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July 24, 2018

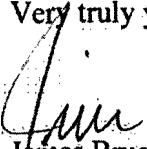
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

16279
Case 16361

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an amended application for compulsory pooling in Case No. 16279, together with a proposed advertisement. Please set the application for the August 23, 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 HORIZONTAL SPACING
UNIT AND COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.****Case No. 16279****AMENDED APPLICATION**

Mewbourne Oil Company applies for an order (i) approving a 200 acre non-standard horizontal spacing unit in the Second Bone Spring Sand zone of 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 Second Bone Spring Sand 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 thereon.
2. Applicant proposes to drill the Sapphire 11/12 B2NN State Com. Well No. 1H to a depth sufficient to test the Second Bone Spring Sand (defined as the stratigraphic equivalent of 7,800 to 8,164 feet beneath the Kelly Bushing elevation of 3393 feet, as found on the BHC Acoustilog for the Chisos Ltd. State HL 11 Well No. 11, located 660 feet FSL and 1980 feet FWL of Section 11, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico [API No. 30-015-22956]). 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 well to form a non-standard 200 acre horizontal spacing unit in the Second Bone Spring Sand. The well is a horizontal well, with a surface location in the SE/4SW/4 of Section 11, and a last take point 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 Second Bone Spring Sand 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 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 uncommitted mineral interest owners in the Second Bone Spring Sand 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.

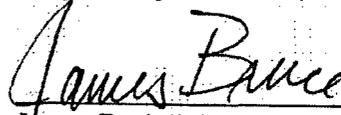
5. Approval of the non-standard unit, and the pooling of all mineral interest owners in the Second Bone Spring Sand underlying the SE/4SW/4 and S/2SE/4 of Section 11 and the S/2SW/4 of Section 12, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Approving a horizontal spacing unit in the Second Bone Spring Sand 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 Second Bone Spring Sand 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 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,



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

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 16279: (continued and re-advertised)

Application of Mewbourne Oil Company for a non-standard horizontal spacing unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 200-acre non-standard horizontal spacing unit in the Second Bone Spring Sand zone of 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, NMPM. Applicant further seeks the pooling of all mineral interests in the Second Bone Spring Sand underlying the non-standard unit. The unit will be dedicated to the Sapphire 11/12 B2NN State Com. Well No. 1H, a horizontal well with a surface location in the SE/4SW/4 of Section 11, and a final take point in the SE/4SW/4 of Section 12. 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 wells. The unit is located approximately 11 miles south-southwest of Loco Hills, New Mexico.

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