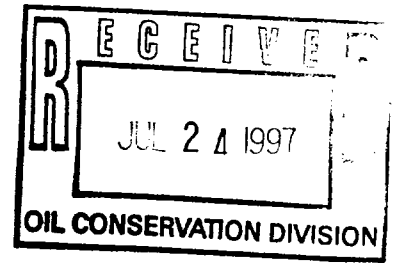


BEFORE THE
OIL CONSERVATION DIVISION



NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 11830

APPLICATION

MEWBOURNE OIL COMPANY, through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all of the mineral interests under the S/2 for all formations developed on 320-acre spacing including the Avalon-Morrow Gas Pool, the West Burton Flat-Strawn Gas Pool and the Avalon-Upper Pennsylvanian Gas Pool under the SW/4 for all formations developed on 160-acre spacing; under the E/2 SW/4 for all formations developed on 80-acre spacing and under the NE/4 SW/4 for all formations developed on 40-acre spacing in Section 15, Township 21 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant is a working interest owner in the S/2 of Section 15 and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration unit to its Carlsbad "15" Federal Com. #1 Well to be drilled at a standard location 1980 feet from the South line and 1850 feet from the West line of Section 15, to a depth sufficient to test any

and all formations from the surface to the base of the Morrow formation, Avalon-Morrow Gas Pool.

3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from Devon Energy Corporation, 20 North Broadway, Suite 1500, Oklahoma City, OK 73102, Attn: Ken Gray.

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

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 21, 1997 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well.

Respectfully submitted,

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ATTORNEYS FOR MEWBOURNE
OIL COMPANY

CASE _____: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation, under the S/2 for all formations developed on 320-acre spacing, including the Avalon-Morrow Gas Pool; under the SW/4 for all formations developed on 160-acre spacing; under the E/2 SW/4 for all formations developed on 80-acre spacing; and under the NE/4 SW/4 for all formations developed on 40-acre spacing in Section 15, Township 21 South, Range 26 East. Said unit is to be dedicated to its Carlsbad "15" Federal Com #1 Well to be drilled at a standard location 1980 feet from the South line and 1850 feet from the West line of said Section 15. Also to be considered will be the cost of drilling and completing said 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 risk involved in drilling said well. Said area is located approximately _____ miles _____ of _____, New Mexico.