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*NOT LICENSED IN NEW MEXICO

October 26, 1992

RECEIVED

OCT 26 1992

OIL CONSERVATION DIVISION

10599

VIA HAND DELIVERY

Florene Davidson
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87503

Re: Application of Mewbourne Oil Company for
Compulsory Pooling and an Unorthodox Gas
Well Location, Eddy County, New Mexico

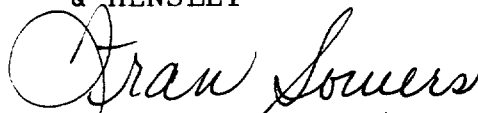
Dear Florene:

Please find attached the original and three copies of an
Application for filing on behalf of Mewbourne Oil Company
concerning the above-referenced matter. Please endorse one of the
copies for our files.

Thank you for your assistance with this matter.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY


Fran Sowers, Secretary
to James Bruce

Attachments

FRS5\92480.c

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

RECEIVED

No.

10599

OIL CONSERVATION DIVISION

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 S $\frac{1}{2}$ of Section 36, Township 17 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 S $\frac{1}{2}$ of said Section 36.

2. Applicant proposes to drill its Chalk Bluff 36 State No. 1 Well in the S $\frac{1}{2}$ of Section 36, at an unorthodox location 660 feet from the South line and 990 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 S $\frac{1}{2}$ of Section 36 for all pools or formations spaced on 320 acres; and

(b) The SW $\frac{1}{4}$ of Section 36 for all pools or formations (if any) spaced on 160 acres.

3. Applicant has in good faith sought to join all other mineral or leasehold interest owners in the S $\frac{1}{2}$ of Section 36 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 S $\frac{1}{2}$ of Section 36, 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 S $\frac{1}{2}$ of Section 36, 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: October 26, 1992.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
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Attorneys for Applicant