

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

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

CASE NO. 14261

AFFIDAVIT OF D. PAUL HADEN

STATE OF TEXAS            )  
                                  ) ss.  
COUNTY OF MIDLAND    )

I, D. Paul Haden, being first duly sworn on oath, states as follows:

1. My name is D. Paul Haden. I reside in Midland, Texas. I am the Landman employed by Mewbourne Oil Company ("Mewbourne") who is familiar with the status of the lands in Section 31, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. I am a Landman with over 29 years experience in the Permian Basin. I received my B.S. degree from Southwest Texas State University in 1978.

2. Mewbourne seeks an order pooling all mineral interests from the base of the Queen formation through the base of the Morrow formation in the following described spacing and proration units located in the E/2 of Section 31, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Turkey Track-Morrow Gas Pool; the SE/4 for all formations and/or pools developed on 160-acre spacing; the E/2 SE/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated Santo Nino-Bone Spring Pool; and the SE/4 SE/4 for all formations and/pools developed on 40-acre spacing which includes but is not limited to the Undesignated South Loco Hills-San Andres Pool and the Undesignated North Benson-Queen-Grayburg Pool.

3. Mewbourne owns working interest in the E/2 of Section 31 and has dedicated this proposed spacing unit to its Bradley "31" Federal Com No. 3 Well to be drilled 875 feet from the South line and 825 feet from the East line (Unit P) to a depth of approximately 11,900 feet. Edge owns a working interest in each of the Federal leases to be dedicated to the Well. Attachment A is a plat of the subject lands showing the proposed spacing unit and the well location.

4. The proposed spacing unit consists of two Federal Leases [Federal Lease No. NMNM 27279 and Federal Lease No. 068402]. Attachment B lists the nature and percentage of the ownership interests in the subject spacing unit.

5. This application has been instituted solely to pool the interests of a working interest owner who do not oppose the application.

6. Mewbourne has made a good faith effort to gain the voluntary participation of Edge Exploration Corporation ("Edge").

A.

- 1) 10-1-08 letter to Edge whereby Mewbourne advised Edge of Mewbourne's proposal to drill a Morrow well in the SE/4 with an offer to acquire a term assignment of Edge's interest in lieu of Edge participating in the proposed well.
- 2) 10-29-08 certified letter to Edge with AFE enclosed regarding Mewbourne's proposed Bradley "31" Federal Com No. 3 Well.
- 3) 10-29-08 email from Edge's Casey Quast regarding future correspondence with Edge as Mr. Quast has resigned.
- 4) 11-20-08 follow up letter to Edge regarding Mewbourne's well proposal advising Edge that Mewbourne would like to drill the referenced well within 60 days and advised Edge that Mewbourne wanted to avoid the necessity of having to file a Compulsory Pooling Application.
- 5) 12-4-08 follow up phone call to Edge's Bill Michalak (713) 335-9819, left message.
- 6) 12-4-08 phone call from Bill advising me that they were reviewing our proposal, however they were currently negotiating a merger with Chapparral Energy.
- 7) 12-22-08 phone call from Bill whereby Bill advised me the merger with Chapparral had terminated.
- 8) 12-24-08 letter from Bill stating that Edge had accepted our offer.
- 9) 12-24-08 phone call to Bill advising him we would prepare the term assignment on a form previously approved by Edge and that we'd dismiss them from the pooling hearing upon execution of the agreement. However, we would proceed with the hearing as scheduled.

B. Due to the acquisition/merger, Edge has been unable to respond to Mewbourne's offers to participate until recently.

C. A copy of the well proposal letter and relevant correspondence is included as **Attachment C.**

7. Mewbourne requests that Edge be pooled and Mewbourne be designated operator of the well and the spacing unit.

8. Mewbourne proposes overhead charges (combined fixed rates) of \$ 6,500 per month while drilling and \$650 per month while producing which are the rates in Mewbourne's November 1, 2008 Joint Operating Agreement that has been signed by all other joint interest owners in the spacing unit.

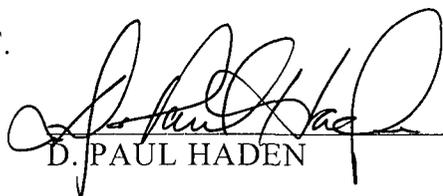
9. **Attachment D** is a copy of the authorization for expenditure (AFE) for the well which estimates costs to casing point to be \$1,839,700 and a completed cost of \$2,797,500.

