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December 16, 2003

**RECEIVED**

DEC 16 2003

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

Hand Delivered

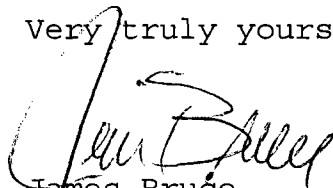
Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

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 January 8, 2004 Examiner hearing.

The advertisement is also on the enclosed disk.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION  
Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

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

Case No. 13158 (Reopened)

## 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 dedicated 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 proposes to drill its La Huerta 30 Well No. 1Y, from a surface location 800 feet from the north line and 880 feet from the west line (Unit D) of Section 29, Township 21 South, Range 27 East, N.M.P.M., to an orthodox bottomhole gas well

location in the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 30, and seeks to dedicate the S $\frac{1}{2}$  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. As a result, 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 S $\frac{1}{2}$  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 S $\frac{1}{2}$  of Section 30, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the S $\frac{1}{2}$  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 S $\frac{1}{2}$  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 well, 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 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", 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 13158 (Reopened): Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks 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, NMPM 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. The unit is to be dedicated to applicant's La Huerta "30" Well No. 1Y, to be drilled from a surface location 800 feet from the north line and 880 feet from the west line (Unit D) of Section 29, Township 21 South, Range 27 East, NMPM. to an orthodox bottomhole location in the SE¼SE¼ (Unit P) of Section 30. 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 unit is located approximately 2 miles north of Carlsbad, New Mexico.

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