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August 7, 2018

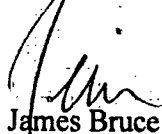
Case 16390

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

VDP New Mexico, LLC
2100 McKinney Ave., Suite 1770
Dallas, TX 75201
Attn: Collin Hoover

EOG Resources, Inc.
5509 Champions Drive
Midland, TX 79706
Attn: Wendy Dalton

Tom M. Ragsdale &
Siana Oil & Gas Company, LLC
400 N Sam Houston Pkwy E, Suite 601
Houston, TX 77060
Attn: Karen Stanford

Energy Investors 1987, L.P.
633 17th Street, Suite 2390-N
Denver, CO 80202

Hunt Oil Company
1900 North Akard Street
Dallas, TX 75201

NRM Operating Company, L.P.
2100 Ross Ave., Suite 2600
Dallas, TX 75201

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 16390

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 10, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

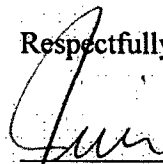
1. Applicant is an interest owner in the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 10, and has the right to drill a well thereon.
2. Applicant proposes to drill the Ibex 10 B3OB Fed. Com. Well No. 1H to a depth sufficient to test the Bone Spring formation, and has dedicated the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 10 to the well to form a 160 acre horizontal spacing unit in the Bone Spring formation. The well is a horizontal well, with a surface location in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of adjoining Section 15, a first take point in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 10, and a final take point in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 10.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 10 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 well or to otherwise commit their interests to the well, 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 in the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 10, pursuant to NMSA 1978 §§70-2-17.

5. The pooling of all mineral interests in the Bone Spring formation underlying the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 10 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 Bone Spring formation underlying the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 10;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's 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 well in the event a working interest owner elects not to participate in the well.

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. 16390 :

Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico.
Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 10, Township 23 South, Range 34 East, NMPM. The unit will be dedicated to the Ibex B3OB Fed. Com. Well No. 1H, a horizontal well with a surface location in the NW/4NE/4 of adjoining Section 15, a first take point in the SW/4SE/4 of Section 10, and a final take point in the NW/4NE/4 of Section 10. 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 19-1/2 miles west-southwest of Eunice, New Mexico.

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