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September 14, 2010

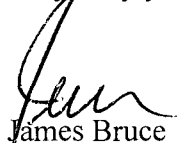
Case 14554

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

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an original and one copy of an application to abolish pools, *etc.*, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set the application for the October 14, 2010 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Being Notified

Marbob Energy Corporation

Nearburg Producing Company

Unit Petroleum Company

Yates Petroleum Corporation

Mack Energy Corproation

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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**APPLICATION OF MEWBOURNE OIL COMPANY
TO ABOLISH THE SEVEN RIVERS-YESO POOL AND
CEMETERY-YESO POOL AND EXPAND THE NORTH
SEVEN RIVERS GLORIETA-YESO POOL, AND TO
ESTABLISH SPECIAL RULES AND REGULATIONS
FOR THE NORTH SEVEN RIVERS GLORIETA-YESO
POOL, EDDY COUNTY, NEW MEXICO.**

Case No. 14554

APPLICATION

Mewbourne Oil Company applies for an order (i) abolishing the Seven Rivers-Yeso Pool and the Cemetery-Yeso Pool, (ii) expanding the North Seven Rivers Glorieta-Yeso Pool, and (iii) establishing special rules and regulations for the North Seven Rivers Glorieta-Yeso Pool, Eddy County, New Mexico, and in support thereof, states:

1. The Seven Rivers-Yeso Pool was created by Division Order R-7076, and currently includes the following acreage:

Township 19 South, Range 25 East, N.M.P.M.

Section 26: NW/4

Section 27: E/2

Section 34: All

2. The Cemetery-Yeso Pool was created by Division Order R-7372, and currently includes the following acreage:

Township 20 South, Range 25 East, N.M.P.M.

Section 11: SE/4

3. The North Seven Rivers-Yeso Pool was created by Division Order R-12699, and currently includes the following acreage:

Township 19 South, Range 25 East, N.M.P.M.

Section 22: All

Section 27: NW/4

4. The above pools are developed on statewide rules, which provide for 40 acre spacing, wells to be located no closer than 330 feet to a quarter-quarter section line, and a depth bracket allowable of 80 barrels of oil per day.

5. Applicant is an operator in the above pools.

6. A number of additional wells have been drilled in the above pools, by applicant and other operators, but the pools have not been expanded under the Division's nomenclature proceedings. In addition, the wells in the pools produce from correlative intervals, so there is no need for three separate pools. Therefore, applicant requests the Division to enter an order abolishing the Seven Rivers-Yeso Pool and the Cemetery-Yeso Pool, and expanding the North Seven Rivers Glorieta-Yeso Pool so that it will comprise the following lands:

Township 19 South, Range 24 East, N.M.P.M.

Section 36: SE/4

Township 19 South, Range 25 East, N.M.P.M.

Section 15: SW/4

Section 16: NE/4

Section 22: All

Section 23: S/2

Section 24: W/2

Section 26: W/2

Section 27: All

Section 31: SW/4

Section 34: All

Section 35: All

Section 36: NW/4

Township 20 South, Range 25 East, N.M.P.M.

Section 2: W/2

Section 3: SE/4

Section 4: S/2

Section 5: S/2

Section 7: NE/4

Section 9: All

Section 10: All

Section 11: SE/4

Section 14: W/2

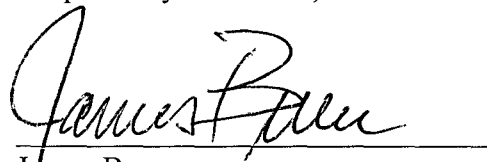
Section 15: All
Section 22: NW/4

7. Wells in the above pools being drilled both as horizontal wells and vertical wells, and some wells are capable of producing in excess of the statewide depth bracket allowable without waste or impairment of correlative rights. Therefore, applicant also seeks approval of special pool rules and regulations for the expanded North Seven Rivers Glorieta-Yeso Pool providing for a special depth bracket allowable of 240 barrels of oil per day for a standard 40 acre spacing unit. All other statewide rules will apply.

8. Approval of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order requesting the relief requested above.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is 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 No. 14554 :

Application of Mewbourne Company to abolish the Seven Rivers-Yeso Pool and the Cemetery-Yeso Pool and expand the North Seven Rivers Glorieta-Yeso Pool, and to establish special rules and regulations for the North Seven Rivers Glorieta-Yeso Pool, Eddy County, New Mexico. Applicant seeks an order (i) abolishing the Seven Rivers-Yeso Pool, comprised of the NW/4 of Section 26, the E/2 of Section 27, and all of Section 34, Township 19 South, Range 25 East, NMPM, (ii) abolishing the Cemetery-Yeso Pool, comprised of the SE/4 of Section 11, Township 20 South, Range 25 East, NMPM, and (iii) expanding the North Seven Rivers Glorieta-Yeso to include the acreage in the abolished pools together with additional acreage, so that it will comprise the following lands:

Township 19 South, Range 24 East, NMPM
Section 36: SE/4

Township 19 South, Range 25 East, NMPM
Section 15: SW/4
Section 16: NE/4
Section 22: All
Section 23: S/2
Section 24: W/2
Section 26: W/2
Section 27: All
Section 31: SW/4
Section 34: All
Section 35: All
Section 36: NW/4

Township 20 South, Range 25 East, NMPM
Section 2: W/2
Section 3: SE/4
Section 4: S/2
Section 5: S/2
Section 7: NE/4
Section 9: All
Section 10: All
Section 11: SE/4
Section 14: W/2
Section 15: All
Section 22: NW/4

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Applicant further seeks approval of special pool rules and regulations for the expanded North Seven Rivers Glorieta-Yeso Pool providing for a special depth bracket allowable of 240 barrels

of oil per day for a standard 40 acre spacing unit. The expanded North Seven Rivers Glorieta-Yeso Pool is centered approximately 3 miles west-northwest of Seven Rivers, New Mexico.