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January 23, 2018

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 February 22, 2018 Examiner hearing. Thank you.

Very truly yours,

  
James Bruce

Attorney for Mewbourne Oil Company

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*Case 15991*

Parties Notified

1. EOG Resources, Inc.  
5509 Champions Dr.  
Midland, TX 79706  
Attn: Mr. Clay Haggard
2. RKI Exploration & Production, Inc.  
3500 One Williams Center, Suite 3500  
Tulsa, OK 74172  
Attn: Mr. Nick Weems
3. Costilla Energy, Inc.  
c/o Compass Operating, LLC  
P.O. Box 1389  
Midland, TX 79702-1389  
Attn: Mr. Cadell Liedtke
4. Donald Bruce Sooly  
and/or his heirs  
address unknown
5. Ruby Kay Vesley  
address Unknown
6. Tiffany Beth Kennedy  
address Unknown
7. Helene Eller  
address Unknown
8. Jacquelyn Jayner  
address Unknown
9. Larry Sooly  
address Unknown
10. Betty Byers  
address Unknown
11. Jeanette Huffer  
address Unknown
12. Michael Huffer  
address Unknown
13. Thomas Huffer  
address Unknown
14. John Huffer  
address Unknown
15. Joy Huffer  
address Unknown
16. David Huffer  
address Unknown
17. Marlene Mitchell Colburn  
address Unknown

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

JAN 23 P 3: 09

Case No. 15991

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 32, 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 S/2 of Section 32, and has the right to drill a well thereon.
2. Applicant proposes to drill the Zeppelin 32 W2LI State Com. Well No. 2H, to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in the NW/4SW/4, and a terminus in the NE/4SE/4, of Section 32. The beginning and end of the producing interval will be orthodox. Applicant seeks to dedicate the S/2 of Section 32 to the well to form a standard 320 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 S/2 of Section 32 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 S/2 of Section 32, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the S/2 of Section 32 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 S/2 of Section 32;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost 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. 15991:

*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 S/2 of Section 32, Township 23 South, Range 28 East, NMPM. The unit will be dedicated to the Zeppelin 32 W2LI State Com. Well No. 2H, a horizontal well with a surface location in the NW/4SW/4, and a bottomhole location in the NE/4SE/4, of Section 32. 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 2 miles south of Loving, New Mexico.

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