10. Mewbourne plans to drill the Bradley "31" Federal Com No. 3 Well by mid-2009.

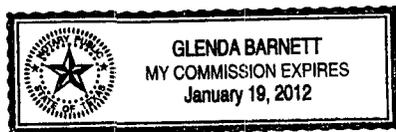
11. **Attachment E** are copies of the notice letters sent to Edge regarding the Compulsory Pooling Application and an affidavit of publication pursuant to Division rules.

12. Approval of this application will avoid the drilling of unnecessary wells, will prevent waste, will protect correlative rights, and allow Mewbourne and the other interest owners in the E/2 of Section 31 an opportunity to obtain their just and fair share of the oil and gas under the subject lands.

FURTHER AFFIANT SAYETH NOT.

  
D. PAUL HADEN

SUBSCRIBED AND SWORN before me on this 6<sup>th</sup> day of January 2009.



  
Notary Public

My Commission Expires:  
1-19-2012



**CASE NO. 14261  
TRACT OWNERSHIP**

**TRACT 1:** Federal Lease NMNM 27279, Segregated out of Federal Lease NMLC 068402;  
SE/4, W/2NE/4 and SE/4NE/4; containing 280 acres , more or less.

From the base of the Queen formation to the base of the Morrow formation:

Mewbourne Oil Company	50.000000%
Edge Petroleum Exploration Company	12.500000%
Marbob Energy Corporation	10.000000%
Chisos, Ltd.	6.250000%
Pure Energy Group, Inc.	6.250000%
Myco Industries, Inc.	4.166650%
Yates Drilling Company	3.166650%
New Tex Oil Company	2.500000%
John A. Yates, Individually	2.083350%
John A. Yates, Trustee of Trust	
“Q” u/w/o Peggy A. Yates	2.083350%
Sacramento Partners Limited Partnership	<u>1.000000%</u>
	100.000000%

**TRACT 2:** Federal Lease NMLC 068402;  
NE/4NE/4; containing 40 acres, more or less.

From the base of the Queen formation to the base of the Morrow formation:

Mewbourne Oil Company	50.000000%
Edge Petroleum Exploration Company	12.500000%
Marbob Energy Corporation	10.000000%
Chisos, Ltd.	6.250000%
Pure Energy Group, Inc.	6.250000%
Myco Industries, Inc.	4.166650%
New Tex Oil Company	2.500000%
John A. Yates, Individually	2.083350%
John A. Yates, Trustee of Trust	
“Q” u/w/o Peggy A. Yates	2.083350%
Sacramento Partners Limited Partnership	<u>1.000000%</u>
	100.000000%

(All lands are in Section 31, T18S, R30E, Eddy County, New Mexico).

  
EDGE PETROLEUM CORPORATION

December 24, 2008  
(Faxed to (432) 685-4170)

Mewbourne Oil Company  
Attn: Mr. D. Paul Haden, Sr. Landman  
500 W. Texas – Suite 1020  
Midland, TX 79701

RE: Request for Term Assignment  
Bradley "31" Federal Com #3 Well  
Section 31-T18S-R30E  
Eddy County, New Mexico

Dear Mr. Haden,

In accordance with our telephone discussion today, this faxed letter is to serve as confirmation that Edge Petroleum Exploration Company ("Edge") has agreed to grant Mewbourne Oil Company ("Mewbourne") a Term Assignment regarding Edge's operating rights in the captioned as proposed in your letter dated October 29, 2008.

I understand that Mewbourne will provide Edge with Mewbourne's usual form of a Term Assignment, substantially in the form and language as used previously between our Companies, for Edge to review and execute.

The purpose of this confirmation of Edge's intention to grant a Term Assignment is to provide Mewbourne sufficient documentation to justify the dismissal of Edge from the compulsory pooling application hearing scheduled for the January 8, 2009 docket before the New Mexico Oil Conservation Division. It is possible that the finalization of this Term Assignment grant may not be fully concluded during the holiday period immediately preceding the hearing date.

Thank you for your consideration.

Very truly yours,



William S. (Bill) Michalak  
Land Consultant  
(713) 335-9819

ATTACHMENT C

Edge Petro - Bill Michalak  
(713) 335-9819

12-4-08: Bill called and said they were reviewing our proposal.

12-22-08 Bill called and said their merger with Chapparral didn't take place. They'll grant us a term assignment.

