JAMES BRUCE ATTORNEY AT LAW

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September 1, 2015

Case 15384

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 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

Maze Captola Qualls 3230 Cool Branch Road Churchville, Maryland 21028-1110

Bennie Ray Qualls, DSSP 6320 Tarascas Dr. El Paso, Texas 79912-2527

James Harold Qualls, DSSP 3230 Cool Branch Road Churchville, Maryland 21028-1110

E. Janet Hansen, a/k/a Jeannette T. Hansen, Colonia F. Harris, Reba N. Robertson, and Thelma L. Rainsey, as Joint Tenants

Jeannette T. Hansen's Address: 2000 Woodward Street, Apt. #208 Austin, Texas 79741-7859

Reba N. Robertson's Address: 108 Elm Court SE Rio Rancho, New Mexico 87124-8213

Frederick K. Batchelor and wife, Alice Address Unknown

Elverta L. Rannells, DSSP Address Unknown

Western Commerce Bank, Trustee of the Corrine B. Grace Trust P.O. Box 1358 Carlsbad, New Mexico 88221

MRC Permian Company One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240 Attn: Chris Carleton <u>Celènia F. Harris' Address:</u> 1402 Meadows Drive Round Rock, Texas 78681-2818

Thelma L. Ramsey's Address: 711 Happy Valley Rd. N Carlsbad, New Mexico 88220

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING AND AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

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Case No. 15384

APPLICATION

Mewbourne Oil Company applies for an order (i) pooling all mineral interests in the Wolfcamp formation underlying the W¹/₂ of Section 27, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and (ii) approving an unorthodox gas well location, and in support thereof, states:

1. Applicant is an interest owner in the $W\frac{1}{2}$ of Section 27, and has the right to drill a well thereon.

2. Applicant proposes to drill its Speedwagon 27 W2DM Fee Well No. 1H to a depth sufficient to test the Wolfcamp formation (South Culebra Bluff-Wolfcamp Gas Pool). Applicant seeks to dedicate the W_{2} of Section 27 to the well to form a standard 320 acre gas spacing and proration unit 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 190 feet from the north line and 660 feet from the west line, and a terminus 330 feet from the south line and 660 feet from the west line, of Section 27. The terminus is unorthodox.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the $W\frac{1}{2}$ of Section 27 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 W¹/₂ of Section 27, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the W¹/₂ of Section 27 and approval of 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. Pooling all mineral interests in the Wolfcamp formation underlying the W¹/₂ of Section 27:

B. Approving the unorthodox gas well location

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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 V Host Office Box 1056 Santa Fc, New Mexico 87504 (505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 15384 :

Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 27, Township 23 South, Range 28 East, NMPM, for all pools developed on 320 acre spacing within that vertical extent. The unit is to be dedicated to the Speedwagon 27 W2DM Fee Well No. 1H, a horizontal well with a surface location 190 feet from the north line and 660 feet from the west line, and a terminus 330 feet from the south line and 660 feet from the west line, of Section 27. 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 1 mile southeast of Loving, New Mexico.

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