

# HINKLE, COX, EATON, COFFIELD & HENSLEY

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June 10, 1992

\*NOT LICENSED IN NEW MEXICO

## VIA HAND DELIVERY

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

Dear Florene:

Enclosed for filing are an original and two copies of an application for compulsory pooling filed on behalf of Mewbourne Oil Company. Please set this matter for the July 9, 1992 hearing. Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY

  
James Bruce

JB:frs  
Enclosures

Case 10501  
RECEIVED

JUN 10 1992

OIL CONSERVATION DIVISION

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

RECEIVED

No. 10501

JUL 10 1957

APPLICATION

OIL CONSERVATION DIVISION

Mewbourne Oil Company hereby makes application for an order pooling all mineral and leasehold interests from the surface to the base of the Morrow formation underlying the S $\frac{1}{2}$  of Section 23, Township 19 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 S $\frac{1}{2}$  of said Section 23.

2. Applicant proposes to drill Angell Ranch A "23" No. 1 Well in the S $\frac{1}{2}$  of Section 23, at a location 1980 feet from the South line and East lines of Section 23, to a depth sufficient to test the Morrow formation (approximately 10,900 feet), and seeks to dedicate the following acreage to the well:

(a) The S $\frac{1}{2}$  of Section 23 for all pools or formations spaced on 320 acres;

(b) The SE $\frac{1}{4}$  of Section 23 for all pools or formations spaced on 160 acres;

(c) The W $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 23 for all pools or formations spaced on 80 acres; and

(d) The NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 23 for all pools or formations spaced on 80 acres.

3. Applicant has in good faith sought to join all other mineral or leasehold interest owners in the S½ of Section 23 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 S½ of Section 23, 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 (including an escalation provision for operating or supervision charges). 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.

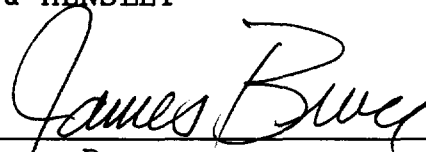
6. The pooling of all interests underlying the S½ of Section 23, as described above, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

Dated: June 10, 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.

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Attorneys for Applicant