PROPOSED ADVERTISEMENT

Case No. 16183 :

Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2N/2 of Section 24 and the S/2N/2 of Section 23, Township 18 South, Range 30 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 the Virgo 24/23 B2HE Fed. Com. Well No. 1H, a horizontal well with a surface location in the SE/4NE/4 of Section 24, and a terminus in the SW/4NW/4 of Section 23. 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 6-1/2 miles south-southeast of Loco Hills, New Mexico.

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