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April 17, 2018

Case 16 ~~135~~ 002

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 a non-standard unit and compulsory pooling, together with a proposed advertisement. Please set the application for the May 17, 2018 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Notified

- 1) Lou E. Matson, widow of Don D. Matson
401 Helen Greathouse Circle, Apt 326
Midland, TX 79707
- 2) Lou Ellen Reneau Matson, Trustee of the Marital Trust
401 Helen Greathouse Circle, Apt 326
Midland, TX 79707
- 3) Heirs and/or devisees of Don D. Matson, deceased
600 Helen Greathouse Cir.
Midland, TX 79707
-or-
401 Helen Greathouse Circle, Apt 326
Midland, TX 79707
(Publish Notice)
- 4) Ruth D. Roberts
2518 Lockheed Dr.
Midland, TX 79701
-or-
P.O. Box 6368
Austin, TX 78762
- 5) Heirs and/or devisees of R. C. Roberts, deceased
Address Unknown
Last Known Address: P.O. Box 640, Gilmer, TX 75644 (returned unclaimed)
(Publish Notice)
- 6) Estate of Dorothy Holder Roberts, deceased
418 Forest Hills Drive
League City, TX 77573
(Publish Notice)

The following appear to be the heirs and/or devisees of Dorothy Holder Roberts:

Wesley Keith Roberts
418 Forest Hills Drive
League City, TX 77573

Karen Roberts
891 Winding Trail
Holly Lake Ranch, TX 75765

Darrell Holder Roberts
1823 Laurel Oaks Dr.
Richmond, TX 77469-4836

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MEWBOURNE OIL COMPANY
TO RE-OPEN CASE NO. 16002 FOR A NON-
STANDARD GAS SPACING AND PRORATION UNIT
AND COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

Case No. 16002 (re-opened)

APPLICATION

Mewbourne Oil Company applies for an order (i) approving a non-standard spacing and proration unit in the Wolfcamp formation comprised of the N $\frac{1}{2}$ of Section 9 and the N $\frac{1}{2}$ of Section 8, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and (ii) 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 N $\frac{1}{2}$ of Section 9 and the N $\frac{1}{2}$ of Section 8, and has the right to drill a well thereon.
2. Applicant proposes to drill the following wells to test the Wolfcamp formation:
 - (a) The Chicago 9/8 W0HE Fee Com. Well No. 1H, a horizontal well with a surface location in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of 9, and a terminus in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 8. The beginning and end of the producing interval will be orthodox; and
 - (b) The Chicago 9/8 W2HE Fee Com. Well No. 2H, a horizontal well with a surface location in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of 9, and a terminus in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 8. The beginning and end of the producing interval will be orthodox.

Applicant seeks to dedicate the N $\frac{1}{2}$ of Section 9 and the N $\frac{1}{2}$ of Section 8 to the wells to form a non-standard 640 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 N½ of Section 9 and the N½ of Section 8 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 underlying the N½ of Section 9 and the N½ of Section 8, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard spacing and proration unit, and the pooling of all mineral interests in the Wolfcamp formation underlying the N½ of Section 9 and the N½ of Section 8, 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 a non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the N½ of Section 9 and the N½ of Section 8;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the N½ of Section 9 and the N½ of Section 8;
- 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 wells.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Mewbourne Oil Company