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April 11, 2017

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

Case 15689

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 May 11, 2017 Examiner hearing Thank you

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

COG Operating LLC
600 W Illinois
Midland TX 79701
Attn Ms Rita A Bures

EOG Resources, Inc
P O Box 2267
Midland TX 79702
Attn Mr Chuck Moran

MRC Permian Company
5400 LBJ Freeway, Suite 1500
Dallas TX 75240
Attn Mr Nick Weeks

Black Mountain Operating, LLC
500 Main Street, Suite 1200
Fort Worth TX 76102
Attn Mr Luke Mildren

Nadel and Gussman Permian LLC
Paleozoic Petroleum, LLC
Crown Oil Partners V LP
Black Crown Energy Partners LP
Oak Valley Mineral & Land LP and
Crump Energy Partners II
P O Box 50820
Midland, TX 79710
Attn Mr Caleb Hopson

TBO Oil & Gas, LLC
P O Box 10502
Midland TX 79702

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No 15689

APPLICATION

Mewbourne Oil Company applies for an order approving a 480 acre non standard spacing and proration unit in the Wolfcamp formation comprised of the SE $\frac{1}{4}$ of Section 23 and the S $\frac{1}{2}$ of Section 24 Township 24 South Range 28 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 SE $\frac{1}{4}$ of Section 23 and the S $\frac{1}{2}$ of Section 24 and has the right to drill a well thereon

2 Applicant proposes to drill the following wells to test the Wolfcamp formation

(a) The Queen 23/24 W0OP Fed Com Well No 1H a horizontal well with a surface location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23 and a terminus in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24 The beginning and end of the producing interval will be orthodox and

(b) The Queen 23/24 W2OP Fed Com Well No 2H a horizontal well with a surface location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23 and a terminus in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24 The beginning and end of the producing interval will be orthodox

Applicant seeks to dedicate the SE $\frac{1}{4}$ of Section 23 and the S $\frac{1}{2}$ of Section 24 to the wells to form a non standard 480 acre gas spacing and proration unit in the Wolfcamp formation

3 Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SE $\frac{1}{4}$ of Section 23 and the S $\frac{1}{2}$ of Section 24 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 wells or to otherwise commit their interests to the wells, 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 SE¼ of Section 23 and the S½ of Section 24 pursuant to NMSA 1978 §§70 2 17, 18

5 The approval of the non standard spacing and proration unit and the pooling of all mineral interests in the Wolfcamp formation underlying the SE¼ of Section 23 and the S½ of Section 24 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 SE¼ of Section 23 and the S½ of Section 24,

B Pooling all mineral interests in the Wolfcamp formation underlying the SE¼ of Section 23 and the S½ of Section 24,

C Designating applicant as operator of the wells

D Considering the cost of drilling and completing the wells and allocating the cost among the wells 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 wells 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 15689

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 SE/4 of Section 23 and the E/2 of Section 24 Township 24 South Range 28 East NMPM and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit The unit will be dedicated to (a) the Queen 23/24 W0OP Fed Com Well No 1H a horizontal well with a surface location in the SE¹/₄SW¹/₄ of Section 23 and a terminus in the SE¹/₄SE¹/₄ of Section 24 and (b) the Queen 23/24 W2OP Fed Com Well No 2H a horizontal well with a surface location in the SE¹/₄SW¹/₄ of Section 23 and a terminus in the SE¹/₄SE¹/₄ of Section 24 The beginning and end of the producing interval in each well will be orthodox Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a 200% charge for the risk involved in drilling and completing the wells The unit is located approximately 2 1/2 miles southeast of Malaga New Mexico

101