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December 30, 2003

RECEIVED

DEC 30 2003

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Hand Delivered

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

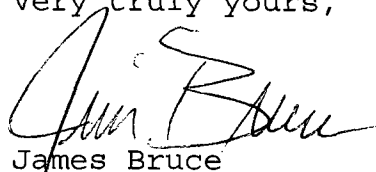
Re: Case No. 13158 (Reopened)

Dear Florene:

Enclosed are an original and one copy of an amended application for compulsory pooling, together with a proposed advertisement, filed on behalf of Mewbourne Oil Company. Please re-set this matter for the January 22, 2004 Examiner hearing (it is currently scheduled for January 8th).

The advertisement is also on the enclosed disk.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF MEWBOURNE OIL
COMPANY TO REOPEN CASE NO. 13158
FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.

Oil Conservation Division
1220 S. St. Francis Drive
Case No. 13158 (Proposed)
Santa Fe, NM 87503

AMENDED APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests from the top of the Cisco formation to the base of the Morrow formation underlying the S½ of Section 30, 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 S½ of Section 30, and has the right to drill a well thereon.

2. Applicant proposed to drill its La Huerta 30 Well No. 1, from a surface location 2114 feet from the south line and 2464 feet from the east line (Unit J) of Section 29, Township 21 South, Range 27 East, N.M.P.M., to an orthodox bottomhole gas well location in the SE¼SE¼ of Section 30, and to dedicate the S½ of Section 30 to the well 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 Burton Flat-Morrow Gas Pool. Pooling was approved by Division Order No. R-12057.

3. Applicant commenced the La Huerta 30 Well No. 1, but had to abandon the well due to difficulties encountered during drilling. Applicant now proposes to drill its La Huerta 30 Well No. 1Y, from a surface location approximately 823 feet from the south line and 945 feet from the east line (Unit P) of Section 19,

Township 21 South, Range 27 East, N.M.P.M., to an orthodox bottomhole gas well location in the SE¼SE¼ of Section 30, and seeks to dedicate the S½ of Section 30 to the well 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 Burton Flat-Morrow Gas Pool. Applicant seeks to amend Division Order No. R-12057 accordingly.

4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S½ of Section 30 for the purposes set forth herein.

5. 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 S½ of Section 30, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the S½ of Section 30 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. Amending Order No. R-12057 to pool all mineral interests in the S½ of Section 30 from the top of the Cisco formation to the base of the Morrow formation, to be dedicated to the La Huerta 30 Well No. 1Y;

- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the La Huerta 30 Well No. 1Y, including costs expended on the La Huerta 30 Well No. 1, 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 said 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
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Attorney for Mewbourne Oil
Company