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March 12, 2009

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

Case 14307

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 the application for the April 16, 2009 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

Kaiser-Francis Oil Company
P.O. Box 21468
Tulsa, Oklahoma 74121

Attention: Wayne Fields

Forest Oil Permian Corp.
Suite 3600
707 17th Street
Denver, Colorado 80202

Attention: Bruce A. Rush

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 14307

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the W $\frac{1}{2}$ of Section 9, Township 20 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the W $\frac{1}{2}$ of Section 9, and has the right to drill or re-enter a well thereon.

2. Applicant proposes to re-enter the First National Bank of Albuquerque A Well No. 1, located 660 feet from the south and west lines of Section 9, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:

(a) The SW $\frac{1}{4}$ SW $\frac{1}{4}$ to form a standard 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 SW $\frac{1}{4}$ to form a standard 160 acre oil or gas spacing and proration unit for any formations and/or pools developed on 160 acre spacing within that vertical extent, including the North Dagger Draw-Upper Pennsylvanian Pool; and

(c) The W $\frac{1}{2}$ to form a standard 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the Undesignated North Cemetery-Wolfcamp Gas Pool, East Dagger Draw-Strawn Gas Pool, and Cemetery-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W $\frac{1}{2}$ of Section 9 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in re-entering 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 W $\frac{1}{2}$ of Section 9, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the W $\frac{1}{2}$ of Section 9 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 W $\frac{1}{2}$ of Section 9 from the surface to the base of the Morrow formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of re-entering 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 re-entering 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. 14307: 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 9, Township 20 South, Range 25 East, NMPM, and in the following manner: The W/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, including the Undesignated North Cemetery-Wolfcamp Gas Pool, East Dagger Draw-Strawn Gas Pool, and Cemetery-Morrow Gas Pool; the SW/4 to form a standard 160-acre oil or gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent, including the North Dagger Draw-Upper Pennsylvanian Pool; 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 units are to be dedicated to the First National Bank of Albuquerque A Well No. 1, to be re-entered at a location 660 feet from the south and west lines of Section 9. Also to be considered will be the cost of re-entering 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 re-entering and completing the well. The units are located approximately 4 miles west-southwest of Seven Rivers, New Mexico.