

NEW MEXICO OIL CONSERVATION DIVISION
HINKLE, COX, EATON, COFFIELD & HENSLEY

APR 11 AM 8 50

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 800

ALBUQUERQUE, NEW MEXICO 87102-2121

(505) 768-1500

FAX (505) 768-1529

OF COUNSEL
O. M. CALHOUN*
MACK EASLEY
JOE W. WOOD
RICHARD S. MORRIS

CLARENCE E. HINKLE (1901-1985)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1914-1987)

April 10, 1991

LEWIS C. COX
PAUL W. EATON
CONRAD C. COFFIELD
HAROLD L. HENSLEY JR.
STUART D. SHANOR
ERIC D. LANPHERE
C. D. MARTIN
PAUL J. KELLY JR.
MARSHALL G. MARTIN
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
THOMAS J. MCBRIDE
STEVEN D. ARNOLD
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWETT
JAMES BRUCE
JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*
ALBERT L. PITTS
THOMAS M. HNASKO
JOHN C. CHAMBERS*
MICHAEL A. GROSS
THOMAS D. HAINES, JR.

FRANKLIN H. MCCALLUM*
GREGORY J. NIBERT
DAVID T. MARKER*
MARK C. COX
KAREN M. RICHARDSON*
FRED W. SCHWENDIMANN
JAMES M. HUDSON
STANLEY K. KOTOVSKY JR.
BETTY H. LITTLE*
JEFFREY S. BAIRD*
RUTH S. MUSGRAVE
HOWARD R. THOMAS
PATRICIA A. WATTS
MACDONNELL GORDON
REBECCA NICHOLS JOHNSON
WILLIAM R. JOHNSON
ELLEN S. CASEY
S. BARRY PAISNER
MARGARET CARTER LUDEWIG
MARTIN MEYERS
GREGORY S. WHEELER
ANDREW J. CLOUTIER
JAMES A. GILLESPIE
GARY W. LARSON
STEPHANIE LANDRY
JOHN R. KULSETH, JR.
LISA K. SMITH*

700 UNITED BANK PLAZA
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 622-6510
FAX (505) 623-9332

2800 CLAYDESTA NATIONAL BANK BUILDING
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691
FAX (915) 683-6518

1700 TEAM BANK BUILDING
POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569
FAX (806) 372-9761

218 MONTEZUMA
POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504
(505) 982-4554
FAX (505) 982-8623

*NOT LICENSED IN NEW MEXICO

Ms. Florene Davidson
New Mexico Oil Conservation
Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Dear Florene:

Enclosed is the original Application for Compulsory Pooling,
on behalf of Mewbourne Oil Company, which I telecopied to you on
April 9, 1991.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By: James Bruce

JB:le
Enclosure

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APR 1 1931

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

No. 10294

APPLICATION

Mewbourne Oil Company hereby makes application for an order pooling all interests from the base of the Abo formation to the base of the Morrow formation underlying the N $\frac{1}{2}$ of Section 1, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in the N $\frac{1}{2}$ of said Section 1.

2. Applicant proposes to drill its Chalk Bluff Fed. No. 2 Well in the N $\frac{1}{2}$ of Section 1, at an unorthodox location 1650 feet from the North line and 1350 feet from the West line of the Section, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:

(a) The N $\frac{1}{2}$ of Section 1 for all pools or formations spaced on 320 acres;

(b) The NW $\frac{1}{4}$ of Section 1 for all pools or formations spaced on 160 acres;

(c) The S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 1 for all pools or formations spaced on 80 acres; and

(d) The SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 1 for all pools or formations spaced on 40 acres.

3. Applicant has applied for administrative approval of the proposed unorthodox location.

4. Applicant has in good faith sought to join all other mineral or leasehold interest owners in the $N\frac{1}{2}$ of Section 1 for the purposes set forth herein.

5. Although Applicant attempted to obtain voluntary agreements from all mineral or leasehold 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 acreage. Therefore, Applicant seeks an order pooling all mineral and leasehold interest owners underlying the $N\frac{1}{2}$ of Section 1, as described above, pursuant to N.M. Stat. Ann. §70-2-17 (1987 Repl.).

6. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling the well.

7. The pooling of all interests underlying the $N\frac{1}{2}$ of Section 1, as described above, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.


WHEREFORE, Applicant requests that the Division
grant the relief requested above.

Dated: 4/9/91.

Respectfully Submitted,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By



James Bruce
500 Marquette, N.W.
Suite 800
Albuquerque, New Mexico 87102
(505) 768-1500

Attorneys for Applicant