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2005 JAN 25 AM 10 16

January 25, 2005

Case 13423

Hand Delivered

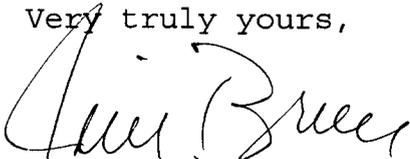
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed are an original and one copy of an application for compulsory pooling, together with a proposed advertisement, filed on behalf of Mewbourne Oil Company. Please set this matter for the February 17, 2005 Examiner hearing. Thanks.

The advertisement has also been e-mailed to the Division.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

PARTIES BEING POOLED

Fasken Oil and Ranch, Ltd.
Fasken Land and Minerals, Ltd.
Suite 1800
303 West Wall
Midland, Texas 79701

Attention: Sally M. Kvasnicka

Principal Properties
Building II, Suite 103
4425 South Mopac
Austin, Texas 78735

Attention: Doug Lauffer

Andrews Oil, L.P.
Suite 150
2219 Westlake Drive
Austin, Texas 78746

Attention: David Andrews

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

2005 JAN 25 AM 10 16

No. 13423

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N $\frac{1}{2}$ of Section 11 Township 20 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the N $\frac{1}{2}$ of Section 11, and has the right to drill a well thereon.

2. Applicant proposes to drill its Angel Canyon "11" Fed. Com. Well No. 1, at an orthodox location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ (Unit A) of the section, to a depth sufficient to test the Morrow formation (approximately 11,300 feet subsurface), and seeks to dedicate the following acreage to the well:

(a) the NE $\frac{1}{4}$ of Section 11 to form a standard 160 acre gas spacing and proration unit for any pools and/or formations developed on 160 acre spacing within that vertical extent; and

(b) the N $\frac{1}{2}$ of Section 11 to form a standard 320 acre gas spacing and proration unit for any pools and/or formations developed on 320-acre spacing within that vertical extent, including the Undesignated West Burton Flat-Wolfcamp Gas Pool, Undesignated Angell Ranch Atoka-Morrow Gas Pool, and Undesignated Burton Flat-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N $\frac{1}{2}$ of

Section 11 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral 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 interests. Therefore, applicant seeks an order pooling all mineral interest owners in the N½ of Section 11, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the N½ of Section 11 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the N½ of Section 11, from the surface to the base of the Morrow formation;
- B. Naming applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost thereof among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates as provided in the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above a horizontal line.

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Mewbourne Oil
Company

Proposed Advertisement

Case 13423 Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 11, Township 20 South, Range 27 East, N.M.P.M., and in the following manner: The N½ to form a standard 320-acre gas spacing and proration unit for any and all formations developed on 320-acre spacing within that vertical extent, including the Undesignated West Burton Flat-Wolfcamp Gas Pool, Undesignated Angell Ranch Atoka-Morrow Gas Pool, and Undesignated Burton Flat-Morrow Gas Pool; and the NE¼ to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within that vertical extent. The units are to be dedicated to the proposed Angell Canyon "11" Fed. Com. Well No. 1, to be drilled at an orthodox location in the NE¼NE¼ (Unit A) of Section 11. Also to be considered will be the cost of drilling and completing the 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 200% charge for the risk involved in drilling and completing the well. The units are located approximately 10 mile east of Seven Rivers, New Mexico.

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