

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF MEWBOURNE OIL COMPANY FOR
COMPULSORY POOLING AND AN
UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

CASE NO. 11533

APPLICATION

MEWBOURNE OIL COMPANY, through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of N.M.Stat.Ann. § 70-2-17, (1978), for an order pooling all of the mineral interests in the N/2 of Section 4 for all formations developed on 320-acre spacing, the NW/4 of Section 4 for all formations developed on 160-acre spacing, the S/2 NW/4 of Section 4 for all formations developed on 80-acre spacing and the SW/4 NW/4 of Section 4 for all formations developed on 40-acre spacing all in Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, for all formations developed on 320-acre spacing and in support thereof states:

1. Mewbourne owns approximately 37.5% of the working interest in the N/2 of said Section 4 and has the right to drill thereon.
2. Mewbourne proposes to dedicate these spacing units to a well to be drilled at an unorthodox gas well location 1650 feet from the North line and 990 feet from the West line of Section 4, and drill to a depth sufficient to test any and all formations from the surface

to the base of the Morrow formation, Illinois Camp-Morrow Gas Pool.

3. Mewbourne has sought and been unable to obtain either a voluntary agreement for pooling or farmout from all interest owners in the N/2 of said Section 4.

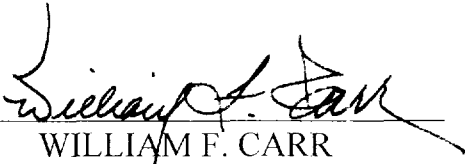
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit Mewbourne to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Mewbourne should be designated the operator of the well to be drilled.

WHEREFORE, Mewbourne Oil Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 16, 1996, and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Mewbourne Oil Company operator of the well, authorizing Mewbourne to recover its costs of supervision while drilling and after completion, including overhead charges, imposing a risk factor for the risk assumed by Mewbourne in drilling, completing and equipping the well, and approving an unorthodox gas well location in the Morrow formation for said pool.

Respectfully submitted,

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