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November 19, 2013

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 December 19, 2013 Examiner hearing. Thank you.

Very truly yours,

James Bruce

Attorney for Mewbourne Oil Company

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Case 15065

Parties Being Pooled

Trustee of the Edward R. Hudson Trust No. 4 222 West 4th Street, PH No. 5 Fort Worth, Texas 76102

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY

FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING.

LEA COUNTY, NEW MEXICO.

Case No. 15065

<u>APPLICATION</u>

Mewbourne Oil Company applies for an order (i) approving a non-standard oil spacing

and proration unit in the Yeso formation comprised of the S½S½ of Section 17, Township 19

South, Range 33 East, N.M.P.M., Lea 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 S½S½ of Section 17, and has the right to

drill a well thereon.

2. Applicant proposes to drill its Excalibur 17 MP Fed. Com. Well No. 1 to a depth

sufficient to test the Bone Spring formation. Applicant seeks to dedicate the S½S½ of Section

17 to the well 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 500 feet from the south line and 20 feet from the west line, and a terminus 500 feet from

the south line 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 S½S½ 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 S½S½ 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 proration unit (project area) in the Bone Spring formation comprised of the S½S½ of Section 17;
- B. Pooling all mineral interests in the Bone Spring formation underlying the S½S½ of Section 17; and
- C. Designating applicant as operator of 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. 15065 :

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 a 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 19 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring 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 unit is to be dedicated to the Excalibur 17 MP Fed. Com. Well No. 1, a horizontal well with a surface location 500 feet from the south line and 20 feet from the west line, and a terminus 500 feet from the south line and 330 feet from the east line, of Section 17. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 14-1/2 miles south-southeast of Maljamar, New Mexico.