

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE NEW MEXICO 87504

369 MONTE/UMA NO 213
SANTA FE NEW MEXICO 87501

(505) 982 2043 (Phone)
(505) 660-6612 (Cell)
(505) 982 2151 (Fax)

jamesbruce@aol.com

June 20 2017

Case 15767

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 a non standard unit and compulsory pooling together with a proposed advertisement Please set the application for the July 20 2017 Examiner hearing Thank you

Very truly yours



James Bruce

Attorney for Mewbourne Oil Company

Parties Notified

Black Stone Minerals
1001 Linnin Street #2020
Houston Texas 77002
Attn Mr Thad Montgomery

INWING Oil & Gas LLC
c/o EGL Resources Inc
POB 10886
Midland Texas 79702
Attn Mr Mike Newman

SES Resources LLC
c/o EGL Resources Inc
POB 10886
Midland Texas 79702
Attn Mr Mike Newman

Tiburon Exploration LLC
c/o EGL Resources Inc
POB 10886
Midland Texas 79702
Attn Mr Mike Newman

Logic Energy Holdings LLC
c/o EGL Resources Inc
POB 10886
Midland Texas 79702
Attn Mr Mike Newman

Texas & New Mexico Exploration LLC
c/o Apache Corporation
303 Veterans Airport Lane
Midland Texas 79705
Attn Mr Richard E Dollins

Marathon Oil Company
POB 3128
Houston Texas 77253 3128
Attn Mr Matt D Brown

Gah Energy Company
POB 1889
Midland Texas 79702
Attn Mr J M Gahr

Magnum Hunter Production Inc
600 North Marientfeld #600
Midland Texas 79701
Attn Mr Hayden P Licsner

F&F Exploration LLC
6523 Axton Circle
Dallas Texas 75214
Attn Mr Patrick Fulgham

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No 15767

APPLICATION

Mewbourne Oil Company applies for an order (i) approving a non standard spacing and proration unit in the Wolfcamp formation comprised of the W½ of Section 25 and the W½ of Section 36 Township 23 South Range 26 East N M P M Eddy County New Mexico and (ii) pooling all mineral interests in the Wolfcamp formation underlying the non standard unit and in support thereof states

1 Applicant is an interest owner in the W½ of Section 25 and the W½ of Section 36 and has the right to drill a well thereon

2 Applicant proposes to drill the Ghost Rider 25/36 W0DM Fed Com Well No 2H to a depth sufficient to test the Wolfcamp formation and has dedicated the W½ of Section 25 and the W½ of Section 36 to the well to form a non standard 640 acre gas spacing and proration unit (project area) in the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool) The well is a horizontal well with a surface location 185 feet from the north line and 450 feet from the west line of Section 25, and a terminus 330 feet from the south line and 450 feet from the west line of Section 36 The producing interval of the well will be orthodox

3 Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W½ of Section 25 and the W½ of Section 36 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 Wolfcamp formation underlying the W½ of Section 25 and the W½ of Section 36, pursuant to NMSA 1978 §§70-2-17, 18.

5 Approval of the non standard spacing and proration unit and the pooling of all mineral interests in the Wolfcamp formation underlying the W½ of Section 25 and the W½ of Section 36 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 gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the W½ of Section 25 and the W½ of Section 36,

B Pooling all mineral interests in the Wolfcamp formation underlying the W½ of Section 25 and the W½ of Section 36

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 cursive script, appearing to read "James Bruce", is 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 15767

Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico Mewbourne Oil Company seeks an order approving a 640 acre non standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 of Section 25 and the W/2 of Section 36 Township 23 South Range 26 East NMPM Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non standard unit The unit will be dedicated to the Ghost Rider 25/36 WODM Fed Com Well No 2H a horizontal well with a surface location 185 feet from the north line and 450 feet from the west line of Section 25 and a terminus 330 feet from the south line and 450 feet from the east line of Section 36 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 9 miles west southwest of Loving New Mexico

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