12-24-08 Advised Bill this date that we'd prepare the term assignment on the same form as the one with them for the Bradley '31' Fed. Com #1 in W12. We'd still proceed with pooling and would dismiss them once the agreement is signed.

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

November 20, 2008

Edge Petroleum Exploration Corporation  
1301 Travis, Suite 2000  
Houston, Texas 77002  
Attn: Mr. Bill Michalak

Re: Bradley "31" Federal Com #3 Well  
E/2 Section 31, T18S, R30E  
Eddy County, New Mexico

Gentlemen:

Reference is made to our previous letter dated October 29, 2008 (see copy enclosed) wherein Mewbourne Oil Company as Operator proposed drilling the captioned well at the referenced location. To date, Edge has not responded to our well proposal or our offer to acquire a term assignment from Edge in the event Edge elected not to participate in the proposed well.

To avoid the necessity of our having to file an Application for Compulsory Pooling in an effort to enable us to drill the captioned well in a timely manner, please respond to our well proposal at your very earliest convenience. We anticipate spudding the captioned well within sixty (60) days with Patterson/UTI Rig #47.

Please call should you have any questions regarding the above.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/gb



"Quast, Casey"  
<cquast@edgepet.com>  
10/29/2008 10:25 AM

To "Paul Haden" <phaden@Mewbourne.com>  
cc "Michalak, William" <wmichalak@edgepet.com>  
bcc

Subject Contact for Edge

Paul,

Bill Michalak will be working on SENM for Edge. His email is [wmichalak@edgepet.com](mailto:wmichalak@edgepet.com) and his phone number is (713) 335-9819.

I'll let him know about the proposal you sending on the Bradley 31 Fed #3. Best of luck on the success of the well!

Thanks,  
*Casey Quast*  
*Senior Landman*  
*Edge Petroleum Corporation*  
*Ph: 713-427-8883*  
*Fax: 713-654-7722*



"Quast, Casey"  
<cquast@edgepet.com>  
10/29/2008 09:25 AM

To "Paul Haden" <phaden@Mewbourne.com>  
cc  
bcc  
Subject

Paul,

I wanted to let you know that I have turned in my resignation and today will be my last day at Edge. I'm going to Newfield Exploration and I'll be working onshore Gulf of Mexico (ie: pretty much everything south of Houston).

I am unsure at this time who will replace me, but if you need to get in touch with anyone at Edge, please contact one of the following two people:

Keith Turner [kturner@edgepet.com](mailto:kturner@edgepet.com)  
Bob Gnagy [bgnagy@edgepet.com](mailto:bgnagy@edgepet.com)

It has been a pleasure working with you and I hope that our paths cross again soon.

Best of luck with everything at Mewbourne. I hope that you continue to have much success in all of the wells you drill!

Thanks,  
*Casey Quast*  
*Senior Landman*  
*Edge Petroleum Corporation*  
*Ph: 713-427-8883*  
*Fax: 713-654-7722*

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

October 1, 2008

Via Fax (713)654-7722 and First Class Mail

Edge Petroleum Corporation  
1301 Travis, Suite 2000  
Houston, TX 77002  
Attn: Casey Quast

Re: Bradley "31" Federal Com #3  
E/2 Section 31, T18S, R30E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company (Mewbourne) as Operator is interested in drilling a well at a location of its choice in the SE/4 of the captioned Section 31 to a depth sufficient to adequately evaluate the Morrow formation, estimated total depth being 11,950 feet beneath the surface.

Regarding the above, title examination indicates Edge Petroleum Exploration Company (Edge) owns an undivided 12.5% interest and a 9.375% net revenue interest in the following:

- 1) Federal Lease Serial No. NMLC 068402 covering the NE/4NE/4 of the captioned Section 31 as to rights below the base of the Queen formation to the base of the Morrow formation; and
- 2) Federal Lease Serial No. NMNM 27279 covering the SE/4, W/2NE/4 and SE/4NE/4 of the captioned Section 31 as to rights below 3,144 feet subsurface to the base of the Morrow formation.

In reference to the above, Mewbourne hereby offers Edge \$250.00 per net acre for a one (1) year term assignment of the above rights whereby Mewbourne would be delivered a 74% net revenue interest, subject to proportionate reduction.

The above offer is available for Edge's acceptance for a period ending November 1, 2008 at 5:00 P.M. Please call should you have any questions.

