

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

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

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

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September 26, 2017

*Case 15862*

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 gas spacing and proration unit and compulsory pooling, together with a proposed advertisement. Please set the application for the October 26, 2017 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Notified

William J. Graham & Rosalyn Graham  
900 Glen Rose Dr.  
Allen, TX 75013

Carbon Techs Energy, Inc.  
P.O. Box 4548  
Greensboro, North Carolina 27404  
Attn: Land Manager

John F. Green  
43 Haight Ave  
Poughkeepsie, NY 12603

Mokeen Limited Partnership  
330 Madison Avenue  
New York, NY 10017  
Attn: Land Manager

Nu-Energy Oil & Gas, Inc  
302-1550 W 8<sup>th</sup> Ave  
Vancouver, BC V6S4R8  
Attn: Land Manager

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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

Case No. 15862

**APPLICATION**

Mewbourne Oil Company applies for an order approving a 480 acre non-standard gas spacing and proration unit in the Wolfcamp formation comprised of the E/2 of Section 11 and the NE/4 of Section 14, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and 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 E/2 of Section 11 and the NE/4 of Section 14, and has the right to drill a well or wells thereon.

2. Applicant proposes to drill the following wells:

(a) The Fuller 14/11 W2HA Fed. Com. Well No. 3H to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in the SE/4NE/4 of Section 14 and a terminus in the NE/4NE/4 of Section 11. The beginning and end of the producing interval will be orthodox; and

(b) The Fuller 14/11 W1HA Fed. Com. Well No. 2H to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in the SE/4NE/4 of Section 14 and a terminus in the NE/4NE/4 of Section 11.

The beginning and end of the producing interval will be orthodox.

Applicant seeks to dedicate the E/2 of Section 11 and the NE/4 of Section 14 to the wells to form a non-standard 480 acre gas spacing and proration unit in the Wolfcamp formation.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E/2 of Section 11 and the NE/4 of Section 14 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 wells or to otherwise commit their interests to the wells, 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 in the E/2 of Section 11 and the NE/4 of Section 14, pursuant to NMSA 1978 §§70-2-17, 18.

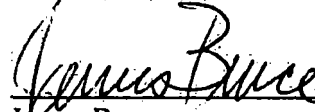
5. The approval of the non-standard spacing and proration unit, and the pooling of all mineral interests in the Wolfcamp formation underlying the E/2 of Section 11 and the NE/4 of Section 14, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

- A. Approving a non-standard gas spacing and proration unit in the Wolfcamp formation comprised of the E/2 of Section 11 and the NE/4 of Section 14;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 11 and the NE/4 of Section 14;
- C. Designating applicant as operator of the wells;
- D. Considering the cost of drilling and completing the wells, 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 wells in the event a working interest owner elects not to participate in the wells.

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. 15862:

***Application of Mewbourne Oil Company for a nonstandard gas spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 480 acre non-standard gas spacing and proration unit in the Wolfcamp formation underlying the E/2 of Section 11 and the NE/4 of Section 14, Township 26 South, Range 29 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to: (i) the Fuller 14/11 W2HA Fed. Well No. 3H, to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in the SE/4NE/4 of Section 14 and a terminus in the NE/4NE/4 of Section 11. The beginning and end of the producing interval will be orthodox; and (ii) the Fuller 14/11 W1HA Fed. Well No. 2H to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in the SE/4NE/4 of Section 14 and a terminus in the NE/4NE/4 of Section 11. The beginning and end of the producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 14 miles southeast of Malaga, New Mexico.

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