Examiner Hearing -November 10, 2011 Docket No. 33-11 Page 6 of 10

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 21: N/2 SE/4

Section 25: W/2

Section 29: SW/4 and S/2 SE/4

Section 35: E/2, SW/4, and S/2 NW/4

17. CASE 14736: (Continued from the October 27, 2011 Examiner Hearing.)

Amended Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order: (i) approving a 160-acre non-standard oil spacing and proration unit ("project area") in the Bone Spring formation, comprised of the N½N½ of Section 11, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and (ii) pooling all mineral interests from the base of the Second Bone Spring Carbonate to the base of the Bone Spring formation underlying the non-standard oil spacing and proration unit ("project area") for all pools or formations developed on 40-acre spa

cing within that vertical extent. The units are to be dedicated to the Tamano 11 Fed. Com. Well No. 1-H, a horizontal well with a surface location in the NE¼NE¼. 400 feet from the north line and 330 feet from the east line, and a bottom-hole location in the NW¼NW¼, 400 feet from the north line and 330 feet from the westline, of Section 11. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as the actual operating costs and charges for supervision, designation of applicant as operator of the unit and the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9 miles east-southeast of Loco Hills, New Mexico.

18. **CASE 14742** (continued and readvertised)

Application of Mewbourne Company for approval of a non-standard oil spacing and proration unit, an unorthodox oil well location, and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Yeso formation comprised of the W/2W/2 of Section 21, Township 20 South, Range 25 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Yeso formation underlying the SW/4SW/4 of Section 21 to form a standard 40 acre oil spacing and proration unit, and (ii) the Yeso formation underlying the W/2W/2 of Section 21 to form a non-standard 160 acre oil spacing and proration unit (project area), for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Pine Box 21 MD Fed. Com. Well No. 1, a horizontal well with an unorthodox location in the SW/4SW/4, and a terminus in the NW/4NW/4, of Section 21. 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 units are located approximately 5 miles southwest of Seven Rivers, New Mexico.

19. CASE 14623: (Continued from the October 13, 2011 Examiner Hearing.)

Application of Nadel and Gussman Permian, L.L.C. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order approving a 159.36-acre non-standard oil spacing and proration unit (project area) in the Glorieta-Yeso formation comprised of Lots 1-4 of Section 7, Township 19 South, Range 26 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Glorieta-Yeso formation in Lot 1 of Section 7, and (ii) the Glorieta-Yeso formation underlying the non-standard spacing and proration unit (project area), for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Long Branch Well No. 1, a horizontal well with a surface location in Lot 1, and a terminus in Lot 4, of Section 7. 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 units are located approximately 4 miles northwest of Lakewood New Mexico.

20. <u>CASE 14624</u>: (Continued from the October 13, 2011 Examiner Hearing.)

Application of Nadel and Gussman Permian, L.L.C. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Glorieta-Yeso formation comprised of the E/2 W/2 of Section 7, Township 19 South, Range 26 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Glorieta-Yeso formation in the NE/4 NW/4 of Section 7, and (ii) the Glorieta-Yeso formation underlying the non-standard spacing and proration unit (project area), for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Long Branch Well No. 2, a horizontal well with a surface location in the NE/4 NW/4, and a terminus in the SE/4 SW/4, of Section 7. 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 units are located approximately 4 miles northwest of Lakewood New Mexico.