Sincerely yours,

**MEWBOURNE OIL COMPANY**



D. Paul Haden  
Senior Landman

DPH/tgm

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715

FAX (432) 685-4170

October 29, 2008

Via Certified Mail – Return Receipt No. 4944

Edge Petroleum Exploration Corporation  
1301 Travis, Suite 2000  
Houston, TX 77002  
Attn: Keith Turner

Re: Bradley "31" Federal Com #3  
875' FSL & 825' FEL  
Section 31, T18S, R30E  
Eddy County, New Mexico

Gentlemen:

Mewbourne Oil Company (Mewbourne) as Operator hereby proposes to drill the captioned well at the referenced location to a depth sufficient to evaluate the Morrow formation, estimated total depth being 11,900 feet beneath the surface. The E/2 of the captioned Section 31 will be dedicated to the well. Enclosed for your further handling is our AFE dated October 23, 2008 in the event Edge Petroleum Exploration Company (Edge) elects to participate in the above proposed well.

Regarding the above, title examination indicates Edge owns the following operating rights:

- 1) 12.5% WI and 9.375% net revenue interest in Federal Lease NMLC 068402 covering the NE/4NE/4 of the captioned Section 31 as to rights from 3,144 feet beneath the surface to the base of the Morrow formation excluding the unitized Queen formation.
- 2) 12.5% WI and 9.375% net revenue interest in Federal Lease NMNM 27279 covering the SE/4 and W/2NE/4 of the captioned Section 31 as to rights from the base of the Queen formation to the base of the Morrow formation and from a depth of 3,144 feet beneath the surface to the base of the Morrow formation as to the SE/4NE/4 of the captioned Section 31.

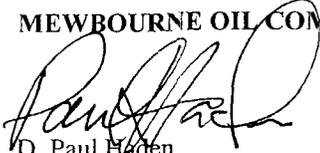
In the event Edge elects not to participate in the captioned proposed well as to its 12.5% WI, Mewbourne hereby proposes to purchase a one (1) year term assignment from Edge on the basis of \$250.00 per net acre whereby Mewbourne would be delivered a 74% net revenue interest, subject to proportionate reduction.

Should Edge elect to participate in the captioned proposed well as to its 12.5% WI, please have the enclosed AFE signed and returned to me at your earliest convenience. Upon receipt of same, I will forward you our Operating Agreement for execution.

Please call me should you have any questions regarding the above.

Sincerely yours,

MEWBOURNE OIL COMPANY

  
D. Paul Haden  
Senior Landman

DPH/tgm

Prod 11131 #3

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Edge Petroleum Exploration Corporation  
1301 Travis, Suite 2000  
Houston, TX 77002  
Attn: Keith Turner

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*[Handwritten Signature]*  Agent  
 Addressee

B. Received by (Printed Name)

*MM JOHNSON*

C. Date of Delivery

*20/31/08*

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number  
(Transfer from service label)

7003 3110 0002 5115 4944

**MEWBOURNE OIL COMPANY  
AUTHORIZATION FOR EXPENDITURE**

Prospect: Bradley 31 Well Name & No: Bradley 31 Federal #3  
 Field: \_\_\_\_\_ Location: 875' FSL & 825' FEL  
 Section: 31 Block: \_\_\_\_\_ Survey: \_\_\_\_\_ Township: 18S Range: 30E  
 County: Eddy ST: NM Proposed Depth: 11,900'

