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*Case 16001*

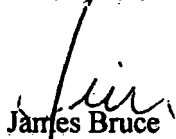
February 6, 2018

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 March 8, 2018 Examiner hearing. Thank you.

Very truly yours,

  
James Bruce

Attorney for Mewbourne Oil Company

Parties Notified

EOG Resources, Inc.  
5509 Champions Drive  
Midland, Texas 79706  
Attn: Land Manager

Murchison Oil & Gas, Inc.  
Legacy Tower One  
7250 Dallas Parkway,  
Suite 1400  
Plano, Texas 75024  
Attn: Mr. Eric Buddenbohn

Jarvis J. Slade and wife,  
Pamela Ferrari Slade  
444 East 52<sup>nd</sup> Street  
New York, New York 1002

JTD Resources, LLC  
P.O. Box 3422  
Midland, Texas 79702

Tap Rock Resources, LLC  
602 Park Point Drive, Suite 200  
Golden, Colorado 80401  
Attn: Clayton Sporich

**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.**

**FEB 07 2018 AM 08:57**

Case No. 16001

**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 SW/4 of Section 25 and the W/2 of Section 36 and the, Township 24 South, Range 28 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 SW/4 of Section 25 and the W/2 of Section 36, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells to test the Wolfcamp formation:
  - (a) The Fleetwood 36/25 W0ML State Com. Well No. 1H, a horizontal well with a surface location in the SW/4SW/4 of Section 36 and a terminus in the NW/4SW/4 of Section 25. The beginning and end of the producing interval will be orthodox; and
  - (b) The Fleetwood 36/25 W2ML State Com. Well No. 2H, a horizontal well with a surface location in the SW/4SW/4 of Section 36 and a terminus in the NW/4SW/4 of Section 25. The beginning and end of the producing interval will be orthodox.

Applicant seeks to dedicate the SW/4 of Section 25 and the W/2 of Section 36 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 SW/4 of Section 25 and the W/2 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 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 SW/4 of Section 25 and the W/2 of Section 36, pursuant to NMSA 1978 §§70-2-17, 18.

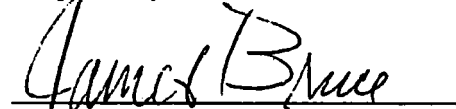
5. The approval of the non-standard spacing and proration unit, and the pooling of all mineral interests in the Wolfcamp formation underlying the SW/4 of Section 25 and the W/2 of Section 36, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- A. Approving a non-standard gas spacing and proration unit in the Wolfcamp formation comprised of the SW/4 of Section 25 and the W/2 of Section 36;
- B. Pooling all mineral interests in the Wolfcamp formation underlying the SW/4 of Section 25 and the W/2 of Section 36;
- C. Designating applicant as operator of the wells;
- D. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' 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. 16001 :

***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 W/2 of Section 36 and the SW/4 of Section 25, Township 24 South, Range 28 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 Fleetwood 36/25 W0ML State Com. Well No. 1H, a horizontal well with a surface location in the SW/4SW/4 of Section 36 and a terminus in the NW/4SW/4 of Section 25; and (ii) the Fleetwood 36/25 W2ML State Com. Well No. 2H a horizontal well with a surface location in the SW/4SW/4 of Section 36 and a terminus in the NW/4SW/4 of Section 25. The beginning and end of the producing interval in each well 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 4 miles south-southeast of Malaga, New Mexico.