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Oil Conservation Div.

99 NOV 23 PM 2:39

12306

November 23, 1999

Hand Delivered

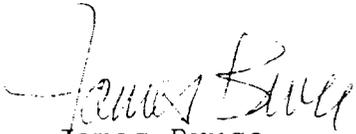
Lori Wrotenbery
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Ms. Wrotenbery:

Enclosed are an original and two copies of an application to abolish the special rules in the South Carlsbad-Morrow Gas Pool, together with a proposed advertisement, filed on behalf of Mewbourne Oil Company. In talking with Mr. Stogner, he suggested advertising the case so that, in the absence of objection, the matter would be taken under advisement. That is how I phrased the advertisement.

Please set this matter for the December 16, 1999 hearing. Thank you.

Very truly yours,


James Bruce
Attorney for Mewbourne
Oil Company

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APPLICATION OF MEWBOURNE OIL COMPANY
TO ABOLISH THE SPECIAL POOL RULES AND
REGULATIONS FOR THE SOUTH CARLSBAD-
MORROW GAS POOL, EDDY COUNTY, NEW MEXICO.

Case No. 12306APPLICATION

Mewbourne Oil Company applies for an order abolishing the special rules and regulations for the South Carlsbad-Morrow Gas Pool (the "Pool"), and in support thereof states:

1. Applicant is a working interest owner and operator in the Pool.
2. The Pool was created by Order No. R-3731, dated April 18, 1969, and currently covers the following acreage:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, N.M.P.M.

Section 11:	All
Section 12:	S $\frac{1}{2}$
Section 13:	All
Section 24:	All
Section 33:	S $\frac{1}{2}$
Section 34:	All
Section 36:	All

TOWNSHIP 22 SOUTH, RANGE 27 EAST, N.M.P.M.

Sections 3-9:	All
Section 16:	W $\frac{1}{2}$
Sections 17-21:	All
Section 22:	S $\frac{1}{2}$
Sections 27-33:	All
Section 34:	W $\frac{1}{2}$

TOWNSHIP 23 SOUTH, RANGE 26 EAST, N.M.P.M.

Sections 1-4:	All
Section 5:	E $\frac{1}{2}$
Section 10:	E $\frac{1}{2}$
Sections 11-15:	All
Section 16:	S $\frac{1}{2}$
Section 17:	E $\frac{1}{2}$
Section 20:	E $\frac{1}{2}$
Sections 21-27:	All
Section 28:	N $\frac{1}{2}$
Sections 34-36:	All

TOWNSHIP 23 SCUTH, RANGE 27 EAST, N.M.P.M.

Section 3:	W½
Sections 4-10:	All
Section 11:	W½
Sections 16-18:	All
Section 19:	N½
Section 20:	All
Section 21:	All
Section 22:	W½

TOWNSHIP 24 SCUTH, RANGE 26 EAST, N.M.P.M.

Section 1:	W½
Sections 2-4:	All
Section 10:	All
Section 11:	W½

3. The Pool was prorated by Order No. R-1670-L, dated June 30, 1972, as superseded by Order No. R-8170, as amended. Under Order No. R-8170, as amended, wells within the Pool must be no closer than 1980 feet to the end boundary nor closer than 660 feet to the side boundary of a well unit, and no closer than 330 feet to a quarter-quarter section line. Well spacing for the Pool has always been 320 acres.

4. Because the Pool was prorated, multiple wells were allowed on proration units. However, prorating in the Pool was suspended by Order No. R-10328, dated March 27, 1995.

5. By Order No. R-11231, the Oil Conservation Commission amended Statewide Rule 104 for 320 acre gas well units in Southeastern New Mexico to allow (a) wells to be no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line, and (b) two wells per well unit.

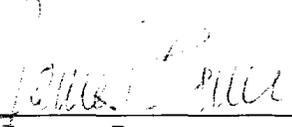
6. There is no need for the well location and infill rules in the Pool to vary from statewide rules.

7. The granting of this application will prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that, in the absence of objection, the Division enter its order:

- A. Abolishing the special rules and regulations for the South Carlsbad-Morrow Gas Pool, so that the well location and infill rules conform to the Statewide rules adopted by Order No. R-11231; and
- B. Granting such further relief as the Division deems proper.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Newbourne Oil Company

PROPOSED ADVERTISEMENT

Case 123 : Application of Mewbourne Oil Company to abolish the special rules and regulations for the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico. Applicant seeks an order abolishing the special rules and regulations for the South Carlsbad-Morrow Gas Pool so that the well location and infill well requirements of Statewide Rule 104 (instituted by Order No. R-11231) apply. The subject pool covers parts of Townships 22, 23, and 24 South, Ranges 26 and 27 East, NMPM. The pool covers an area 4-8 miles wide stretching south 12 miles from Carlsbad, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.