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.			
<b>INTANGIBLE COST 180</b>						
300	Permits and Surveys	\$3,000	\$1,000			
301	Location, Roads and Site Preparation Includes restoration	\$130,000	\$4,500			
302	Footage or Turnkey Drilling					
303	Day Work	\$742,000	\$37,100			
304	Fuel	\$102,000	\$4,500			
305	Completion / Workover Rig		\$25,000			
306	Mud and Chemicals	\$70,000	\$1,000			
307	Cementing	\$35,000	\$45,000			
308	Logging, Wireline and Coring Services	\$35,000	\$17,000			
309	Casing, Tubing & Snubbing Services	\$7,000	\$10,000			
310	Mud Logging	\$25,000				
311	Testing		\$1,000			
312	Treating 1-70Q Binary Frac		\$150,000			
313	Water & Other	\$30,000	\$1,000			
314	Bits (1 - 17 1/2", 1 - 12 1/4", 4 - 8 3/4")	\$60,000				
315	Inspection & Repair Services	\$3,500	\$10,000			
316	Misc. Air and Pumping Services	\$2,500	\$25,000			
320	Rig Mobilization & Transportation	\$95,000	\$5,000			
321	Welding and Construction	\$4,000	\$2,000			
322	Engineering & Contract Supervision	\$20,000	\$2,000			
330	Equipment Rental	\$30,000	\$10,000			
334	Well / Lease Legal	\$10,000	\$1,000			
335	Well / Lease Insurance	\$10,500				
350	Intangible Supplies	\$500	\$500			
355	Damages	\$2,500				
360	Pipeline and Electrical ROW and Easements		\$6,000			
367	Pipeline Interconnect					
375	Company Supervision	\$25,000	\$10,000			
380	Overhead Fixed Rate	\$9,000	\$4,000			
398	Well Abandonment	\$12,000	(\$12,000)			
399	Contingencies 10% / 10%	\$146,400	\$36,100			
	<b>Total Intangibles</b>	<b>\$1,609,900</b>	<b>\$396,700</b>			
<b>TANGIBLE COST 181</b>						
797	Conductor Casing 40' 20" (included in location)					
797	Surface Casing 400' 13 3/8" 48# H-40 STC @ \$68.75/ft	\$27,500				
797	Intermediate Casing 3300' 9 5/8" 40# J-55 STC @ \$58.25/ft	\$192,300				
797	Intermediate Casing					
797	Production Casing 11,800' 4 1/2" 11.6# P110 LTC @ \$23.25/ft		\$276,700			
798	Tubing 11,600' 2 3/8" 4.7# N80 EUE 8rd @ \$10.25/ft		\$118,900			
860	Drilling Head	\$10,000				
870	Tubing Head & Upper Section		\$23,000			
875	Sucker Rods					
880	Packer Pump & Subsurface Equipment					
884	Artificial Lift Systems					
885	Pumping Unit					
886	Surface Pumps & Prime Movers					
890	Tanks - Steel		\$21,000			
891	Tanks - Other		\$7,500			
895	Separation Equipment		\$22,000			
896	Gas Treating Equipment					
898	Metering Equipment		\$7,000			
900	Line Pipe - Gas Gathering and Transportation 3000', 4" 1.88 wall, X-42 w/coating		\$23,000			
901	Line Pipe - Production		\$2,000			
906	Miscellaneous Fittings, Valves & Accessories		\$15,000			
909	Electrical Installations					
910	Production Equipment Installation		\$15,000			
920	Pipeline Construction		\$30,000			
Prepared by:	<u>F. Lathan</u>	Date Prepared:	<u>10/23/2008</u>	Total Tangibles	<b>\$229,800</b>	<b>\$561,100</b>
Company Approval:	<u>M. Whitton</u>	Date Approved:	<u>10/23/2008</u>	SUBTOTAL	<b>\$1,839,700</b>	<b>\$957,800</b>
Joint Owner Interest:	<u>0.125000</u>	Joint Owner Amount:	<b>\$349,687.50</b>	<b>TOTAL WELL COST</b>	<b>\$2,797,500</b>	

Joint Owner: Edge Petroleum Exploration Company Joint Owner Approval: By: \_\_\_\_\_

Operator has secured Operator's Extra Expense Insurance covering costs of well control, clean up, and redrilling, as estimated in Line Item 335. Non-operator may elect not to be covered by this Operator's Extra Expense Insurance only by signing below. The undersigned elects not to be covered by Operator's Extra Expense Insurance for their well.

By: Edge Petroleum Exploration Company Name: By: \_\_\_\_\_ **ATTACHMENT D**

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

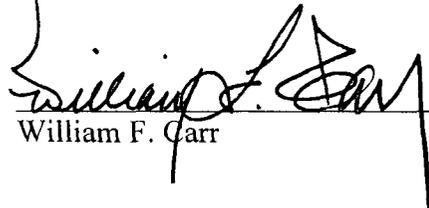
**IN THE MATTER OF THE APPLICATION OF  
MEWBOURNE OIL COMPANY FOR,  
COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.**

**CASE NO. 14261**

**AFFIDAVIT**

STATE OF NEW MEXICO     )  
  )ss.  
COUNTY OF SANTA FE     )

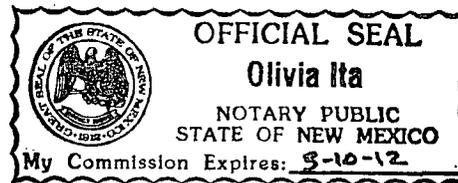
William F. Carr, attorney in fact and authorized representative of Mewbourne Oil Company, the applicant herein, states that notice of the above-referenced application was mailed to the interested parties shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.

