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Case 15553

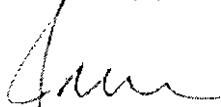
August 30, 2016

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

Dear Florene:

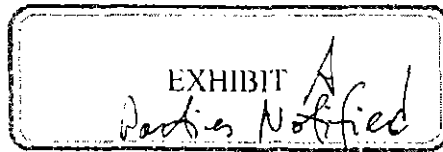
Enclosed for filing, on behalf of Mewbourne Oil Company, are an application for compulsory pooling, *etc.*, together with a proposed advertisement. Please set the application for the September 29, 2016 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company



- 1) Black Mountain Operating, LLC  
500 Main Street, Suite 1200  
Fort Worth, Texas 76102  
Attn: Mr. Kyle Biery
- 2) Challenger Crude, Ltd.  
3525 Andrews Highway  
Midland, Texas 79703  
Attn: Mr. Mike Curry
- 3) Viersen Oil & Gas Co.  
P.O. Box 702708  
Tulsa, Oklahoma 74170  
Attn: Mr. J.J. Chisholm
- 4) Texas Independent Exploration, Inc.  
6760 Portwest Drive  
Houston, Texas 77024.  
Attn: Mr. Chad Bothe
- 5) Tom M. Ragsdale  
12012 Wickchester Lane, Suite 410  
Houston, Texas 77079
- 6) Black & Gold Resources, LLC  
800 Bering, Suite 201, Houston, Texas 77057  
Attn: David V. De Marco
- 7) Phoebe Tompkins  
5184 Pine Tree Drive  
Miami Beach, FL 33140
- 8) Landis Drilling Co.  
Last Known Address: P.O. Box 994  
Midland, Texas 79701
- 9) Bonnie Bowman Korbell  
and John Korbell  
Last Known Address: P.O. Box 12199  
San Antonio, Texas 78212
- 10) Charles C. Albright, III, Trustee  
Last Known Address: 729 W. 16<sup>th</sup> Street, Suite B8  
Costa Mesa, CA 92627

- 11) M. Kurt Chapman  
Last Known Address: P.O. Box 344  
Post, Texas 79356
- 12) Lillian E. Rutherford and Kenneth Rutherford,  
Trustees of the Rutherford Family 1970 Trust  
Last Known Address: 321 Grove Drive  
Portola Valley, CA 94028
- 13) ABC Oil & Gas Properties  
c/o Darleen Cockburn  
Last Known Address: 3208 Boyd  
Midland, Texas 79705
- 14) Constance B. Cartwright  
Last Known Address: 435 E. 52<sup>nd</sup> Street, No. 5B  
New York, New York 10022

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF MEWBOURNE OIL COMPANY  
FOR A NON-STANDARD OIL SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

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Case No. 15553

APPLICATION

Mewbourne Oil Company applies for an order (i) approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the  $W\frac{1}{2}W\frac{1}{2}$  of Section 15, Township 23 South, Range 34 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  $W\frac{1}{2}W\frac{1}{2}$  of Section 15, and has the right to drill a well thereon.

2. Applicant proposes to drill its Pronghorn B3DM Fed. Com. Well No. 1H to a depth sufficient to test the Bone Spring formation. Applicant seeks to dedicate the  $W\frac{1}{2}W\frac{1}{2}$  of Section 15 to the well to form a non-standard 160 acre oil spacing and proration unit (project area) in the Bone Spring formation. The well is a horizontal well, with a surface location in the  $NW\frac{1}{4}NW\frac{1}{4}$ , and a terminus in the  $SW\frac{1}{4}SW\frac{1}{4}$ , of Section 15.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation in the  $W\frac{1}{2}W\frac{1}{2}$  of Section 15 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.

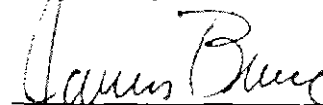
Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation in the W½W½ of Section 15, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests in the Bone Spring formation underlying the W½W½ of Section 15 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 W½W½ of Section 15;
- B. Pooling all mineral interests in the Bone Spring formation underlying the W½W½ of Section 15;
- 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 Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 15553:

***Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea 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 W/2W/2 of Section 15, Township 23 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the W/2W/2 of Section 15. The unit will be dedicated to the Pronghorn B3DM Fed. Com. Well No. 1H, a horizontal well with a surface location in the NW/4NW/4, and a terminus in the SW/4SW/4, of Section 15. 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 18 miles southwest of Oil Center, New Mexico.

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