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Case 16388

August 7, 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 compulsory pooling, together with a proposed advertisement. Please set the application for the September 6, 2018 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

PARTIES NOTIFIED

COG Operating LLC
600 W. Illinois Avenue
Midland, Texas 79701
Attn: Outside Operated Properties

Marathon Oil Permian LLC
5555 San Felipe St.
Houston, TX 77056
Attn: Matt Brown

CM Resources, LLC
306 W. Wall Street, Suite 500
Midland, TX 79701
Attn: Taylor Craighead

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

Kirby Attwell
2410 Lock Lane
Houston, TX 77019

Fasken Land & Minerals
6101 Holiday Hill Road
Midland, TX 79707

TSF WI LP
P.O. Box 222
Midland, TX 79702

Stillwater Investments
Tarpon Engineering Corp.
P.O. Box 51082
Midland, TX 79710

T.I.G. Properties L.P.
P.O. Box 10508
Midland, TX 79702

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

Pacific VR LLC
11510 Montmartre Blvd.
Houston, TX 77082

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**Case No. 16388**APPLICATION**

Mewbourne Oil Company applies for an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the NE/4 of Section 21 and the E/2 of Section 16, Township 24 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 NE/4 of Section 21 and the E/2 of Section 16, 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 Creedence 21/16 W2HA State Com. Well No. 4H; and
- (b) The Creedence 21/16 W2HA State Com. Well No. 5H.

The wells are horizontal wells with surface locations in the SE/4NE/4 of 21, and last take points in the NE/4NE/4 of Section 16.

Applicant also proposes to drill the following wells to test the Wolfcamp formation:

- (i) The Creedence 21/16 W0GB State Com. Well No. 3H;
- (ii) The Creedence 21/16 W2GB State Com. Well No. 6H; and
- (iii) The Creedence 21/16 W2GB State Com. Well No. 7H

The wells are horizontal wells with surface locations in the SW/4NE/4 of 21, and last take points in the NW/4NE/4 of Section 16.

Applicant seeks to dedicate the NE/4 of Section 21 and the E/2 of Section 16 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 NE/4 of Section 21 and the E/2 of Section 16 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 underlying the NE/4 of Section 21 and the E/2 of Section 16, pursuant to NMSA 1978 §§70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the NE/4 of Section 21 and the E/2 of Section 16 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 NE/4 of Section 21 and the E/2 of Section 16;
- 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. 16388:

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 a horizontal spacing unit comprised of the NE/4 of Section 21 and the E/2 of Section 16, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the Creedence 21/16 W0GB State Com. Well No. 3H, the Creedence W2GB State Com. Well No. 4H, the Creedence 21/16 W2HA State Com. Well No. 5H, the Creedence 21/16 W2GB State Com. Well No. 6H, and the Creedence 21/16 W2GB State Com. Well No. 7H, horizontal wells with surface locations in the S/2NE/4 of Section 21, and final take points in the N/2NE/4 of Section 16. 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 1 mile west of Malaga, New Mexico.

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