

**CASE 13172:**     **Application of Mewbourne Oil Company for an Unorthodox Oil Well Location, Lea County, New Mexico.** Applicant seeks authorization to drill and produce its SF "17" Fed. Com. Well No. 2 at an unorthodox oil well location 1910 feet from the South line and 1370 feet from the East line of Section 17, Township 18 South, Range 32 East, in the Wolfcamp formation (Undesignated Young-Wolfcamp Pool) and Strawn formation (Undesignated Young-Strawn Pool). The NW/4 SE/4 of Section 17 will be dedicated to the well. The unit is located approximately 7½ miles south-southwest of Maljamar, New Mexico.

**CASE 12940:**     **Reopened – Continued from October 9, 2003, Examiner Hearing.**

**Application of Mewbourne Oil Company to Reopen Case No. 12940 to Amend and Make Permanent the Special Rules and Regulations for the Shugart-Strawn Pool, and for a Discovery Allowable, Eddy County, New Mexico.** The special rules and regulations for the Shugart-Strawn Pool currently provide for 160 acre spacing, a depth bracket allowable of 1120 barrels of oil per day, and a gas:oil ratio of 4,000 cubic feet of gas per barrel of oil. Applicant seeks to amend the rules to increase the depth bracket allowable to 1350 barrels of oil per day and to increase the gas:oil ratio to 10,000 cubic feet of gas per barrel of oil, and to make the rules permanent. The pool currently covers the SE/4 of Section 5 and the N/2 of Section 8, Township 18 South, Range 31 East. The pool is centered approximately 6½ miles southeast of Loco Hills, New Mexico.

**CASE 13150:**     **Readvertised)**

**Application of Arch Petroleum Inc. for Approval of Lease Commingling, Lea County, New Mexico.** Applicant seeks approval of lease commingling of Teague (Simpson) Pool production from four existing wells located on three fee leases collectively covering the SW/4 and W/2 SE/4 of Section 27, Township 23 South, Range 37 East, without separately metering production from each well or lease. Applicant also requests approval to commingle production from additional Teague (Simpson) Pool wells on the leases without additional hearings. The leases are located approximately 11½ miles south of Eunice, New Mexico.

**CASE 13151:** (Readvertised)

**Application of Arch Petroleum Inc. for Approval of Lease Commingling, Lea County, New Mexico.** Applicant seeks approval of lease commingling of Teague Paddock-Blinebry Pool production from eleven existing wells located on three fee leases collectively covering the SW/4 and W/2 SE/4 of Section 27, Township 23 South, Range 37 East, without separately metering production from each well or lease. Applicant also requests approval to commingle production from additional Teague Paddock-Blinebry Pool wells on the leases without additional hearings. The leases are located approximately 11½ miles south of Eunice, New Mexico.

**CASE 13132:**     **Continued from September 18, 2003 Examiner Hearing.**

**Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Morrow formation underlying Lots 1, 2, S/2 NE/4, and SE/4 (the E/2 equivalent) of Section 6, Township 23 South, Range 27 East, to form a standard 319.49-acre gas spacing and proration unit in the East Carlsbad-Morrow Gas Pool. The unit is to be dedicated to the Joell Well No. 2, to be located at an orthodox gas well location in the SW/4 NE/4 of Section 6. 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 6 miles south of Carlsbad, New Mexico.

**HOLLAND & HART** LLP  
ATTORNEYS AT LAW

DENVER • ASPEN  
BOULDER • COLORADO SPRINGS  
DENVER TECH CENTER  
BILLINGS • BOISE  
CHEYENNE • JACKSON HOLE  
SALT LAKE CITY • SANTA FE  
WASHINGTON, D.C.

P.O. BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
110 NORTH GUADALUPE, SUITE 1  
SANTA FE, NEW MEXICO 87501-6525  
[mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)  
44524-0005

TELEPHONE (505) 988-4421  
FACSIMILE (505) 983-6043

**Michael H. Feldewert**  
**Recognized Specialist in the Area of**  
**Natural Resources - oil and gas law -**  
**New Mexico Board of Legal**  
**Specialization**

October 3, 2003

**VIA HAND DELIVERY**

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Energy, Minerals &  
Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, NM 87504

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OCT 3 2003

Oil Conservation Division

**Re: Application of Mewbourne Oil Company To Reopen Case No. 12940 To Amend  
And Make Permanent The Special Rules And Regulations For The Shugart-  
Strawn Pool, And For A Discovery Allowable, Eddy County, New Mexico**

Dear Ms. Wrotenbery:

Gruy Petroleum Management Company, Harvey E. Yates Company, and Pecos Production Company, the affected parties/operators in the Shugart-Strawn Pool, requests that the Examiner Hearing in this matter currently scheduled for October 9, 2003, be continued to the October 23<sup>rd</sup> Examiner docket.

Mewbourne's application seeks to change the current oil allowable for this pool from 1120 BOPD to 1350 BOPD, to change the GOR from 4,000:1 to 10,000:1, and to afford Mewbourne a discovery allowable. Mewbourne's request comes after Gruy alerted the Division to the fact that Mewbourne's Fren wells Nos. 2 and 3 have consistently violated the allowables assigned to this pool, and have failed to comply with Division Rule 502 concerning monthly production tolerances and provisions governing the make-up of excess production. Mewbourne has curtailed its production to make up the overproduction of gas and oil, but does not expect to be back in balance with respect to gas until December.

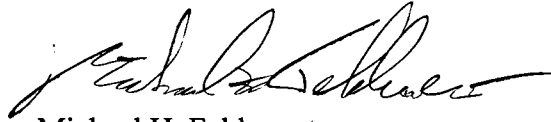
The affected parties/operators need time to obtain relevant data and study the potential affect of Mewbourne's proposed changes to the pool rules. Mewbourne's attorney has been contacted and does not oppose a continuance.

HOLLAND & HART<sup>LLP</sup>  
ATTORNEYS AT LAW

Lori Wrotenbery  
October 3, 2003  
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Your attention to this request for a continuance is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael H. Feldewert", written in a cursive style.

Michael H. Feldewert

cc: James Bruce, attorney for Mewbourne

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE)  
(505) 982-2151 (FAX)

jamesbruc@aol.com

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OIL CONSERVATION  
DIVISION

October 3, 2003

Via Fax and U.S. Mail

Lori Wrotenbery  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Case No. 12940 (Reopened); application of Mewbourne Oil  
Company

Dear Ms. Wrotenbery:

I have received the letter from Mr. Feldewert, on behalf of Gruy Petroleum Management Co., requesting a continuance of the above hearing. I do not agree with certain characterizations of Mewbourne in the letter. In addition, for reasons which will be presented at hearing, Mewbourne's correlative rights are being adversely affected if the pool rules are not timely amended. However, Mewbourne consents to the delay in order to accommodate Gruy's request.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

cc: M. Feldewert (via fax)