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January 3, 2008

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 14086

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the February 7, 2008 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

BMT O&G NM, LLC
201 Main Street, Suite 2900
Fort Worth, Texas 76102-3134
Attn: Mr. W. Ross Sutton

Chesapeake Exploration Limited Partnership
Attn: Ms. Lynda F. Townsend
P.O. Box 18496
Oklahoma City, Oklahoma 73154-0496

Amerada Hess Corporation
Attn: Mr. Randy Pharr
P. O. Box 2040
Houston, Texas 77252-2040

LeaCo New Mexico Exploration and Production LLC
Attn: Mr. Mario R. Moreno, Jr.
6120 S. Yale Avenue, Suite 1500
Tulsa, Oklahoma 74136-4224

Chevron U.S.A. Inc.
Attn: Mr. Ed Van Reet
P.O. Box 36366
Houston, Texas 77236-6366

ConocoPhillips Company
Attn: Mr. Tom J. Scarbrough
600 N. Dairy Ashford Street
3WL-14066
Houston, Texas 77079-1100

Geronimo Holding Corporation
Attn: Mr. Carl Brininstool
1801 West Texas Avenue
Midland, Texas 79701

Max W. Coll, II
83 La Barbaria Trail
Santa Fe, New Mexico 87505-9008

Max Coll, III
7625-2 El Centro Blvd.
Las Cruces, New Mexico 88012

Pogar Petroleum Ltd.
Attn: Mr. Randy Hall
P. O. Box 10095
Midland, Texas 79702

Rio Grande Energy, Inc.
Attn: Mr. Mike Mooney
P. O. Box 7405
Midland, Texas 79708

Sally Rodgers
Arroyo Hondo Road, Box 152
Santa Fe, New Mexico 87508

Samson Resources Company
200 North Loraine, Suite 1170
Midland, Texas 79701-4736
Attn: Mr. Tom Land

Patricia Penrose Schieffer
c/o Kirkwood & Darby, Inc.
307 W. 7th Street, Suite 1110
Fort Worth, Texas 76102

BP America Production Company
P.O. Box 3092
Houston, Texas 77253
Attn: Mr. Tom Furtwangler

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. 14086

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Morrow formation underlying Section 20, Township 20 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in Section 20, and has the right to drill a well thereon.

2. Applicant proposes to drill its Paloma 20 State Com. Well No. ~~2~~¹, at an orthodox location in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 20, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:

(a) The E $\frac{1}{2}$ to form a standard 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent; and

(b) All of Section 20 to form a standard 640 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the North Osudo-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in Section 20 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

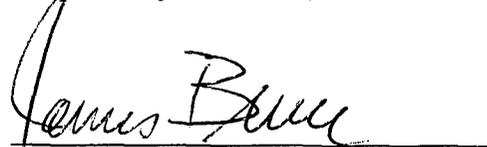
the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in Section 20, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying Section 20 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 Section 20, from the base of the Bone Spring formation to the base of the Morrow formation;
- 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. 14086: **Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Morrow formation underlying the following described acreage in Section 20, Township 20 South, Range 36 East, NMPM, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent; and all of Section 20 to form a standard 640-acre gas spacing and proration unit for any and all formations or pools developed on 640-acre spacing within that vertical extent, including the North Osudo-Morrow Gas Pool. The unit is to be dedicated to the proposed Paloma "20" State Com. Well No. 2, to be drilled at an orthodox location in the SE/4SE/4 of Section 20. 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 units are located approximately 8 miles southwest of Monument, New Mexico.

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