



January 17, 2005

HAND-DELIVERED

Mark E. Fesmire, P. E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 13422

2005 JAN 19 PM 3 24

Re: Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico.

Dear Mr. Fesmire:

Enclosed in triplicate is the Application of Mewbourne Oil Company in the above-referenced case as well as a copy of the legal advertisement. Mewbourne requests that this matter be placed on the docket for the February 17, 2005 Examiner hearings.

Very truly yours,

William F. Carr

Enclosures

cc: Mr. Steven J. Smith
Senior Landman
Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, Texas 79701

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

2005 JAN 19 PM 2:24

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

CASE NO. 13472

APPLICATION

MEWBOURNE OIL COMPANY ("Mewbourne"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. 70-2-17, (1978), for an order pooling all mineral interests in all formations and/or pools developed on 320-acre spacing in the E/2 of Section 7, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico, which includes but is not necessarily limited to the Undesignated Osudo-Morrow Gas Pool. In support of this application, Mewbourne states:

1. Mewbourne Oil Company is a working interest owner in the E/2 of said Section 7 and has the right to drill thereon.
2. Mewbourne proposes to dedicate the above-referenced pooled spacing units to its Osudo "7" State Com Well No. 1 to be drilled from at a location 1980 feet from the South and East lines of said Section 7 to a depth of approximately 12,500 feet to test all formations developed on 320-acre spacing from the surface to the base of the Morrow.
3. Mewbourne has sought and been unable to obtain a voluntary agreement for the development of these lands from certain working interest owners in the subject spacing units who are identified on Exhibit A to this application.
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

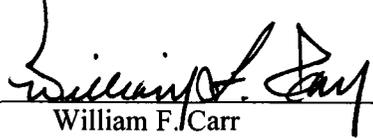
5. In order to permit Mewbourne to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled and Mewbourne Oil Company should be designated the operator of the well to be drilled.

WHEREFORE, Mewbourne Oil Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 17, 2005 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Mewbourne Oil Company operator of these units and the well to located thereon,
- C. authorizing Mewbourne to recover its costs of drilling and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a 200% penalty for the risk assumed by Mewbourne Oil Company in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

William F. Carr
Post Office Box 2208
Santa Fe, NM 87504
Telephone: (505) 988-4421

ATTORNEYS FOR MEWBOURNE OIL COMPANY

EXHIBIT A
APPLICATION OF
MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING
SECTION 7: E/2
TOWNSHIP 21 SOUTH, RANGE 35 EAST
LEA COUNTY, NEW MEXICO.

Osudo "7" State Com Well No. 1

NOTIFICATION LIST

ChevronTexaco
1111 South Wilcrest
Houston, Texas 77099
Attn: Ms. Janette L. Lorenz

Nearburg Exploration Co., Ltd.
3300 North "A" St., Building 2, Suite 120
Midland, Texas 79705
Attn: Mr. Duke Roush

CASE 13422:

Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow in the E/2 of Section 7, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Osudo-Morrow Gas Pool. Said units are to dedicated to applicant's proposed Osudo "7" State Com Well No. 1 to be drilled and completed at a standard gas well location 1980 feet from the South and East lines (Unit J) of said Section 7. Also to be considered will be the cost of drilling and completing said well, the allocation of the cost thereof, actual operating costs and charges for supervision, the designation of Mewbourne Oil Company as operator of the well, and a charge for risk involved in drilling said well. Said area is located approximately 10 miles southwest of Monument, New Mexico.

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January 18, 2005

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

ChevronTexaco
Attn: Ms. Janette L. Lorenz
1111 South Wilcrest
Houston, Texas 77099

Re: Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Mewbourne Oil Company has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests in all formations from the surface to the base of the Morrow in the E/2 of Section 7, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Osudo-Morrow Gas Pool. Said units are to be dedicated to the applicant's proposed Osudo "7" State Com Well No. 1 to be drilled and completed at a standard gas well location 1980 feet from the South and East lines (Unit J) of said Section 7.

This application has been set for hearing before a Division Examiner on February 17, 2005. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement three days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above-specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,

William F. Carr
of Holland & Hart LLP
ATTORNEY FOR MEWBOURNE OIL COMPANY

WFC:keh

cc: Steven J. Smith, Senior Landman
Mewbourne Oil Company

Enclosures



January 18, 2005

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Nearburg Exploration Company, Ltd.
Attn: Mr. Duke Roush
3300 North "A" Street, Building 2, Suite 20
Midland, Texas 79705

Re: Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Mewbourne Oil Company has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests in all formations from the surface to the base of the Morrow in the E/2 of Section 7, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Osudo-Morrow Gas Pool. Said units are to be dedicated to the applicant's proposed Osudo "7" State Com Well No. 1 to be drilled and completed at a standard gas well location 1980 feet from the South and East lines (Unit J) of said Section 7.

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William F. Carr
of Holland & Hart LLP
ATTORNEY FOR MEWBOURNE OIL COMPANY

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