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RECEIVED

2009 MAR 3 PM 2 43

March 2, 2009

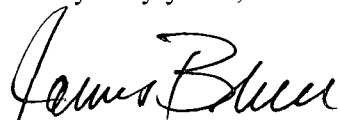
Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

*Case 14299*

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 the application for the April 2, 2009 Examiner hearing. Thank you.

Very truly yours,

  
James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

Paul R. Ray  
1801 Eldridge Street  
Fort Worth, Texas 76107

Estate of Stanley R. Tyler  
c/o James Tyler  
2100 Park Street  
Muskegon Heights, Michigan 49444

Sharbro Oil Ltd. Co.  
Sacramento Partners Limited Partnership  
105 South 4<sup>th</sup> Street  
Artesia, New Mexico 88210

CBR Oil Properties, LLC  
Suite 1000  
400 Penn Plaza  
Roswell, New Mexico 88201

Norman L. Stevens, Jr. Revocable Trust  
P.O. Box 1  
Hondo, New Mexico 88336

Marathon Oil Company  
Suite 1310  
300 North Loraine  
Midland, Texas 79701

Nielson Enterprises, Inc.  
c/o Tex-Ok Energy Limited Partnership  
P.O. Box 3010  
Cody, Wyoming 82414

Fasken Land and Minerals, Ltd.  
Suite 1800  
303 West Wall  
Midland, Texas 79701

Malco Products, Inc.  
address unknown

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

2008 MAR 3 PM 2 40

APPLICATION OF MEWBOURNE OIL  
COMPANY FOR COMPULSORY POOLING  
AND THREE NON-STANDARD WELL  
UNITS, EDDY COUNTY, NEW MEXICO.

Case No. 14299

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 5-12 (the N $\frac{1}{2}$  equivalent) of Section 1, Township 22 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

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

2. Applicant proposes to drill its Hackberry Hills "1" Fed. Well No. 1, at an orthodox location in Lot 9 (the SW $\frac{1}{4}$ NW $\frac{1}{4}$ ) of Section 1, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:

(a) Lot 9 (the SW $\frac{1}{4}$ NW $\frac{1}{4}$ ) to form a non-standard 44.43 acre oil and spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent, including the Undesignated Happy Valley-Bone Spring Pool;

(b) Lots 7-10 (the NW $\frac{1}{4}$  equivalent) to form a non-standard 176.05 acre gas spacing and proration unit for any formations and/or pools developed on 160 acre spacing within that vertical extent; and

(c) The N $\frac{1}{2}$  to form a non-standard 344.34 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the Undesignated Catclaw Draw-Wolfcamp Gas Pool, Undesignated Hackberry

Hills-Canyon Gas Pool, Undesignated Catclaw Draw-Strawn Gas Pool, Undesignated Hackberry Hills-Atoka Gas Pool, Undesignated Revelation-Atoka Gas Pool, Undesignated Revelation-Morrow Gas Pool, and ~~Undesignated Happy Valley-Morrow Gas Pool.~~

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N $\frac{1}{2}$  of Section 1 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 N $\frac{1}{2}$  of Section 1, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the N $\frac{1}{2}$  of Section 1 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 N $\frac{1}{2}$  of Section 1 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 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,

A handwritten signature in cursive script, appearing to read "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

RECEIVED  
PROPOSED ADVERTISEMENT  
2009 MAR 3 PM 2 43

Case No. 14299:

***Application of Mewbourne Oil Company for compulsory pooling and three non-standard well units, 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 1, Township 22 South, Range 25 East, NMPM, and in the following manner: Lots 5-12 (the N/2) to form a non-standard 344.34-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Catclaw Draw-Wolfcamp Gas Pool, Undesignated Hackberry Hills-Canyon Gas Pool, Undesignated Catclaw Draw-Strawn Gas Pool, Undesignated Hackberry Hills-Atoka Gas Pool, Undesignated Revelation-Atoka Gas Pool, Undesignated Revelation-Morrow Gas Pool, and Undesignated Happy Valley-Morrow Gas Pool; Lots 7-10 (the NW/4) to form a non-standard 176.05-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and Lot 9 (the SW/4NW/4) to form a non-standard 44.43-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Happy Valley-Bone Spring Pool. The units are to be dedicated to the proposed Hackberry Hills "1" Fed. Well No. 1, to be drilled at an orthodox location in Lot 9 of Section 1. 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 7 miles west of Carlsbad, New Mexico.