

HOLLAND & HART^{LLP}



William F. Carr
wcarr@hollandhart.com

2005 JUN 21 PM 1 05

June 21, 2005

HAND DELIVERY

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 13519

Re: Application of Mewbourne Oil Company for compulsory pooling, Eddy 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 July 14, 2005 examiner hearings.

Very truly yours,

William F. Carr

Enclosures

cc: Mr. Paul Haden
Senior Landman
Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, Texas 79701

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻

STATE OF NEW MEXICO 2005 JUN 21 PM 1 05
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

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

CASE NO. 13518

APPLICATION

MEWBOURNE OIL COMPANY ("Mewbourne"), through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17(C), for an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described acreage in Section 21, Township 20 South, Range 25 East, NMPM: the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Cemetery-Morrow Gas Pool, the Undesignated North Seven Rivers Hills-Atoka Gas Pool, and the Undesignated North Cemetery-Wolfcamp Gas Pool Gas Pool; NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and NW/4 NW/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent. In support of this application, Mewbourne states:

1. Mewbourne Oil Company is a working interest owner in the W/2 of said Section 21 and has the right to drill thereon.
2. Mewbourne proposes to dedicate the above-referenced pooled spacing unit to its Pine Box "21" Federal Com Well No. 1 (API NO. 30-015-34104) to be drilled at a location 1310 feet from the North and West lines of said Section 21 to a depth of approximately 9,800 feet to test all formations from the surface to the base of the Morrow formation.
3. Mewbourne has sought and been unable to obtain a voluntary agreement for the development of these lands from the working interest owners 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.

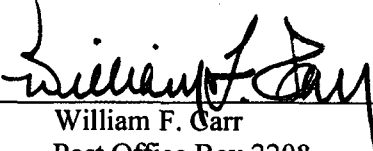
5. In order to permit Mewbourne to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled and Mewbourne Oil Company should be designated the operator of the well to be drilled.

WHEREFORE, Mewbourne Oil Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 14, 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 these costs 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 that 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 21: W/2
TOWNSHIP 20 SOUTH, RANGE 25 EAST
EDDY COUNTY, NEW MEXICO.

Pine Box "21" Federal Com Well No. 1

NOTIFICATION LIST

Pogo Producing Company
Attn: Mr. Scott McDaniel
P. O. Box 10340
Midland, TX 79702

Ella J. Owens
Address Unknown

Robert J. Epperson
P. O. Box 170
Satin, TX 76685

Eva d. Donaldson
Address Unknown

Larry Edward Fanning
1008 North Guadalupe
Carlsbad, NM 88220

Bonnie Needham Parrish,
Deceased and her unknown heirs
Address Unknown

Alan Gene Needham
60 "W. Jackson Road
Artesia, NM 88210

Estate of Georgia Elizabeth Ketlinski,
Deceased and her unknown heirs
Address Unknown

Robert L. Needham
1405 W. Washington
Artesia, NM 88210

Wray J. J. Schildknecht
Address Unknown

Naomi Glynn Needham
aka Naomi Glynn Needham Fenk
1501 James
Artesia, NM 88210

Jean E. Doud
Address Unknown

Sammy D. Clark
1617 North Thomason Road
Carlsbad, NM 88220

Valle J. Galloway
Address Unknown

Georgia Mills Needham
8295 Cherokee Road
Lake Arthur, NM 88253

Ruth E. Hinman
Address Unknown

Minnie Naomi Needham
1501 James
Artesia, NM 88210

Robert A. Williams
P. O. Box 792
Ozona, TX 76943

Martin Lee Fanning, Jr.
P. O. Box 1226
Artesia, NM 88210

Cathy J. Jones
P. O. Box 562
Ruidoso Downs, NM 88346

Billy Joe Green
1242 West 78th Terrace
Hialeah, FL 33014-3442

Kenneth Jones
2101 South "I" Street
Pensacola, FL 32501

Robert Richard Green
2815 Kismet
Houston, TX 77043

Robin L. Hall
P. O. Box 7343
Ruidoso Downs, NM 88346

M. LaVerne Drew
Address Unknown

George James Steele
Address Unknown

Estate of Leola Needham Watson,
Deceased and her unknown heirs
Address Unknown

Estate of Mary Needham Province,
Deceased and her unknown heirs
Address Unknown

Martin Douglass Hardcastle, Jr.
Address Unknown

Estate of Martin Douglas Hardcastle, Sr.,
Deceased and his unknown heirs
Address unknown

Nora Agnes Needham Cockrum
Address Unknown

Estate of Evelyn Barnett, Deceased
and her unknown heirs
Address Unknown

Estate of Torita Ross, Deceased
and her unknown heirs
Address Unknown

CASE 13519:

Application of Mewbourne Oil Company for compulsory pooling, Eddy 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 W/2 of Section 21, Township 20 South, Range 25 East, N.M:P.M in the following described spacing and proration units: the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Cemetery-Morrow Gas Pool, the Undesignated North Seven Rivers Hills-Atoka Gas Pool, and the Undesignated North Cemetery-Wolfcamp Gas Pool Gas Pool; the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and the NW/4 NW/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to applicant's proposed Pine Box "21" Federal Com Well No. 1 to be drilled and completed at a standard gas well location 1310 feet from the North and West lines (Unit D) of said Section 21. 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 7 miles southwest of Lakewood, New Mexico.

3162198_1.DOC



June 23, 2005

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

TO ALL AFFECTED INTEREST OWNERS:

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

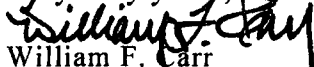
Ladies and Gentlemen:

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 from the surface to the base of the Morrow formation in the following described acreage in acreage in Section 21, Township 20 South, Range 25 East, NMPM: the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Cemetery-Morrow Gas Pool, the Undesignated North Seven Rivers Hills-Atoka Gas Pool, and the Undesignated North Cemetery-Wolfcamp Gas Pool; NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and NW/4 NW/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to Mewbourne's proposed Pine Box "21" Federal Com Well No. 1 to be drilled a standard well location 1313 feet from the North and West lines of said Section 21 to a depth sufficient to test all formations from the surface to the base of the Morrow formation.

This application has been set for hearing before a Division Examiner on July 14, 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 four 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

ATTORNEY FOR MEWBOURNE OIL COMPANY

cc: Mr. Paul Haden