

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)

jamesbruce@aol.com

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November 21, 2017

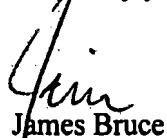
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 15913

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an application for a non-standard spacing and proration unit and compulsory pooling, together with a proposed advertisement. Please set the application for the December 21, 2017 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

Parties Notified

Hold The Door, L.P.
6824 Island Circle
Midland, TX 79707
Attn: Randy Cate

J.M. Mineral Land & Co., Inc.
P.O. Box 1015
Midland, TX 79702
Attn: Jon Morgan

Magnolia Royalty Company, Inc.
P.O. Box 10703
Midland, Texas 79702
Attn: John Norwood

Herman Clifford Walker, III
P.O. Box 10135
Midland, Texas 79702

Eric D. Boyt
P.O. Box 2602
Midland, Texas 79702

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION RECEIVED OCD

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

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Case No. 15913

APPLICATION

Mewbourne Oil Company applies for an order approving a 478.13 acre non-standard gas spacing and proration unit in the Wolfcamp formation comprised of Lots 3-7, SE/4NW/4, and E/2SW/4 (the W/2 equivalent) of Section 6 and Lots 1, 2, and E/2NW/4 (the NW/4 equivalent) of Section 7, Township 24 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 W/2 of Section 6 and the NW/4 of Section 7, and has the right to drill a well thereon.
2. Applicant proposes to drill its Pecos Valley 7/6 W2ED Fed. Com. Well No. 1H to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the W/2 of Section 6 and the NW/4 of Section 7 to the well to form a non-standard 478.13 acre gas spacing and proration unit in the Wolfcamp formation. The well is a horizontal well, with a surface location in Lot 3 of Section 7, and a terminus in Lot 4 of Section 6. The beginning and end of the producing interval will be orthodox
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W/2 of Section 6 and the NW/4 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 Wolfcamp formation in the W/2 of Section 6 and the NW/4 of Section 7, pursuant to NMSA 1978 §70-2-17.

5. Approval of the non-standard spacing and proration unit, and the pooling of all mineral interests in the Wolfcamp formation underlying the W/2 of Section 6 and the NW/4 of Section 7, 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 spacing and proration unit in the Wolfcamp formation comprised of the W/2 of Section 6 and the NW/4 of Section 7;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 6 and the NW/4 of Section 7;
- 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 that reads "James Bruce". The signature is written in dark ink and is positioned above 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. 15913:

Application of Mewbourne Oil Company for a nonstandard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 478.13 acre non-standard spacing and proration unit in the Wolfcamp formation underlying Lots 3-7, SE/4NW/4, and E/2SW/4 (the W/2) of Section 6 and Lots 1, 2, and E/2NW/4 (the NW/4) of Section 7, Township 24 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 the Pecos Valley W2ED Fed. Com. Well No. 1H, a horizontal well with a surface location in Lot 3 of Section 7, and a terminus in Lot 4 of Section 6. The producing interval will be orthodox. 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 miles northeast of Malaga, New Mexico.

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