

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE)
(505) 982-2151 (FAX)

jamesbruc@aol.com

RECEIVED

SEP 16 2003

Oil Conservation Division

September 16, 2003

Hand Delivered

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


Case 13157

Dear Florene:

Enclosed are an original and one copy of an application for compulsory pooling, together with a proposed advertisement, filed on behalf of Mewbourne Oil Company. Please set this matter for the October 9, 2003 Examiner hearing. Thank you.

The advertisement is also on the enclosed disk.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

PARTIES BEING POOLED

Chevron Texaco Corporation
P.O. Box 1150
Midland, TX 79702
Attn: Mr. Michael R. Mullins

Unit Petroleum Company
P.O. Box 702500
Tulsa, OK 74170-2500
Attn: Ms. Bobbie Thompson

Mr. J. Frederick Van Vranken, Jr.
P.O. Box 264
Jericho, NY 11753

Mr. & Mrs. Michael D. Hayes
3608 Meadowridge
Midland, TX 79707

Mr. & Mrs. Mark T. Owen
3323 Providence Dr.
Midland, TX 79707

Estate of David F. Goodnow, Deceased
c/o Blair & Potts
P.O. Box 1214
Stamford, CT 06904-1214
Attn: Mr. Robert A. DeVellis, Esq.

Mr. Charles C. Moore
138 Harvard Ave.
Mill Valley, CA 94941

Isaac A. Kawasaki and
Ruby F. Kawasaki
c/o James M. Narita
734 Kalanipuer St.
Honolulu, HI 96825

Mr. Joseph R. Hodge
P.O. Box 5238
Austin, TX 78763

Mr. J.W. Gendron
1280 Encino Dr.
San Marino, CA 91108

RECEIVED

SEP 10 2003

Oil Conservation Division

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 13157

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E $\frac{1}{2}$ of Section 14, Township 21 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the E $\frac{1}{2}$ of Section 14, and has the right to drill a well thereon.

2. Applicant proposes to drill its Lonetree "14" State Com. Well No. 1, at an orthodox well location in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 14 (Unit O), to a depth sufficient to test the Morrow formation (approximately 11,900 feet), and seeks to dedicate the following acreage to the well:

(a) The SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 14 to form a standard 40 acre oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent, including the Undesignated La Huerta-Delaware Pool, Undesignated East Avalon-Bone Spring Pool, and Undesignated East Carlsbad-Bone Springs Pool;

(b) The SE $\frac{1}{4}$ of Section 14 to form a standard 160 acre gas spacing and proration unit for any formations and/or pools developed on 160 acre spacing within that vertical extent, including the Undesignated East Avalon-Bone Spring Gas Pool; and

(c) The E½ of Section 14 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, including the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Cedar Hills-Upper Pennsylvanian Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, and Undesignated Burton Flat-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E½ of Section 14 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 E½ of Section 14, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of Section 14 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:

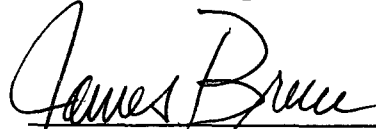
- A. Pooling all mineral interests in the E½ of Section 14 from the surface to the base of the Morrow formation;
- B. Designating applicant as operator of the well;

C. Considering the cost of drilling and completing the well, and allocating the cost thereof 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 penalty 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,

A handwritten signature in cursive script, reading "James Bruce", written over a horizontal line.

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case 13157: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 14, Township 21 South, Range 27 East, NMPM, and in the following manner: The E $\frac{1}{2}$ to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Cedar Hills-Upper Pennsylvanian Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, and Undesignated Burton Flat-Morrow Gas Pool; the SE $\frac{1}{4}$ to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent, including the Undesignated East Avalon-Bone Spring Gas Pool; and the SW $\frac{1}{4}$ SE $\frac{1}{4}$ to form a standard oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated La Huerta-Delaware Pool, Undesignated East Avalon-Bone Spring Pool, and Undesignated East Carlsbad-Bone Spring Pool. The unit is to be dedicated to applicant's Lonetree "14" State Com. Well No. 1, to be drilled at an orthodox well location in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 14. 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 charge for the risk involved in drilling and completing the well. The units are located approximately 6 miles northeast of Carlsbad, New Mexico.

RECEIVED
SEP 1 - 2003
Oil Conservation Division