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2010 FEB -2 P 3: 05

February 2, 2010

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

Case 14436

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 February 2, 2010 Examiner hearing. Thank you.

Very truly yours,


James Bruce
Attorney for Mewbourne Oil Company

Parties Being Pooled

- 1) The Bundy Family Trust
1604 Westridge Way
Casper, Wyoming 82601
- 2) Dorchester Minerals, LP
3838 Oaklawn Ave., Suite 300
Dallas, Texas 75219
Attn: Monet Harbert
- 3) Maecenas Minerals, LLP
P.O. Box 176
Abilene, Texas 79604
Attn: Linda S. Buckner
- 4) Helen K. Sutherland
3552 Chiswick Court
Rossmoor Leisure World
Silver Spring, MD 20906
- 5) The Fasken Foundation
P.O. Box 2024
Midland, Texas 79702-2024
Attn: Mr. Steven P. Fasken
- 6) Estate of Leila Bauchman Goddard
c/o John R. Hannah and Co.
800 Navarro, Suite 210
San Antonio, TX 78205
Attn: Virginia B. Musselman
- 7) James Bauchman Partnership, Ltd.
c/o John R. Hannah and Co.
800 Navarro, Suite 210
San Antonio, TX 78205
Attn: Virginia B. Musselman
- 8) Bauchman Investment Partnership, Ltd.
c/o John R. Hannah and Co.
800 Navarro, Suite 210
San Antonio, TX 78205
Attn: Barbara Bauchman Stevenson

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

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Case No. 14436

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 Happy Valley-Delaware Pool and Undesignated 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, Undesignated East

Hackberry Hills-Canyon Gas Pool, Undesignated South Happy Valley-Atoka Gas Pool, and 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 E½ of Section 29 for the purposes set forth herein.

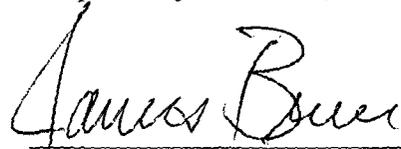
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the E½ of Section 29, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ 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 E½ 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 that reads "James Bruce". The signature is written in black 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 No. 14436:

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 the Undesignated Southeast Carlsbad-Wolfcamp Gas Pool, Undesignated East Hackberry Hills-Canyon Gas Pool, Undesignated South Happy Valley-Atoka Gas Pool, and 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 Happy Valley-Delaware Pool and Undesignated 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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