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16279

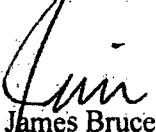
June 12, 2018

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 a non-standard unit and compulsory pooling, together with a proposed advertisement. Please set the application for the July 12, 2018 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Notified

Ridge Runner Resources Operating, LLC  
1004 North Big Spring Street, Suite 325  
Midland, TX 79701  
Attn: Mr. Scott Germann

Marathon Oil Permian, LLC  
5555 San Felipe  
Houston, TX 77056-2701  
Attn: Mr. Matthew D. Brown

COG Operating LLC  
600 W. Illinois  
Midland, TX 79701  
Attn: Mr. Scott Tomlinson

Devon Energy Production Company, LP  
333 West Sheridan Avenue  
Oklahoma City, OK 73102-5015  
Attn: Cari Allen

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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

Case No. 16279

**APPLICATION**

Mewbourne Oil Company applies for an order (i) approving a 200 acre non-standard oil spacing and proration unit in the Bone Spring formation comprised of the SE/4SW/4 and S/2SE/4 of Section 11 and the S/2SW/4 of Section 12, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and (ii) pooling all mineral interests in the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the SE/4SW/4 and S/2SE/4 of Section 11 and the S/2SW/4 of Section 12, and has the right to drill a well or wells thereon.

2. Applicant proposes to drill the following wells to a depth sufficient to test the Bone Spring formation:

(a) The Sapphire 11/12 B2NN State Com. Well No. 1H; and

(b) The Sapphire 11/12 B3NN State Com. Well No. 2H.

Applicant seeks to dedicate the SE/4SW/4 and S/2SE/4 of Section 11 and the S/2SW/4 of Section 12 to the wells to form a non-standard 200 acre oil spacing and proration unit (project area) in the Bone Spring formation. The wells are horizontal wells, with surface locations in the SE/4SW/4 of Section 11, and bottomhole locations in the SE/4SW/4 of Section 12.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation in the SE/4SW/4 and S/2SE/4 of Section 11 and the S/2SW/4 of Section 12 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 uncommitted mineral interest owners in the Bone Spring formation underlying the SE/4SW/4 and S/2SE/4 of Section 11 and the S/2SW/4 of Section 12, pursuant to NMSA 1978 §§70-2-17, 18.


5. Approval of the non-standard unit, and the pooling of all mineral interest owners in the Bone Spring formation underlying the SE/4SW/4 and S/2SE/4 of Section 11 and the S/2SW/4 of Section 12, 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 oil spacing and proration unit (project area) in the Bone Spring formation comprised of the SE/4SW/4 and S/2SE/4 of Section 11 and the S/2SW/4 of Section 12;
- B. Pooling all mineral interest owners in the Bone Spring formation underlying the SE/4SW/4 and S/2SE/4 of Section 11 and the S/2SW/4 of Section 12;
- 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, appearing to read "James Bruce", written over a horizontal line.

James Bruce

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Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Mewbourne Oil Company