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2016 DEC -6 A 3:03

Case # 15610


December 6, 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 January 5, 2017 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

- 1) The Estate of H.B. Amerine, also known as Harvey B. Amerine, Deceased
c/o Johnston, Eisenhower, Eisenhower
113 East Third Street
Pratt, Kansas 67124
- 2) The heirs and devisees of the estate of H.B. Amerine, Deceased, being:
 - A) The Estate of Charles Amerine, also known as Charles W. Amerine, deceased
Address and Heirs Unknown
 - B) Estate of Brough Amerine, Deceased
Address and Heirs Unknown
 - C) Estate of Ethel Derley, Deceased
(Heirs Unknown)
Last Known Address of Decedent:
RR1 Box 16
Belpre, Kansas 67519-9408
 - D) Winona Graham, also known as Wenona Graham
313 Beverly Ave.
Newton, Kansas 67114-3232
 - E) Estate of Wilma Keller, Deceased
(Heirs Unknown)
Last Known Address:
602 S. Main Street
Pratt, Kansas 67124-2629
 - F) Beauford Amerine
15015 Los Lotes Street
Whittier, California 90600
 - G) Randy Amerine
3314 Caminito Cabo Viejo
Del Mar, California 92014-3960
 - H) Donnie Amerine
1001 Dover Dr.
Newport Beach, California 92660-4727
 - I) Deanna Riley
Last Known Address:
1204 Larimer
Pratt, Kansas 67124

- 3) The Laundry Basket, LLC
520 N. Hersey
Beloit, Kansas 67420
- 4) Ronald & Jennie Cannon, husband and wife
508 SE 49th Street
Oklahoma City, Oklahoma 73129
- 5) Lyle E. Butz and Jessie P. Butz, Joint Tenants
Jessie P. Butz's Address:
5221 E. 131st Street
Thornton, Colorado 80241-2327

Lyle E. Butz's Address:
10939 Yukon Street
Westminister, Colorado 80021-2622

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. 15610

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying Lots 3, 4, W $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$ (the S $\frac{1}{2}$) of Section 7, 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 S $\frac{1}{2}$ of Section 7, and has the right to drill a well thereon.
2. Applicant proposes to drill its Boston 7 W2MP Fee Well No. 1H to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate to the S $\frac{1}{2}$ of Section 7 to the well to form a standard 319.23 acre gas spacing and proration unit in the Wolfcamp formation, and to pool all interests in the well unit. The well is a horizontal well with a surface location 330 feet from the south line and 185 feet from the west line, and a terminus 330 feet from the south line and 330 feet from the east line, of Section 7. The producing interval will be 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 S $\frac{1}{2}$ of Section 7 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.

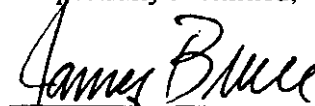
Therefore, applicant seeks an order pooling all mineral interest owners in the S½ of Section 7, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the S½ of Section 7, 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 S½ of Section 7;
- B. Approving the unorthodox 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,



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

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 15610 :

Application of Mewbourne Oil Company for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying Lots 3, 4, W/2SW/4, and SE/4 (the S/2) of Section 7, Township 24 South, Range 28 East, NMPM, to form a standard 319.23 acre gas spacing and proration unit. The unit will be dedicated to the Boston 7 W2MP Fee Well No. 1H, a horizontal well with a surface location 330 feet from the south line and 185 feet from the west line, and a terminus 330 feet from the south line and 330 feet from the east line, of Section 7. The producing interval will be 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 3-1/2 miles west-northwest of Malaga, New Mexico.

Davidson, Florene, EMNRD

From: jamesbruc@aol.com
Sent: Tuesday, December 6, 2016 1:32 PM
To: Jones, William V, EMNRD; Davidson, Florene, EMNRD;
marlene.salvidrez@state.nm.nm.us
Subject: 1/5/17 hearing
Attachments: Scan 103.pdf; moc-pad-fph-Boston 7 W2MD 1H.docx

Attached is an application and proposed ad filed for Mewbourne.

Sorry Will, I lied.

Jim