

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

2007 MAY 23 AM 11 15

May 22, 2007

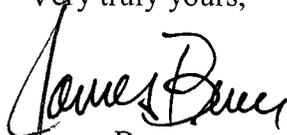
Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

*Case 13937*

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the June 21, 2007 Examiner hearing. Thank you.

Very truly yours,

  
James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

The Hillman Interests  
2000 Grant Building  
310 Grant Street  
Pittsburgh, Pennsylvania 15219

Nicholas S. Lamont  
Suite 300  
129 Church Street  
New Haven, Connecticut 06510

Mill Neck Associates  
Suite 300  
129 Church Street  
New Haven, Connecticut 06510

Cimarex Energy Co.  
Suite 600  
508 West Wall  
Midland, Texas 79701

Attention: Jon Tate

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

2007 MAY 23 AM 11 15

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

Case No. 13937

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S $\frac{1}{2}$  of Section 3, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

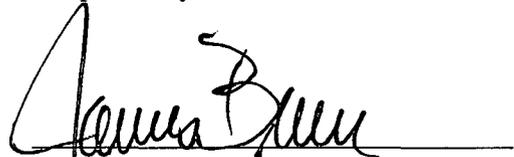
1. Applicant is an interest owner in the S $\frac{1}{2}$  of Section 3, and has the right to drill a well thereon.
2. Applicant proposes to drill its Sharps Fed. Com. Well No. 1, at an orthodox location in the NW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 3, to a depth sufficient to test the Morrow formation, and seeks to dedicate the S $\frac{1}{2}$  of Section 3 to the well to form a standard 320 acre gas and spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the East Burton Flat-Strawn Gas Pool, West Parkway-Atoka Gas Pool, and East 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 S $\frac{1}{2}$  of Section 3 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 S $\frac{1}{2}$  of Section 3, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the S½ of Section 3 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 S½ of Section 3, from the surface to the base of the Morrow formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to 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,



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

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 13937: **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 S/2 of Section 3, Township 20 South, Range 29 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the East Burton Flat-Strawn Gas Pool, West Parkway-Atoka Gas Pool, and East Burton Flat-Morrow Gas Pool. The unit is to be dedicated to the proposed Sharps 3 Fed. Com. Well No. 1, to be drilled at an orthodox location in the NW/4SW/4 of Section 3. 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 unit is located approximately 21 miles east of Seven Rivers, New Mexico.

2007 NOV 23 PM 11:15