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2015 SEP 15 P 12: 38

September 15, 2015

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

Case 15396

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an application for a non-standard project area, *etc.*, together with a proposed advertisement. Please set the application for the October 15, 2015 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Being Notified

S/2 sec 9 and W/2 SW/4 Sec 10 :
Nadel and Gussman Permian , LLC
601 N. Marienfeld , Suite 508
Midland, Tx 79701
Attn: Scott Germann

E/2SW/4 and SE/4 Sec 10 :
EOG Resources , Inc.
P.O. Box 2267
Midland , Tx 79702-2267
Attn Patrick Tower

W/2 Sec 11 :
Yates Petroleum Corporation
105 South 4th St
Artesia , NM 88210-2122
Attn: Janet Richardson

W/2 Sec 14 :
Jack D. Knox
Two Turtle Creek
3838 Oak Lawn , Suite P150
Dallas , TX 75219

Sharbro Energy LLC
P.O. Box 840
Artesia , NM 88211
Attn: Hannah Palomin

Yates Industries LLC
P.O. Box 1091
Artesia , NM 88211

E/2 Sec 16:
COG Operating LLC
600 W. Illinois
Midland , TX 79701

N/2 Sec 22 :
EOG Resources , Inc.

ConocoPhillips Company
P.O. Box 2198
Houston , TX 77252-2197
Attn: Gianni Esparza

N/2 Sec 23 :
EOG Resources , Inc.

Devon Energy Production Company , LP
333 W. Sheridan Ave.
Oklahoma City , OK 73102-5010

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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2015 SEP 15 P 12:39

APPLICATION OF MEWBOURNE OIL COMPANY
FOR APPROVAL OF A NON-STANDARD PROJECT
AREA AND TWO UNORTHODOX OIL WELL
LOCATIONS, EDDY COUNTY, NEW MEXICO.

Case No. 15396

APPLICATION

Mewbourne Oil Company applies for an order (i) approving a non-standard 560 acre horizontal well project area in the Bone Spring formation comprised of the N $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$ of Section 15, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico (the "Project Area"), and (ii) approving two unorthodox oil well locations, and in support thereof, states:

1. Applicant is an interest owner in the Project Area, and has the right to drill a well or wells thereon.

2. The Project Area is comprised entirely of federal lands, and the Bureau of Land Management (the "BLM") required applicant to form and communitize the Project Area. The Project Area, as to the Bone Spring formation, is subject to Communitization Agreement dated May 15, 2014, approved by the BLM (No. NM 134237), and recorded at Book 1014, page 849 of the Lea County Records. All working interest owners have executed Communitization Agreement NM 134237.

3. Applicant has drilled or is currently drilling the following wells in the Project Area:

Leo 15 DA Fed. Com. Well No. 1H

Leo 15 B2DH Fed. Com. Well No. 1H

Leo 15 B2DP Fed. Com. Well No. 1H

Leo 15 B2DN Fed. Com. Well No. 1H

All acreage in the Project Area will be fully developed.

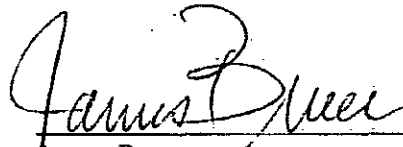
4. The following wells have unorthodox locations exterior to the Project Area:
 - (a) Leo 15 B2DH Fed. Com. Well No. 1H, with a surface location 430 feet from the north line and 370 feet from the west line, and a bottomhole location 2600 feet from the north line and 330 feet from the east line, of Section 15.
 - (b) Leo 15 B2DN Fed. Com. Well No. 1H, with a surface location 630 feet from the north line and 370 feet from the west line, and a bottomhole location 330 feet from the south line and 2600 feet from the west line, of Section 15.

The BLM has required that all surface locations for wells in the Project Area be located in the NW4NW/4 of Section 15.

5. Approval of the non-standard project area and the unorthodox well locations 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 granting the relief requested herein.

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. 15396 :

Application of Mewbourne Oil Company for a non-standard project area and two unorthodox oil well locations, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a non-standard 560-acre horizontal well project area in the Bone Spring formation comprised of the N/2, E/2SW/4, and SE/4 of Section 15, Township 18 South, Range 30 East, NMPM. Applicant further seeks approval of unorthodox oil well locations for the following wells: (a) the Leo 15 B2DH Fed. Com. Well No. 1H, with a surface location 430 feet from the north line and 370 feet from the west line, and a bottomhole location 2600 feet from the north line and 330 feet from the east line, of Section 15; and (b) the Leo 15 B2DN Fed. Com. Well No. 1H, with a surface location 630 feet from the north line and 370 feet from the west line, and a bottomhole location 330 feet from the south line and 2600 feet from the west line, of Section 15. The project area is located approximately 5 miles south-southeast of Loco Hills, New Mexico.

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