  
\_\_\_\_\_  
William F. Carr

SUBSCRIBED AND SWORN to before me this 7<sup>th</sup> day of January 2009 by William F. Carr

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 3-10-12



**EXHIBIT A**

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

**NOTICE LIST**

Edge Petroleum Exploration Corporation  
1301 Travis, Suite 2000  
Houston, Texas 77002  
Attention: Mr. William Michalak

# Affidavit of Publication

NO. 20499

STATE OF NEW MEXICO

County of Eddy:

**GARY D. SCOTT** being duly

sworn, says: That he is the PUBLISHER of The

Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and county and state, and that the here to attached

### Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for

1 Consecutive week/days on the same

day as follows:

First Publication	December 12, 2008
Second Publication	
Third Publication	
Fourth Publication	
Fifth Publication	

Subscribed and sworn to before me this

12 Day December 2008



**OFFICIAL SEAL**  
**Jo Morgan**  
**NOTARY PUBLIC-STATE OF NEW MEXICO**

My commission expires: \_\_\_\_\_

Notary Public, Eddy County, New Mexico

# Copy of Publication:

## NOTICE OF PUBLICATION

STATE OF NEW MEXICO  
ENERGY, MINERALS  
AND NATURAL  
RESOURCES DEPART-  
MENT

OIL CONSERVATION  
DIVISION

SANTA FE, NEW MEXICO

The State of New Mexico  
through its Oil

Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on January 8, 2009, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by December 29, 2008. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO  
TO:

All named parties and persons having any right, title, interest

or claim in the following cases

and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

Case No.: 14261

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the base of the Queen formation through the base of the Morrow formation in the following described spacing and proration units located in the E/2 of Section 31, Township 18

South, Range 30 East, N.M.P.M., Eddy County, New Mexico: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Turkey Track-Morrow Gas Pool; the SE/4 for all formations and/or pools developed on 160-acre spacing; the E/2 SE/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated Santo Nino-Bone Spring Pool; and the SE/4 SE/4 for all formations and pools developed on 40-acre spacing which includes but is not limited to the Undesignated South Loco Hills-San Andres Pool and the Undesignated North Benson-Queen-Grayburg Pool. Applicant proposes to dedicate the pooled units to its Bradley "31" Federal Com Well No. 3 to be drilled at a standard gas well location 875 feet from the South line and 825 feet from the East line of said Section 31. Also to be considered will be the cost of drilling and completing said well as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 8 miles south of Loco Hills, New Mexico. Given under the Seal of the State of New Mexico Oil Conservation Division at Santa Fe, New Mexico on this 5th day December 2008.  
STATE OF NEW MEXICO  
OIL CONSERVATION  
DIVISION  
Mark E. Fesmire, P.E.,  
Director  
Published in the Artesia Daily Press, Artesia, NM December 12, 2008.  
Legal No. 20499

HOLLAND & HART<sup>LLP</sup>



William F. Carr

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December 5, 2008

**CERTIFIED MAIL-RETURN RECEIPT REQUESTED**

Edge Petroleum Exploration Corporation  
1301 Travis, suite 2000  
Houston, Texas 77002

Attention: Mr. William Michalak

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 the force pooling of all mineral interests from the base of the Queen formation through the base of the Morrow formation in the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Turkey Track-Morrow Gas Pool; the SE/4 for all formations and/or pools developed on 160-acre spacing; the E/2 SE/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated Santo Nino-Bone Spring Pool; and the SE/4 SE/4 for all formations and/pools developed on 40-acre spacing which includes but is not limited to the Undesignated South Loco Hills-San Andres Pool and the Undesignated North Benson-Queen-Grayburg Pool, Section 31, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico. Mewbourne proposes to dedicate the referenced pooled unit to its Bradley "31" Federal Com Well No. 3 to be drilled at a standard gas well location 875 feet from the South line and 825 feet from the East line of said Section 31.

This application has been set for hearing before a Division Examiner at 8:15 AM on January 8, 2009. 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 with the Oil Conservation Division's Santa Fe office, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must 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

Enclosure

Holland & Hart LLP

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 Attention: Mr. William Michalak  
 1301 Travis, Suite 2000  
 Houston, Texas 77002

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Edge Petroleum Exploration Corporation  
 Attention: Mr. William Michalak  
 1301 Travis, Suite 2000  
 Houston, Texas 77002

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