

MAY 29 2018 PM03:52

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

May 29, 2018

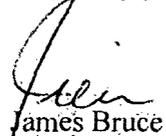
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 16234

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 June 28, 2018 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

Parties Notified

COG Operating LLC
600 W. Illinois Avenue
Midland, Texas 79701
Attn: Outside Operated Properties

Marathon Oil Permian LLC
5555 San Felipe St.
Houston, TX 77056
Attn: Matt Brown

CM Resources, LLC
306 W. Wall Street, Suite 500
Midland, TX 79701
Attn: Taylor Craighead

Chase Oil Corporation
P.O. Box 1767
Artesia, NM 88211-1767

Attwell Interests, Inc.
Attn: Kirby Attwell
2410 Lock Lane
Houston, TX 77019

Kirby Attwell
2410 Lock Lane
Houston, TX 77019

Fasken Land & Minerals
6101 Holiday Hill Road
Midland, TX 79707

TSF WI LP
P.O. Box 222
Midland, TX 79702

Stillwater Investments
Tarpon Engineering Corp.
P.O. Box 51082
Midland, TX 79710

Crown Oil Partners V, LLC
Crown Oil Partners III, LP
Crown Oil Partners LP
Crump Energy Partners III, LLC
Crown Oil Partners VI, LLC
P.O. Box 50820
Midland, TX 79710

T.I.G. Properties L.P.
P.O. Box 10508
Midland, TX 79702

Tom M. Ragsdale
400 N. Sam Houston Pkwy East, Suite 601
Houston, TX 77060

Pacific VR LLC
11510 Montmartre Blvd.
Houston, TX 77082

James J. Braniff, III
9811 Katy Fwy, Suite 500
Houston, TX 77024

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 16284APPLICATION

Mewbourne Oil Company applies for an order (i) approving a non-standard spacing and proration unit in the Wolfcamp formation comprised of the NE/4 of Section 21 and the E/2 of Section 16, 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 NE/4 of Section 21 and the E/2 of Section 16, and has the right to drill a well thereon.
2. Applicant proposes to drill the following wells to test the Wolfcamp formation:
 - (a) The Creedence 21/16 W0HA State Com. Well No. 1H; and
 - (b) The Creedence 21/16 W0HA State Com. Well No. 2H.

The wells are horizontal wells with surface locations in the SE/4NE/4 of 21, and bottomhole locations in the NE/4NE/4 of Section 16. The beginning and end of the producing intervals will be orthodox.

Applicant seeks to dedicate the NE/4 of Section 21 and the E/2 of Section 16 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 NE/4 of Section 21 and the E/2 of Section 16 for the purposes set forth herein.

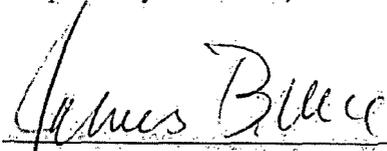
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying the NE/4 of Section 21 and the E/2 of Section 16, 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 NE/4 of Section 21 and the E/2 of Section 16, 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 NE/4 of Section 21 and the E/2 of Section 16;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the NE/4 of Section 21 and the E/2 of Section 16;
- 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,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above a horizontal line.

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

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 16234:

Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 480-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the NE/4 of Section 21 and the E/2 of Section 16, Township 24 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the Creedence 21/16 W0HA State Com. Well No. 1H and the Creedence W0HA State Com. Well No. 2H, horizontal wells with surface locations in the SE/4NE/4 of Section 21, and bottomhole locations in the NE/4NE/4 of Section 16. 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 1 mile west of Malaga, New Mexico.

MAY 29 2018 PM03:52