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April 17, 2018

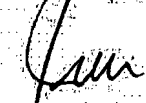
*Case 16135*

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 May 17, 2018 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Notified

Enline Production Company, Ltd.  
2001 Kirby Drive, Ste. 1240  
Houston, TX 77019

Landis Drilling Company  
P.O. Box 994  
Midland, TX 79702

Lynn Cardwell  
3408 Cardinal Ln.  
Midland, TX 79707

Mark L. Shidler, Inc.  
1313 Campbell Rd., Ste. D  
Houston, TX 77055

Phillip Dunford, Jr.  
612 Mary Lee Lane  
Edmond, OK 73034

Leigh Ann Dunford  
4018 Honeysuckle Lane  
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2300 N. Stemmons Freeway, Suite 5G-30  
Dallas, TX 75207

Stroube Energy Corporation  
4925 Greenville Ave., Ste. 915  
Dallas, TX 75206

Noco, Inc.  
2440 Sheridan Drive, Ste. 202  
Tonawanda, NY 14150

Blanco Holdings I, Ltd.  
Attn: Peter Way  
P.O. Box 36530  
Houston, TX 77236

Attwell Interests, Inc.  
Attn: Kirby Attwell  
2410 Lock Lane  
Houston, TX 77019

Royal Oak Oil & Gas, LLC  
Attn: George Ragsdale  
11510 Montmarie Blvd.  
Houston, TX 77082

Tracy Anderson  
6315 Misty Creek  
Missouri City, TX 77459

Ubiquity Communications, Inc.  
6606 Pepper Tree Place  
Amarillo, TX 79124

180 Petroleum, Inc.  
P.O. Box 52140  
Midland, TX 79710

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488 Alexian Way, Apt. 108  
Signal Mountain, TN 37377

Tom M. Ragsdale  
400 N. Sam Houston Pkwy East, Suite 601  
Houston, TX 77060

Matthew Doffer  
315 Rocky Lane Drive  
Midland, TX 79703-6063

Siana Oil & Gas Co., LLC  
400 N. Sam Houston Pkwy East, Suite 601  
Houston, TX 77060

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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

Case No. 16135

**APPLICATION**

Mewbourne Oil Company applies for an order (i) approving a 160-acre non-standard oil spacing and proration unit in the Bone Spring formation comprised of the  $W\frac{1}{2}W\frac{1}{2}$  of Section 22, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and (ii) pooling all mineral interests in the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the  $W\frac{1}{2}W\frac{1}{2}$  of Section 22, and has the right to drill a well or wells thereon.
2. Applicant proposes to form a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the  $W\frac{1}{2}W\frac{1}{2}$  of Section 22. The unit will be dedicated to the following wells: (a) the Gazelle 22 B3MD Fed. Com. Well No. 1H, a horizontal well with a surface location in the  $SW\frac{1}{4}SW\frac{1}{4}$ , and a terminus in the  $NW\frac{1}{4}NW\frac{1}{4}$ , of Section 22; and (b) the Gazelle 22 B2MD Fed. Com. Well No. 2H, a horizontal well with a surface location in the  $SW\frac{1}{4}SW\frac{1}{4}$ , and a terminus in the  $NW\frac{1}{4}NW\frac{1}{4}$ , of Section 22. The producing interval of each well will be orthodox.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the  $W\frac{1}{2}W\frac{1}{2}$  of Section 22 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 Bone Spring formation underlying the  $W\frac{1}{2}W\frac{1}{2}$  of Section 22, 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 Bone Spring formation underlying the  $W\frac{1}{2}W\frac{1}{2}$  of Section 22 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 oil spacing and proration unit (project area) in the Bone Spring formation comprised of the  $W\frac{1}{2}W\frac{1}{2}$  of Section 22;
- B. Pooling all mineral interests in the Bone Spring formation underlying the  $W\frac{1}{2}W\frac{1}{2}$  of Section 22;
- 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,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 16135:

***Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2W/2 of Section 22, Township 23 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to (a) the Gazelle 22 B3MD Fed. Com. Well No. 1H, a horizontal well with a surface location in the SW/4SW/4, and a terminus in the NW/4NW/4, of Section 22, and (b) the Gazelle 22 B2MD Fed. Com. Well No. 2H, a horizontal well with a surface location in the SW/4SW/4, and a terminus in the NW/4NW/4, of Section 22. The producing interval of 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 well. The unit is located approximately 19 miles southwest of Oil Center, New Mexico.

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