approving an unorthodox well location, and in support thereof, states:

1. Applicant is an interest owner in the W½ of Section 3, and has the right to drill a well thereon.
2. Applicant proposes to drill its Yardbirds 3 W2DM Fee Well No. 1H to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate to the W½ of Section 3 to the well to form a standard 319.21 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 175 feet from the north line and 1070 feet from the west line, and a terminus 330 feet from the south line and 530 feet from the west line, of Section 3. The beginning and end of the producing interval are unorthodox under the rules governing the South Culebra Bluff-Wolfcamp Gas Pool. The location was previously approved by the Division.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W½ of Section 3 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

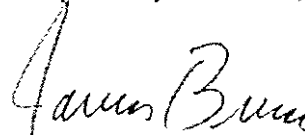
the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the W½ of Section 3, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the W½ of Section 3, and approval of the unorthodox 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. Pooling all mineral interests in the Wolfcamp formation underlying the W½ of Section 3;
- B. Approving the unorthodox well location;
- 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. 15507:

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 3, Township 24 South, Range 28 East, NMPM, to form a standard 319.21 acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing within that vertical extent. The unit will be dedicated to the Yardbirds 3 W2DM Fee Well No. 1H, a horizontal well with a surface location 175 feet from the north line and 1070 feet from the west line, and a terminus 330 feet from the south line and 530 feet from the west line, of Section 3. The beginning and end of the producing interval are 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 1-1/2 miles north-northwest of Malaga, New Mexico.

RECEIVED OCD
2016 JUN 20 P 2:10