JAMES BRUCE ATTORNEY AT LAW

. 1

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

September 17, 2013

RECEIVED OCD

Case 15053

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 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 set the application for the October 17, 2013 Examiner hearing. Thank you.

Very truly yours,

James Bruce

Attorney for Mewbourne Oil Company

- EXHIBIT A
- Westway Petroleum
 6440 N. Central Expressway, Suite 308
 Dallas, TX 75206
- 2) Mr. Robert N. Varn 3059 Farmington Lane Atlanta, GA 30399
- 3) Mr. Henry C. Landers 1003 East St. Redding, CA 96001
- 4) Mr. T. Grover Swift, Jr. 749 North Main St. Fort Worth, TX 70106
- 5) Mr. William P. McCormick 401 SW 12th Ave. Portland, OR 97205
- 6) Mr. Neil W. Schilke 1820 N. Nye Ave. Freemont, NE 68025
- 7) S.K. Clay Trust
 c/o Northern Trust Bank
 700 Bickell Ave.
 Miami, FL 33131
- W.P. Kendall Trust c/o Northern Trust Bank 700 Bickell Ave. Miami, FL 33131
- Ms. Patricia A. McMillian 1104 Constant Spring Rd. Austin, TX 78746
- 10) Mr. Lewis F. Holmes 1109 SC Highway 191 Trenton, SC 29847

Ŷ

Charles C. Albright Trust
 1806 Port Manleigh Pl.
 Newport Beach, CA 92660

12) Mr. Don Friedman 3219 S. Gregg Ct. Denver, CO 80210

. . .

- 13) Ms. Lillian Kamph, Trustee of Trust 454F
 1320 E. Ocean Front Balboa, CA 92661
- 14) Estate of E. Trompeter aka Earl Trompeter, Deceased and his unknown Heirs address unknown
- 15) William Evert Andrau Trust #1 and #2 address unknown
- 16) Helene B. Hewett/Barbara A. Powell Trust #1 and #2 address unknown

ø

- 17) Mr. William Jacobs address unknown
- 18) Mr. Andrew E. McMahon address unknown
- Mr. Russell S. Sampson address unknown
- 20) Mr. Ivor J. Silver address unknown
- 21) Mr. Alex M. Roter address unknown
- 22) Ms. Ann S. Ragsdale address unknown
- 23) Mr. Anthony Hawe address unknown

24) Mr. Athur A. Ostmann address unknown

....

- 25) Mr. Arturo G. Sterling address unknown
- 26) Ms. Dorothy Hinchliff address unknown
- 27) First State Bank and/or its Successors address unknown
- 28) Mr. George M. Oringdulph and H.E. Oringdulph address unknown
- 29) Mr. Gilbert T. Kanegawa address unknown
- 30) Mr. Glenn E. Duke address unknown
- 31) Mr. Harry Bersner address unknown
- 32) Mr. Harry F. Poll address unknown
- 33) Mr. Harry L. Green, Sr. address unknown
- 34) Ms. Janet S. Joslin address unknown
- 35) Mr. John Steinman address unknown
- 36) Mr. Larry M. Pickett and wife, Betty Jean Pickett address unknown

, ·

37) Mr. Leroy L. Burnette address unknown

- 38) Mr. John L. Steffan address unknown
- 39) Louesther Zwick Trust, IV address unknown
- 40) M.D. Williams and D.L. Pilant address unknown
- 41) Mr. Mark J. Sandler and wife, Beth Sandler address unknown
- 42) Mr. Norton S. Waldfogel address unknown
- 43) Mr. Steven R. Lindersmith address unknown
- 44) Mr. Thomas Geimer address unknown
- 45) Mr. Warren N. Rosenquist and wife, Judith V. Rosenquist address unknown

1

- 46) Mr. William W. Fetner address unknown
- 47) Ms. Sandra Houppermans address unknown

PROPOSED ADVERTISEMENT

Case No. <u>15053</u>:

Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving an 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2S/2 of Section 17, Township 20 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the S/2S/2 of Section 17 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 unit will be dedicated to the Glock 17 MP Fed. Well No. 1H, a horizontal well with a surface location in the SW/4SW/4, and a terminus in the SE/4SE/4, of Section 17. 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 unit is located approximately 17 miles east-southeast of Lakewood, New Mexico.

2013 SEP 17 P 2: 14 RECEIVED OCD



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.

RECEIVED OCD 2013 SEP 17 P Case No. <u>750,513</u>

APPLICATION

Mewbourne Oil Company applies for an order (i) approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the S½S½ of Section 17, Township 20 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 $S\frac{1}{2}S\frac{1}{2}$ of Section 17, and has the right to drill a well thereon.

2. Applicant proposes to drill its Glock 17 MP Fed. Well No. 1H to a depth sufficient to test the Bone Spring formation. Applicant seeks to dedicate the $S\frac{1}{2}S\frac{1}{2}$ of Section 17 to the well, as to the Bone Spring formation, to form a non-standard 160 acre oil spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing. The well is a horizontal well, with a surface location 400 feet from the south line and 200 feet from the west line, and a terminus 400 feet from the south lone and 330 feet from the east line, of Section 17.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the $S\frac{1}{2}S\frac{1}{2}$ of Section 17 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 S½S½ of Section 17, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests underlying the $S\frac{1}{2}S\frac{1}{2}$ of Section 17 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 protation unit (project area) in the Bone Spring formation comprised of the $S^{1}/S^{1}/_{2}$ of Section 17;

B. Pooling all mineral interests in the Bone Spring formation underlying the $S\frac{1}{2}S\frac{1}{2}$ of Section 17;

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

2