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Case 15245

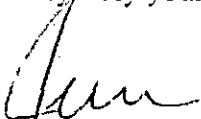
November 18, 2014

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

Dear Florene:

Enclosed for filing, on behalf of MRC Permian Company, is an application for compulsory pooling, *etc.*, together with a proposed advertisement. Please set this matter for the December 18, 2014 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for MRC Permian Company

Parties Being Pooled

Curtis L. Neeley Management Trust	206 Blue Ground 8992	Horseshoe Bay, TX 78657
* { James Minor Alexander	P.O. Box 58	Abilene, TX 79604
Jeri Alexander Lott	P.O. Box 58	Abilene, TX 79604
Jane Alexander Rhodes Revocable Trust, Jeri Alexander Mangum and First Financial Trust and Asset Management Co. as Trustees	P.O. Box 58	Abilene, TX 79604
Kelly Woods Leach	P.O. Box 58	Abilene, TX 79604
Jack G. Woods, Jr.	P.O. Box 58	Abilene, TX 79604
Caren G. Lucas	P.O. Box 58	Abilene, TX 79604
* { Catherine Gall Parker	P.O. Box 58	Abilene, TX 79604
Gall Credit Shelter Trust	P.O. Box 58	Abilene, TX 79604
Catherine Gall Parker Exempt Trust	P.O. Box 58	Abilene, TX 79604
Caren Gall Lucas Exempt Trust	P.O. Box 58	Abilene, TX 79604
Woods Dickents Ranch, LP	P.O. Box 58	Abilene, TX 79604
Sally Guitar	10 Woodhaven Circle	Abilene, TX 79605
Judy Guitar Uhey	P.O. Box 632	Elizabethtown, KY 42702
Sharon Guitar Ellis	P.O. Box 105	Snoqualmie Pass, WA 98068
Melissa McGee	P.O. Box 334	Buffalo Gap, TX 79508
* { Guitar Land & Cattle, L.P.	P.O. Box 58	Abilene, TX 79604
The Earl B. Guitar, Jr. and Margaret Ann Guitar Revocable Trust	P.O. Box 58	Abilene, TX 79604
Pressley Hudson Guitar	P.O. Box 20485	Dallas, TX 75220
* { Guitar Galusha, L.P.	P.O. Box 58	Abilene, TX 79604
Leslie David Guitar	P.O. Box 58	Abilene, TX 79604
Lesli Guitar Nichols	P.O. Box 327	Big Spring, TX 79721
John Kelly Guitar	P.O. Box 1628	Big Spring, TX 79721
* { Polk Land & Minerals, LP	P.O. Box 58	Abilene, TX 79604
Honeys Heritage, LP	P.O. Box 58	Abilene, TX 79604
JPH Holdings, LP	P.O. Box 58	Abilene, TX 79604
Lost Creek Royalties, LP	P.O. Box 58	Abilene, TX 79604
Guy Pittman Witherspoon, III	4704 Birchman Ave.	Fort Worth, TX 76107
John Guitar Witherspoon, Jr.	3104 N. 6th Street	McAllen, TX 78501
Whitten Guitar Witherspoon	3824 Arroyo Rd.	Fort Worth, TX 76109
Brett Guitar Witherspoon	3824 Arroyo Rd.	Fort Worth, TX 76109
Wende Witherspoon Morgan	1004 W. 8th Street	Westlaco, TX 78596
Gayle N. Nicolay, Trustee of the Gayle N. Nicolay Revocable Trust	5528 Tahoe Lane	Fairway, KS 66205
Virginia Nevill Hoff, as Trustee of the Virginia Nevill Hoff Management Trust	2601 Lakewood Circle	Tuscaloosa, AL 35405

* { Laura Jean Hofer, as Trustee of the Laura Jean Hofer
Trust
Murchison-Guitar Family, LP
Barbara Lee Blackman, Inc

P.O. Box 58 Abilene, TX 79604
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P.O. Box 58 Abilene, TX 79604

*Assigned their executive rights to Guitar Holdings Company

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED OOD

APPLICATION OF MRC PERMIAN COMPANY
FOR COMPULSORY POOLING AND APPROVAL
OF AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

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Case No. 15245

APPLICATION

MRC Permian Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying the S½ of Section 12, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and approving an unorthodox gas well location, and in support thereof, states:

1. Applicant is an interest owner in the S½ of Section 12, and has the right to drill a well thereon.
2. Applicant proposes to drill its Tom Walters 12-23S-27E RB Well No. 203H to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the well to the S½ of Section 12 to form a standard 320 acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing within that vertical extent. The well is a horizontal well, with a surface location 2280 feet from the south line and 250 feet from the west line of Section 12. The producing interval will be unorthodox, with the penetration point 2280 feet from the south line and 330 feet from the west line, and the last perforation 2280 feet from the south line and 330 feet from the east line, of Section 12.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S½ 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 mineral interest owners in the S½ of Section 12, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the S½ of Section 12, and approval of the unorthodox well location, 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. Pooling all mineral interests in the Wolfcamp formation underlying the S½ of Section 12;
- B. Approving the unorthodox gas well location;
- 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 MRC Permian Company

PROPOSED ADVERTISEMENT

Case No. 15245:

Application of MRC Permian Company for compulsory pooling and approval of an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the the S/2 of Section 12, Township 23 South, Range 27 East, NMPM, for all pools or formations developed on 320 acre spacing within that vertical extent. The unit will be dedicated to the Tom Walters 12-23S-27E RB Well No. 203H, a horizontal well with a surface location 2280 feet from the south line and 250 feet from the west line of Section 12. The producing interval will be unorthodox, with the penetration point 2280 feet from the south line and 330 feet from the west line, and the last perforation 2280 feet from the south line and 330 feet from the east line, 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 Matador Production Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3 miles northwest of Loving, New Mexico.