

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 15673 Re-Opened
ORDER NO. R-14445-A**

**APPLICATION OF MEWBOURNE OIL COMPANY TO RE-OPEN CASE NO.
15673 FOR A NON-STANDARD SPACING AND PRORATION UNIT AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 12, 2017, at Santa Fe, New Mexico, before Examiner Phillip R. Goetze.

NOW, on this 3rd day of May 2018, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due notice has been given, and the Division has jurisdiction of the subject matter of this case.

(2) Pursuant to a previous hearing, the Division, on September 12, 2017, issued Order No. R-14445 (Case No. 15673), granting the application of Mewbourne Oil Company (the "Applicant") for approval of a 480-acre non-standard gas spacing and proration unit and project area (the "Unit") for oil and gas production in the Purple Sage; Wolfcamp (Gas) Pool (Pool code 98220) comprising the SE/4 of Section 1 and the E/2 of Section 12, both in Township 25 South, Range 27 East, NMPM, in Eddy County, New Mexico. Order No. R-14445 further pooled all uncommitted interests in the Unit for the Wolfcamp formation.

(3) Order No. R-14445 designated that the Unit be dedicated to the **Devon 12 1 W2PI Fee Com Well No. 1H** (the "subject well"; API No. 30-015-43880), a horizontal well drilled from a surface location 200 feet from the North line and 450 feet from the East line (Unit A) of Section 13, to a terminus 2310 feet from the South line and 450 feet

from the East line (Unit I) of Section 1, both in Township 25 South, Range 27 East, NMPM.

(4) Mewbourne Oil Company (OGRID 14744) was designated as the operator of the subject well and of the Unit.

(5) On July 1, 2017, Mewbourne Oil Company commenced drilling of the subject well and commenced production from the subject well on October 24, 2017.

(6) Subsequently, the Division requested the Applicant to re-open the case for notification of all interest owners (the "identified parties") for the offset NE/4 of Section 1, Township 25 South, Range 27 East, NMPM. Prior notification of this quarter section for the original application was limited to only the Division-designated operator.

(7) At hearing, Applicant presented, through counsel, affidavits and evidence that it had given notice of the re-opened hearing to the identified parties by certified mail pursuant to Rule 19.15.4.12(B) NMAC. Applicant included royalty interest owners, overriding royalty interest owners and working interest owners as identified parties.

(8) No appearance was entered for the identified parties, nor any personal representative, heir or successor, and no person claiming to own or represent a claimant to an interest derived from these mineral owners otherwise has communicated with the Division.

The Division therefore concludes:

(9) Applicant has provided the necessary notification to the offset mineral interest owners in the NE/4 of Section 1, Township 25 South, Range 27 East, NMPM, as required under Division Rule 19.15.4.12(A)(3) NMAC.

(10) Order No. R-14445 should remain in full force and effect as issued on September 12, 2017.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Application of Mewbourne Oil Company (OGRID 14744), Order No. R-14445, issued in this case on September 12, 2017, granting a 480-acre non-standard gas spacing and proration unit and compulsory pooling for the Wolfcamp formation in the SE/4 of Section 1 and the E/2 of Section 12, both in Township 25 South, Range 27 East, NMPM, in Eddy County, New Mexico, is hereby reaffirmed.

(2) All provisions of Order No. R-14445 remain in full force and effect.

(3) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Heather Riley

HEATHER RILEY
Director