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March 2, 2009

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 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 2, 2009 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

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Case 14298

Parties Being Pooled

- 
- |  |  |
|--|--|
| 1) The Bundy Family Trust<br>1604 Westridge Way<br>Casper, Wyoming 82601                             | 4) Dorchester Minerals, LP<br>3838 Oaklawn Ave., Suite 300<br>Dallas, Texas 75219<br>Attn: Monet Harbert |
| 2) Kimberly Ann Brehm<br>1360 Lemmers Rd.<br>Casper, Wyoming 82601                                   | 5) Randy and Sandy Geiselman<br>2700 Racquet Club Drive<br>Midland, Texas 79705                          |
| 3) The Fasken Foundation<br>P.O. Box 2024<br>Midland, Texas 79702-2024<br>Attn: Mr. Steven P. Fasken | 6) Maecenas Minerals, LLP<br>P.O. Box 176<br>Abilene, Texas 79604<br>Attn: Linda S. Buckner              |

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 14298

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E $\frac{1}{2}$  of Section 29, Township 22 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E $\frac{1}{2}$  of Section 29, and has the right to drill a well thereon.

2. Applicant proposes to drill its Huckleberry Draw "29" Com. Well No. 1, at an orthodox location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 29, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:

(a) The NE $\frac{1}{4}$ NE $\frac{1}{4}$  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, including the Undesignated Southeast Happy Valley-Delaware Pool, Undesignated Southeast Happy Valley-Bone Spring Pool, and Undesignated Southeast Happy Valley-Wolfcamp Pool;

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

(c) The E $\frac{1}{2}$  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 Southeast Carlsbad-Wolfcamp Gas Pool, Northeast Sheep

Draw-Strawn Gas Pool, Undesignated East McKittrick Hills-Atoka Gas Pool, Undesignated South Happy Valley-Atoka Gas Pool, and Southeast Happy Valley-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E $\frac{1}{2}$  of Section 29 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 E $\frac{1}{2}$  of Section 29, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E $\frac{1}{2}$  of Section 29 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 E $\frac{1}{2}$  of Section 29 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,

A handwritten signature in cursive script, appearing to read "James Bruce", written over 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 No. 14298: 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 29, Township 22 South, Range 26 East, NMPM, and in the following manner: The E/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 Undesignated Southeast Carlsbad-Wolfcamp Gas Pool, Northeast Sheep Draw-Strawn Gas Pool, Undesignated East McKittrick Hills-Atoka Gas Pool, Undesignated South Happy Valley-Atoka Gas Pool, and Southeast Happy Valley-Morrow Gas Pool; the NE/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 NE/4NE/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, including the Undesignated Southeast Happy Valley-Delaware Pool, Undesignated Southeast Happy Valley-Bone Spring Pool, and Undesignated Southeast Happy Valley-Wolfcamp Pool. The units are to be dedicated to the proposed Huckleberry Draw "29" Com. Well No. 1, to be drilled at an orthodox location in the NE/4NE/4 of Section 29. 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 6 miles southwest of Carlsbad, New Mexico.

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