



March 26, 2010

**HAND-DELIVERED**

Mr. Mark Fesmire, P.E.  
Director  
Oil Conservation Division  
New Mexico Energy, Minerals &  
Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

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2010 MAR 26 P 3:10

*Case 14465*

Re: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.

Dear Mr. Fesmire:

Enclosed is the Application of Mewbourne Oil Company in the above-referenced case as well as a copy of a legal advertisement. Mewbourne Oil Company requests that this matter be placed on the docket for the April 29, 2010 Examiner hearings.

Very truly yours,

William F. Carr  
Attorney for Mewbourne Oil Company

Enclosures

cc: Corey Mitchell  
Landman  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, Texas 79701

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION OF MEWBOURNE OIL COMPANY FOR  
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 14465

**APPLICATION**

MEWBOURNE OIL COMPANY (“Mewbourne”), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M. Stat Ann. § 70-2-17 (1978), for an order pooling all mineral interests from the surface to the base of the Yeso formation in all formations and pools in the NW/4 NE/4 of Section 7, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico, and in support of its application states:

1. Mewbourne is a working interest owner in the NW/4 NE/4 of said Section 7 and has the right to drill thereon.

2. Mewbourne proposed to dedicate the above-referenced spacing and proration unit to its West Draw “7” B Well No. 1. to be drilled as a wildcat oil well at a standard location 330 feet from the North Line and 1650 feet from the East Line (Unit B) of said Section 7 to a depth sufficient to evaluate Yeso formation and all other formations and pools to the base of the Yeso formation.

3. Mewbourne has sought and been unable to obtain a voluntary agreement for the development of these lands from certain interest owners in the subject spacing unit who are identified on Exhibit A to this application.

4. The pooling of interests in this spacing unit will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. For Mewbourne to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled and Mewbourne Oil Company should be designated the operator of this spacing unit and the well to be drilled thereon.

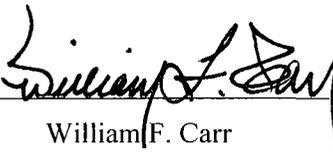
WHEREFORE, Mewbourne Oil Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 29, 2010, and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Mewbourne Oil Company operator of the unit and the well to be drilled thereon,

- C. authorizing Mewbourne to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS Accounting Procedures, and
- E. imposing a 200% penalty for the risk assumed by Mewbourne in drilling and completing the well against any working interest owner who does not voluntarily participate in the well.

Respectfully submitted,

HOLLAND & HART LLP

By:   
William F. Carr

Post Office Box 2208  
Santa Fe, New Mexico 87540  
ATTORNEYS FOR MEWBOURNE  
OIL COMPANY

**EXHIBIT A**

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

NW/4 NE/4 of Section 7, Township 20 South, Range 25 East,

**NOTICE LIST**

Carl S. Werner  
112 Samoset Ave.  
Hull, MA 02045-2358

David A. Metts  
2609 Hodges Street  
Midland, Texas 79705

Phil E. Albertson and Mona L. Albertson  
Trustees of the Albertson Living Trust dated 2-20-1998  
Post Office Box 484  
Perry, Oklahoma 73077

W.K. Stephan Family Trust dated 6-24-1970  
2104 Bay Tree Drive  
Las Vegas, Nevada 89134

Michael T. Garrett  
1119 Fairway Terrace  
Clovis, New Mexico 88101-2807

Malcolm G. Garrett, Deceased  
and his unknown heirs or devisees  
Post office Box 219  
Clovis New Mexico 88210-0219

Xc: D' Aun Owen  
4718 Mill Creek Road  
Dallas, Texas 75244

Skip Garrett  
Post Office Box 781  
Clovis, New Mexico 88102

CASE 14465 **Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Yeso formation in all formations and pools in the NW/4 NE/4 of Section 7, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the pooled units to its West Draw "7" B Well No. 1. to be drilled as a wildcat oil well at a standard location 330 feet from the North Line and 1650 feet from the East Line (Unit B) of said Section 7. Also to be considered will be the cost of drilling and completing said well as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles northwest of Lakewood, New Mexico.