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Case 15556

September 13, 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 October 13, 2016 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Being Notified

Jennifer Seltzer
2053 16th Street
Cuyahoga Falls, Ohio 44223

Energex, LLC
Suite 200
4425 98th Street
Lubbock, Texas 79424

MRC Permian Company
Suite 1500
5400 LBJ Freeway
Dallas, Texas 75240

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 15556

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying Lots 1-4 and the S½N½ (the N½) of Section 5, Township 24 South, Range 28 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 N½ of Section 5, and has the right to drill a well thereon.
2. Applicant proposes to drill the Zeppelin 5 W2EH Fee Well No. 1H to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate to the N½ of Section 5 to the well to form a standard 320.20 acre gas spacing and proration unit. The well is a horizontal well with a surface location 2310 feet from the north line and 205 feet from the east line, and a terminus 2310 feet from the north line and 330 feet from the west line, of Section 5. The beginning and end of the producing interval are unorthodox under the rules governing the South Culebra Bluff-Wolfcamp Gas Pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N½ of Section 5 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.

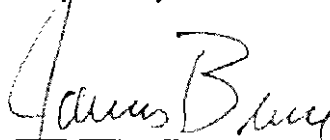
Therefore, applicant seeks an order pooling all mineral interest owners in the N½ of Section 5, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the N½ of Section 5, 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 N½ of Section 5;
- 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,

A handwritten signature in dark ink, appearing to read "James Bruce", written over a horizontal line.

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 15536:

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 N/2 of Section 5, Township 24 South, Range 28 East, NMPM, to form a standard 320.20 acre gas spacing and proration unit. The unit is to be dedicated to the Zeppelin 5 W2EH Fee Well No. 1H, a horizontal well with a surface location 2310 feet from the north line and 205 feet from the east line, and a terminus 2310 feet from the north line and 330 feet from the west line, of Section 5. The location 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 3 miles south-southwest of Loving, New Mexico.

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Davidson, Florene, EMNRD

From: jamesbruc@aol.com
Sent: Tuesday, September 13, 2016 4:45 PM
To: Davidson, Florene, EMNRD; Salvidrez, Marlene, EMNRD
Subject: Oct. 13th hearing
Attachments: moc-pad-fph-zeppelin 5 W2HE 1H.docx

Attached is an ad for a case filed for Mewbourne. Please set it for 10/13. Application to follow in a few minutes.

Jim