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May 25, 2012

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

Case 14869

RECEIVED

MAY 25 2012

Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an original and one copy of an application for compulsory pooling, *etc.*, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please advertise the application for the June 25, 2012 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

Catherine Ann Foley
10061 Fieldcrest Drive
Omaha, Nebraska 68124

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. 14869

MAY 25 2012

Oil Conservation Division
1220 S. Saint Francis

APPLICATION

Mewbourne Oil Company applies for an order (i) approving a non-standard oil spacing and proration unit in the Wolfcamp formation comprised of the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 14, Township 26 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and (ii) pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 14, and the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 14, and has the right to drill a well thereon.
2. Applicant proposes to drill its Delaware Ranch 14 CN Well No. 1 to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate to the well (i) the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 14 to form a standard 40 acre oil spacing and proration unit, and (ii) the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 14 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 well is a horizontal well, with a surface location in the NE $\frac{1}{4}$ NW $\frac{1}{4}$, and a terminus in the SE $\frac{1}{4}$ SW $\frac{1}{4}$, of Section 14.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 14 for the purposes set forth herein.

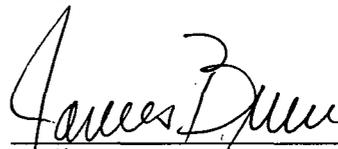
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 14, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests underlying the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 14 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 Wolfcamp formation comprised of the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 14;
- B. Pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 14, and the Wolfcamp formation underlying the non-standard unit;
- 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,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in black 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