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June 21, 2016

RECEIVED OCD 2016 JUN 21 P 4: 33

Case 15513

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 July 21, 2016 Examiner hearing. Thank you.

Very truly yours.

James Bruce

Attorney for Mewbourne Oil Company

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION FOR THE NEW MEXICO OIL CONSERVATION FOR THE NEW MEXICO OIL CONSERVATION

2016 JUN 21 P 4: 33

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

Case No. \_15513

## 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 E½E½ of Section 34, Township 23 South. Range 28 East, N.M.P.M., Eddy 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 E½E½ of Section 34, and has the right to drill a well thereon.
- 2. Applicant proposes to drill its Yardbirds 34 PA Fee Well No. 1H to a depth sufficient to test the Bone Spring formation, and to dedicate the E½E½ of Section 3 to the well to form a non-standard 160 acre oil spacing and proration unit (project area). Applicant also seeks to pool all mineral interests in the Bone Spring formation underlying the non-standard unit. The well is a horizontal well, with a surface location in the SE½EE½, and a terminus in the NE½NE½, of Section 34.
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E½E½ of Section 34 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 underlying E½E½ of Section 34, 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 E½E½ of Section 34 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 E1/2E1/2 of Section 34;
- B. Pooling all mineral interests in the Bone Spring formation underlying the E½E½ of Section 3;
- 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. 15513:

Application of Mewbourne Oil Company for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy 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 E/2E/2 of Section 34, Township 23 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2E/2 of Section 34. The unit will be dedicated to the Yardbirds 34 PA Fee Well No. 1H, a horizontal well with a surface location 150 feet from the south line and 610 feet from the east line, and a terminus 330 feet from the north line and 500 feet from the east line, of Section 34. 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 2-1/2 miles north of Malaga, New Mexico.

## Parties Being Notified

Beckmill Investments, LLC P.O. Box 1158 Lexington, Virginia 24450

Borad Investments, LLC 820 Lake Park Drive Oak Point, TX 75068

Gene A. & Brenda L. Adams, his wife 4315 Aledo Oaks Court Ft. Worth, Texas 76126

Stephen J. Shook 4204 Tallowood Drive Austin, Texas 78731

Terry L. Shook 5217 Old Spicewood Springs Rd., #802 Austin, Texas 78731

G. Michael Shook 4939 Oak Shadows Drive Houston, Texas 77091

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Huntington Resources, LLC P.O. Box 700093 Tulsa, Oklahoma 74170

JRM, LLC 152 Maury River Road Lexington, Virginia 24450

Landcaster Resources, LLC P.O. Box 700093 Tulsa, Oklahoma 74170

PBI, LLC 893 King William Drive Charlottesville, Virginia 22901

Buckeye Creek Energy, LLC 45914 W. 51<sup>st</sup> Street S. Jennings, Oklahoma 74038

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Roden Associates, Ltd. 2603 Augusta, Suite 740 Houston, Texas 77057

Roden Oil Company P.O. Box 10909 Midland, Texas 79702

H. Grady Payne, III 7100 Grapevine Hwy., Suite 204 Ft. Worth, Texas 76188

Robert B. Coleman and Nancy Coleman, husband and wife P.O. Box 501 Midland, Texas 79702

United States Borax & Chemical Corp. Address Unknown

Harold L. Hensley and Sandra Hensley, husband and wife P.O. Box 3580 Midland, Texas 79702

Gary D. Reed and Gail Reed, husband and wife 5610 North Highway 97 Sand Springs, Oklahoma 74063

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The Estate of Jennifer Enoch Hale 1113 Reeves Drive Grand Forks, North Dakota 58201

The Estate of Coe McEwen Wilscan 12267 SW 81st Terrace Andover, Kansas 67002

Kevin Beachy McEwen 409 Porth Avenue Andover, Kansas 67002 Drew Matthew McEwen 9350 E. Wilson Estates Court Wichita, Kansas 67026

Edwin Kitrell, III and Scott R. Kitrell, d/b/a K2 Properties

George O. Stribling, Personal Representative of the Estate of Martha Stribling, Deceased 6818 Academy Parkway West NE Albuquerque, New Mexico 87109

The Trustee of a trust created by Martha Stribling dated 9-24-1996 P.O. Box 95557 Albuquerque, New Mexico 87199

T.B. Stribling, III as Successor Trustee of the Martha G. Stribling Irrevocable Trust P.O. Box 95557 Albuquerque, New Mexico 87199

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Martha J. Stribling 6818 Academy Parkway West NE Albuquerque, New Mexico 87109

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