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January 17, 2017

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 Febr, 2017 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

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Case 15623⁵

Parties

W/2 Section 21, T23S, R28E:

Mewbourne Oil Company – Leasehold Owner

BC Operating, Inc. – Leasehold Owner
P.O. Box 50820
Midland, Texas 79710
Attn: Caleb Hopson

MRC Permian Company – Leasehold Owner
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240
Attn: Land Department

N/2 Section 28, T23S, R28E:

BK Exploration Corp. - Operator
10159 E. 11th Street, #401
Tulsa, OK 74128
Attn: Brad D. Burks

COG Production, LLC
600 W. Illinois Avenue
Midland, Texas 79701
Attn: Mollie McAuliffe

W/2 Section 27, T23S, R28E:

Mewbourne Oil Company – Operator

Chevron USA, Inc. – Non-Operator
1400 Smith St.
Houston, TX 77002
Attn: Amber Delach

MRC Permian Company – Non-Operator
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240
Attn: Land Department

Crown Oil Partners V, LP – Non-Operator
P.O. Box 50820
Midland, Texas 79710

Crump Energy Partners II, LLC – Non-Operator
P.O. Box 50820
Midland, Texas 79710

David L. Tomlin - Non-Operator
P.O. Box 1641
Midland, Texas 79702-2641

Reynolds Natural Resources, LP - Non-Operator
420 Throckmorton, Suite 630
Fort Worth, Texas 76102

Pardue Limited Company - Non-Operator
125 N. Canyon Street
Carlsbad, New Mexico

KCK Energy, LLC - Non-Operator
2507 Dartmouth Drive
Midland, Texas 79705
Attn: Jim Dewey

W/2 Section 22, T23S, R28E:

Chevron USA, Inc. - Operator
1400 Smith St.
Houston, TX 77002
Attn: Amber Delach

BK Exploration Corp. - Operator
10159 E. 11th Street, #401
Tulsa, OK 74128
Attn: Brad D. Burks

Flare Oil, Inc. - Operator
1919 Highway 35 North, Suite 452
Rockport, Texas 78382

W/2 Section 15, T23S, R28E:

Chevron MidContinent, LP - Operator
1400 Smith St.
Houston, TX 77002
Attn: Amber Delach

S/2 Section 23, T23S, R28E:

Rockcliff Operating New Mexico LLC - Operator
1301 McKinney, Suite 1300
Houston, Texas 77010

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 156235

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying the E½ of Section 21, Township 23 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 E½ of Section 21, and has the right to drill a well thereon.
2. Applicant proposes to drill its Loving Townsite 21 W2PA Fee Well No. 1H to a depth sufficient to test the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool). Applicant seeks to dedicate the E½ of Section 21 to the well to form a standard 320 acre gas spacing and proration unit in the Wolfcamp formation for all pools developed on 320 acre spacing within that vertical extent. The well is a horizontal well, with a surface location 220 feet from the north line and 450 feet from the east line of adjoining Section 28, with the initial take point approximately 330 feet from the south line and 450 feet from the east line and a terminus 330 feet from the north line and 450 feet from the east line of Section 21.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E½ of Section 21 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.

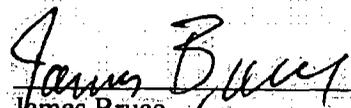
Therefore, applicant seeks an order pooling all mineral interest owners in the E½ of Section 21, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of Section 21 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 21;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost thereof 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. 15625 :

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 21, Township 23 South, Range 28 East, NMPM, for all pools developed on 320 acre spacing within that vertical extent. The unit is to be dedicated to the Loving Townsite 21 W2PA Fee Well No. 1H, a horizontal well with a surface location 220 feet from the north line and 450 feet from the east line of adjoining Section 28, with the first take point approximately 330 feet from the south line and 450 feet from the east line and a terminus 330 feet from the north line and 450 feet from the east line of Section 21. 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 mile east of beautiful, downtown Loving, New Mexico.

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