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FEB 07 2018 AM 08:58

February 6, 2018

Case 16003

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 March 8, 2018 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Notified

**BNSF Railway Company
Attn: Jennifer Kindred
Farmers National Company
5110 S. Yale, Suite 400
Tulsa, OK 74135**

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 16003
~~FEB 07 2018~~ PM 08:58

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 28, 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 E/2 of Section 28, 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 Night Ranger 28 W2AP Fee Well No. 1H, a horizontal well, with a surface location in the NE/4NE/4, and a terminus in the SE/4SE/4, of Section 28. The beginning and end of the producing interval will be orthodox; and

(b) The Night Ranger W0AP Fee 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 NE/4NE/4, and a terminus in the SE/4SE/4, of Section 28. The beginning and end of the producing interval will be orthodox.

Applicant seeks to dedicate the E/2 of Section 28 to the wells to form a standard 320 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 28 for the purposes set forth herein.

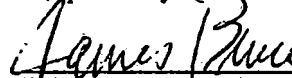
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation in the E/2 of Section 28, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the E/2 of Section 28 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 E/2 of Section 28;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' 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 wells in the event a working interest owner elects not to participate in the wells.

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. 16003 .:

FEB 06 2018 PM04:01

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 28, Township 23 South, Range 28 East, NMPM. The unit will be dedicated to (i) the Night Ranger 28 W2AP Fee Well No. 1H, a horizontal well with a surface location in the NE/4NE/4, and a bottomhole location in the SE/4SE/4, of Section 28, and (ii) the Night Ranger 28 W0AP Fee Well No. 2H, a horizontal well with a surface location in the NE/4NE/4, and a bottomhole location in the SE/4SE/4, of Section 28. The producing intervals of the wells 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 3-1/2 miles east-southeast of Black River Village, New Mexico.