

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MEWBOURNE OIL COMPANY
TO RE-OPEN CASE NO. 15673 FOR A NON-STANDARD
SPACING AND PRORATION UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

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Case No. 15673 (re-opened)

APPLICATION

Mewbourne Oil Company applies for an order approving a 480 acre non-standard spacing and proration unit in the Wolfcamp formation for the E½ of Section 12 and the SE¼ 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 E½ of Section 12 and the SE¼ 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 E½ of Section 12 and the SE¼ of Section 1 to the well to form a standard 480 acre gas spacing and proration unit in the Wolfcamp formation. The well is a horizontal well, with a surface location in the NE¼NE¼ of adjoining Section 13, and a terminus in the NE¼SE¼ 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 E½ of Section 12 and the SE¼ 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.

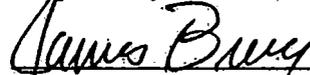
Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation in the E½ of Section 12 and the SE¼ of Section 1, pursuant to NMSA 1978 §70-2-17.

5. The approval of the non-standard spacing and proration unit and the pooling of all mineral interests in the Wolfcamp formation underlying the E½ of Section 12 and the SE¼ 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 E½ of Section 12 and the SE¼ of Section 1;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the E½ of Section 12 and the SE¼ 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,



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PROPOSED ADVERTISEMENT

Case No. 15673 (re-opened):

Application of Mewbourne Oil Company to re-open Case No. 15673 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, and 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 $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 1. The beginning and end of 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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