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Case 15383

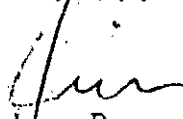
September 1, 2015

Florence 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 application for compulsory pooling, *etc.*, together with a proposed advertisement. Please set the application for the October 1, 2015 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

Lowe Royalty Partners, LP
4400 Post Oak Parkway, Suite 2550
Houston, Texas 77027
Attn: Mr. Dan Phillips

Maupin Greenstreet, LLC
2 Charing Cross Court
Roswell, New Mexico 88201

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF MEWBOURNE OIL COMPANY
FOR A NON-STANDARD GAS SPACING AND
PRORATION UNIT, COMPULSORY POOLING,
AND AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

Case No. 15383

APPLICATION

Mewbourne Oil Company applies for an order (i) approving a 480 acre non-standard gas spacing and proration unit in the Wolfcamp formation comprised of the W½ of Section 17 and the NW¼ of Section 20, Township 21 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, (ii) pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and (iii) approving an unorthodox gas well location, and in support thereof, states:

1. Applicant is an interest owner in the W½ of Section 17 and the NW¼ of Section 20, and has the right to drill a well thereon.
2. Applicant proposes to drill its Rio Bravo 17/20 W2DE Fed. Com. Well No. 1H to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the W½ of Section 17 and the NW¼ of Section 20 to the well to form a non-standard 480 acre gas spacing and proration unit (project area) in the Wolfcamp formation for all pools developed on 320 acre spacing within that vertical extent. The well is a horizontal well, with a surface location 400 feet from the north line and 790 feet from the west line of Section 17, and a terminus 2310 feet from the north line and 660 feet from the west line of Section 20. The terminus is unorthodox.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W½ of Section 17 and the NW¼ of Section 20 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 W½ of Section 17 and the NW¼ of Section 20, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit, the pooling of all mineral interests underlying the W½ of Section 17 and the NW¼ of Section 20, and the unorthodox gas 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. Approving a non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the W½ of Section 17 and the NW¼ of Section 20;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the W½ of Section 17 and the NW¼ of Section 20;
- C. Approving the unorthodox gas well location
- D. Designating applicant as operator of the well;
- E. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- F. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- G. 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 dark ink, appearing to read "James Bruce", written over a horizontal line.

James Bruce

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Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 15383 :

Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit, compulsory pooling, and an unorthodox gas well location, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 480-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 of Section 17 and the NW/4 of Section 20, Township 21 South, Range 25 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit for all pools developed on 320 acre spacing within that vertical extent. The unit is to be dedicated to the Rio Bravo 17/20 W2DE Fed. Com. Well No. 1H, a horizontal well with a surface location 400 feet from the north line and 790 feet from the west line of Section 17, and a terminus 2310 feet from the north line and 660 feet from the west line of Section 20. The terminus is unorthodox. 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 7-1/2 miles south of Seven Rivers, New Mexico.

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