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2017 MAR 14 P 1:31

Case 15673

March 14, 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, *etc.*, together with a proposed advertisement. Please set the application for the April 13, 2017 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Being Notified

**The Allar Company
P.O. Box 1567
Graham, Texas 76450
Attn: Mr. Jack Graham**

**EOG Y Resources, Inc.
5509 Champions Drive
Midland, Texas 79706**

**EOG A Resources, Inc.
5509 Champions Drive
Midland, Texas 79706**

**EOG M Resources, Inc.
5509 Champions Drive
Midland, Texas 79706**

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

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Case No. 15673

APPLICATION

Mewbourne Oil Company applies for an order approving a 480 acre non-standard spacing and proration unit in the Wolfcamp formation for the E $\frac{1}{2}$ of Section 12 and the SE $\frac{1}{4}$ of Section 1, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the E $\frac{1}{2}$ of Section 12 and the SE $\frac{1}{4}$ of Section 1, and has the right to drill a well thereon.
2. Applicant proposes to drill its Devon 12/1 W2PI Fee Com. Well No. 1H to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the E $\frac{1}{2}$ of Section 12 and the SE $\frac{1}{4}$ of Section 1 to the well to form a non-standard standard 480 acre gas spacing and proration unit in the Wolfcamp formation. The well is a horizontal well, with a surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of adjoining Section 13, and a terminus in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 1. The beginning and end of the producing interval will be orthodox
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E $\frac{1}{2}$ of Section 12 and the SE $\frac{1}{4}$ of Section 1 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 E $\frac{1}{2}$ of Section 12 and the SE $\frac{1}{4}$ of Section 1, pursuant to NMSA 1978 §70-2-17.

5. The approval of the non-standard spacing and proration unit and the pooling of all mineral interests in the Wolfcamp formation underlying the E $\frac{1}{2}$ of Section 12 and the SE $\frac{1}{4}$ of Section 1 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 comprised of the E $\frac{1}{2}$ of Section 12 and the SE $\frac{1}{4}$ of Section 1;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the E $\frac{1}{2}$ of Section 12 and the SE $\frac{1}{4}$ of Section 1;
- 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. 15673 :

Application of Mewbourne Oil Company for a nonstandard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 480 acre non-standard spacing and proration unit in the Wolfcamp formation underlying the E/2 of Section 12 and the SE/4 of Section 1, Township 25 South, Range 27 East, NMPM, pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the Devon 12/1 W2PI Fee Com. Well No. 1H, a horizontal well with a surface location in the NE/4NE/4 of adjoining Section 13, and a terminus in the NE/4SE/4, of Section 1. The producing interval will be orthodox. 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 7 miles southwest of Malaga, New Mexico.

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