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February 22, 1994

10944

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

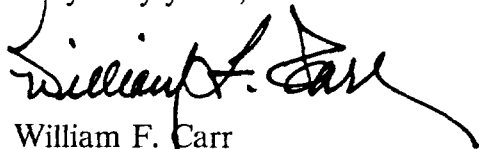
FEB 22 1994

**Re: Application of Mewbourne Oil Company for Compulsory Pooling, Eddy
County, New Mexico**

Dear Mr. LeMay:

Enclosed in triplicate is the application of Mewbourne Oil Company in the above-referenced case as well as a copy of a legal advertisement. Mewbourne Oil Company respectfully requests that this case be placed on the docket for the March 17, 1994 Examiner hearings.

Very truly yours,


William F. Carr

WFC:rw

Enclosures

cc: D. Paul Haden

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF MEWBOURNE OIL COMPANY FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

FEB 27 1994
CASE NO. 10944

APPLICATION

MEWBOURNE OIL COMPANY ("Mewbourne"), through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, (1978) for an order pooling all mineral interests in the N/2 for all formations developed on 320-acre spacing and the NW/4 for all formations developed on 160-acre spacing of Section 20, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

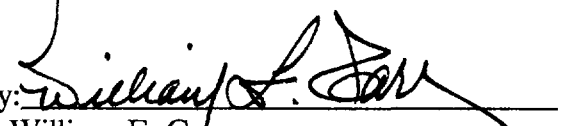
1. Mewbourne owns or represents approximately 50% of the working interest in the N/2 of Section Section 21, and Mewbourne has the right to drill thereon.
2. Mewbourne proposes to drill its CHALK BLUFF DRAW PROSPECT ILLINOIS CAMP "20" STATE NO. 1 WELL at a standard location 660 feet from the North line and 1980 feet from the West line of Section 20, and drill to a depth of approximately 10,700 feet, more or less, to test any and all formations from the base of the San Andres formation to the base of the Morrow formation, North Illinois Camp-Morrow Gas Pool.
3. Mewbourne has sought and been able to obtain either a voluntary agreement for pooling or farmout from certain interest owners in the N/2 of said Section 20.
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit Mewbourne to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Mewbourne should be designated the operator of the well to be drilled.

WHEREFORE, Mewbourne Oil Company requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on March 17, 1994, and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Mewbourne Oil Company operator of the well and spacing unit, authorizing Mewbourne to recover its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by Mewbourne in drilling, completing and equipping the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE &
SHERIDAN, P.A.

By: 

William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421

ATTORNEYS FOR MEWBOURNE OIL
COMPANY

CASE NO. _____:

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the N/2 for all formations developed on 320-acre spacing and the NW/4 for all formations developed on 160-acre spacing of Section 20 Township 18 South, Range 28 East. Applicant proposes to dedicate this pooled unit to its Chalk Bluff Draw Prospect Illinois Camp "20" State No. 1 Well to be drilled at a standard location to test any and all formations to the base of the Morrow formation, North Illinois Camp-Morrow Gas Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately _____ miles _____ of _____, New Mexico.

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