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October 10, 1991

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GARY W. LARSON  
STEPHANIE LANDRY  
JOHN R. KULSETH, JR.  
LISA K. SMITH\*  
JAMES K. SCHUSTER\*

\*NOT LICENSED IN NEW MEX.CO

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

Dear Florene:

Enclosed for filing are an original and two copies of an  
Application for Compulsory Pooling by Mewbourne Oil Company.  
Please set this matter for the November 7th docket.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &  
HENSLEY

James Bruce  
by Lisa C. O'Swathz  
By: James Bruce Sec.

JB:le  
Enclosures

RECEIVED

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

001 15 1991

APPLICATION OF MEWBOURNE OIL COMPANY  
FOR COMPULSORY POOLING AND AN UN-  
ORTHODOX GAS WELL LOCATION, EDDY COUNTY,  
NEW MEXICO.

OIL CONSERVATION DIVISION

No.

10410

APPLICATION

Mewbourne Oil Company hereby makes application for an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the  $W\frac{1}{2}$  of Section 16, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and for an unorthodox gas well location, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in the  $W\frac{1}{2}$  of said Section 16.
2. Applicant proposes to drill its Red Lake State No. 1 Well in the  $W\frac{1}{2}$  of Section 16, at an unorthodox location 990 feet from the South line and 1980 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  $W\frac{1}{2}$  of Section 16 for all pools or formations spaced on 320 acres;
  - (b) The  $SW\frac{1}{4}$  of Section 16 for all pools or formations spaced on 160 acres;
  - (c) The  $S\frac{1}{2}SW\frac{1}{4}$  of Section 16 for all pools or formations spaced on 80 acres; and
  - (d) The  $SE\frac{1}{4}SW\frac{1}{4}$  of Section 16 for all pools or formations spaced on 40 acres.

3. Applicant has in good faith sought to join all other mineral or leasehold interest owners in the  $W\frac{1}{2}$  of Section 16 for the purposes set forth herein.

4. 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  $W\frac{1}{2}$  of Section 16, as described above, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl.).

5. 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.

6. The pooling of all interests underlying the  $W\frac{1}{2}$  of Section 16, as described above, and the approval of the unorthodox gas well location 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: 10/10/91.

Respectfully Submitted,

HINKLE, COX, EATON, COFFIELD &  
HENSLEY

By  \_\_\_\_\_

James Bruce  
500 Marquette, N.W.  
Suite 800  
Albuquerque, New Mexico 87102  
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Attorneys for Applicant

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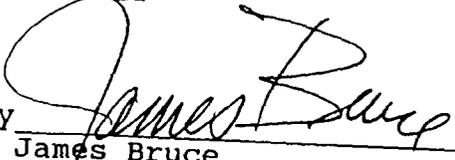
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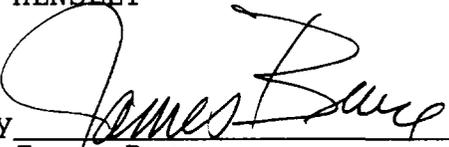
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