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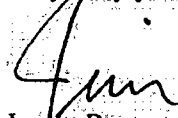
January 17, 2017

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, together with a proposed advertisement. Please set the application for the Febr, 2017 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

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Case 15623<sup>5</sup>

## Parties

### W/2 Section 21, T23S, R28E:

Mewbourne Oil Company – Leasehold Owner

BC Operating, Inc. – Leasehold Owner  
P.O. Box 50820  
Midland, Texas 79710  
Attn: Caleb Hopson

MRC Permian Company – Leasehold Owner  
5400 LBJ Freeway, Suite 1500  
Dallas, TX 75240  
Attn: Land Department

### N/2 Section 28, T23S, R28E:

BK Exploration Corp. - Operator  
10159 E. 11<sup>th</sup> Street, #401  
Tulsa, OK 74128  
Attn: Brad D. Burks

COG Production, LLC  
600 W. Illinois Avenue  
Midland, Texas 79701  
Attn: Mollie McAuliffe

### W/2 Section 27, T23S, R28E:

Mewbourne Oil Company – Operator

Chevron USA, Inc. – Non-Operator  
1400 Smith St.  
Houston, TX 77002  
Attn: Amber Delach

MRC Permian Company – Non-Operator  
5400 LBJ Freeway, Suite 1500  
Dallas, TX 75240  
Attn: Land Department

Crown Oil Partners V, LP – Non-Operator  
P.O. Box 50820  
Midland, Texas 79710

Crump Energy Partners II, LLC – Non-Operator  
P.O. Box 50820  
Midland, Texas 79710

David L. Tomlin - Non-Operator  
P.O. Box 1641  
Midland, Texas 79702-2641

Reynolds Natural Resources, LP - Non-Operator  
420 Throckmorton, Suite 630  
Fort Worth, Texas 76102

Pardue Limited Company - Non-Operator  
125 N. Canyon Street  
Carlsbad, New Mexico

KCK Energy, LLC - Non-Operator  
2507 Dartmouth Drive  
Midland, Texas 79705  
Attn: Jim Dewey

W/2 Section 22, T23S, R28E:

Chevron USA, Inc. - Operator  
1400 Smith St.  
Houston, TX 77002  
Attn: Amber Delach

BK Exploration Corp. - Operator  
10159 E. 11<sup>th</sup> Street, #401  
Tulsa, OK 74128  
Attn: Brad D. Burks

Flare Oil, Inc. - Operator  
1919 Highway 35 North, Suite 452  
Rockport, Texas 78382

W/2 Section 15, T23S, R28E:

Chevron MidContinent, LP - Operator  
1400 Smith St.  
Houston, TX 77002  
Attn: Amber Delach

S/2 Section 23, T23S, R28E:

Rockcliff Operating New Mexico LLC - Operator  
1301 McKinney, Suite 1300  
Houston, Texas 77010

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL  
COMPANY FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

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Case No. 156235

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying the E½ of Section 21, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E½ of Section 21, and has the right to drill a well thereon.
2. Applicant proposes to drill its Loving Townsite 21 W2PA Fee Well No. 1H to a depth sufficient to test the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool). Applicant seeks to dedicate the E½ of Section 21 to the well to form a standard 320 acre gas spacing and proration unit in the Wolfcamp formation for all pools developed on 320 acre spacing within that vertical extent. The well is a horizontal well, with a surface location 220 feet from the north line and 450 feet from the east line of adjoining Section 28, with the initial take point approximately 330 feet from the south line and 450 feet from the east line and a terminus 330 feet from the north line and 450 feet from the east line of Section 21.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E½ of Section 21 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.

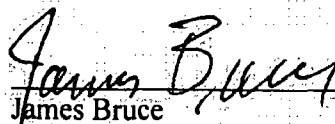
Therefore, applicant seeks an order pooling all mineral interest owners in the E½ of Section 21, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of Section 21 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 E½ of Section 21;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost thereof among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. 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. 15625 :

***Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.***

Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 21, Township 23 South, Range 28 East, NMPM, for all pools developed on 320 acre spacing within that vertical extent. The unit is to be dedicated to the Loving Townsite 21 W2PA Fee Well No. 1H, a horizontal well with a surface location 220 feet from the north line and 450 feet from the east line of adjoining Section 28, with the first take point approximately 330 feet from the south line and 450 feet from the east line and a terminus 330 feet from the north line and 450 feet from the east line of Section 21. 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 1 mile east of beautiful, downtown Loving, New Mexico.

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