

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

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August 5, 2008

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

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an original and one copy of an **amended** application for compulsory pooling (Case No. 14170), together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set the amended application for the September 4, 2008 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

Chevron U.S.A. Inc.
P.O. Box 36366
Houston, Texas 77236

Attention: Stephanie Magers

ConocoPhillips Company
3WL-14066
600 North Dairy Ashford
Houston, Texas 77079

Attention: Tom J. Scarborough

Richard K. Barr
P.O. Box 847
Boerne, Texas 78006

Scott E. Wilson
4601 Mirador Drive
Austin, Texas 78735

Chesapeake Exploration, LLC
Chesapeake Exploration Limited Partnership
P.O. Box 18496
Oklahoma City, Oklahoma 73154-0496

Attention: Kevin Pfister

Apache Corporation
Suite 1500
6120 South Yale
Tulsa, Oklahoma 73136

Attention: Michelle Hanson

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 14,170

AMENDED APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests from the base of the Glorieta formation to the base of the Morrow formation underlying Section 21, Township 20 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in Section 21, and has the right to drill a well thereon.

2. Applicant proposes to drill its Paloma "21" Fed. Com. Well No. 1, at an orthodox location in the SW¹/₄SW¹/₄ of Section 21, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:

(a) The SW¹/₄SW¹/₄ to form a 40 acre oil and spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent;

(b) The SW¹/₄ to form a 160 acre gas spacing and proration unit for any formations and/or pools developed on 160 acre spacing within that vertical extent;

(c) The S¹/₂ to form a 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent; and

(d) Section 21 to form a 640 acre gas spacing and proration unit for any formations and/or pools developed on 640 acre spacing within that vertical extent, including the North Osudo-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in Section 21 for the purposes set forth herein.

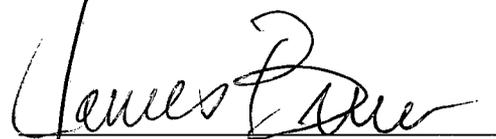
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in Section 21, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying Section 21 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 Section 21, from the base of the Glorieta formation 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. 14170: (Readvertised) Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Glorieta formation to the base of the Morrow formation underlying the following described acreage in Section 21, Township 20 South, Range 36 East, NMPM, and in the following manner: All of Section 21 to form a standard 640-acre gas spacing and proration unit for any and all formations or pools developed on 640-acre spacing within that vertical extent, including the North Osudo-Morrow Gas Pool; the S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent; and the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the SW/4SW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit is to be dedicated to the proposed Paloma "21" State Com. Well No. 1, to be drilled at an orthodox location in the SW/4SW/4 of Section 21. 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 8-1/2 miles west-southwest of Monument, New Mexico.