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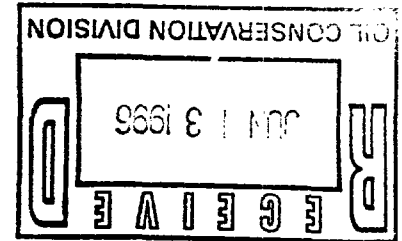
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June 13, 1996

HAND DELIVERED

Michael E. Stogner
Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy, Minerals
and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505



Re: Case 11521: Application of Nearburg Exploration Company for compulsory pooling, Eddy County, New Mexico.

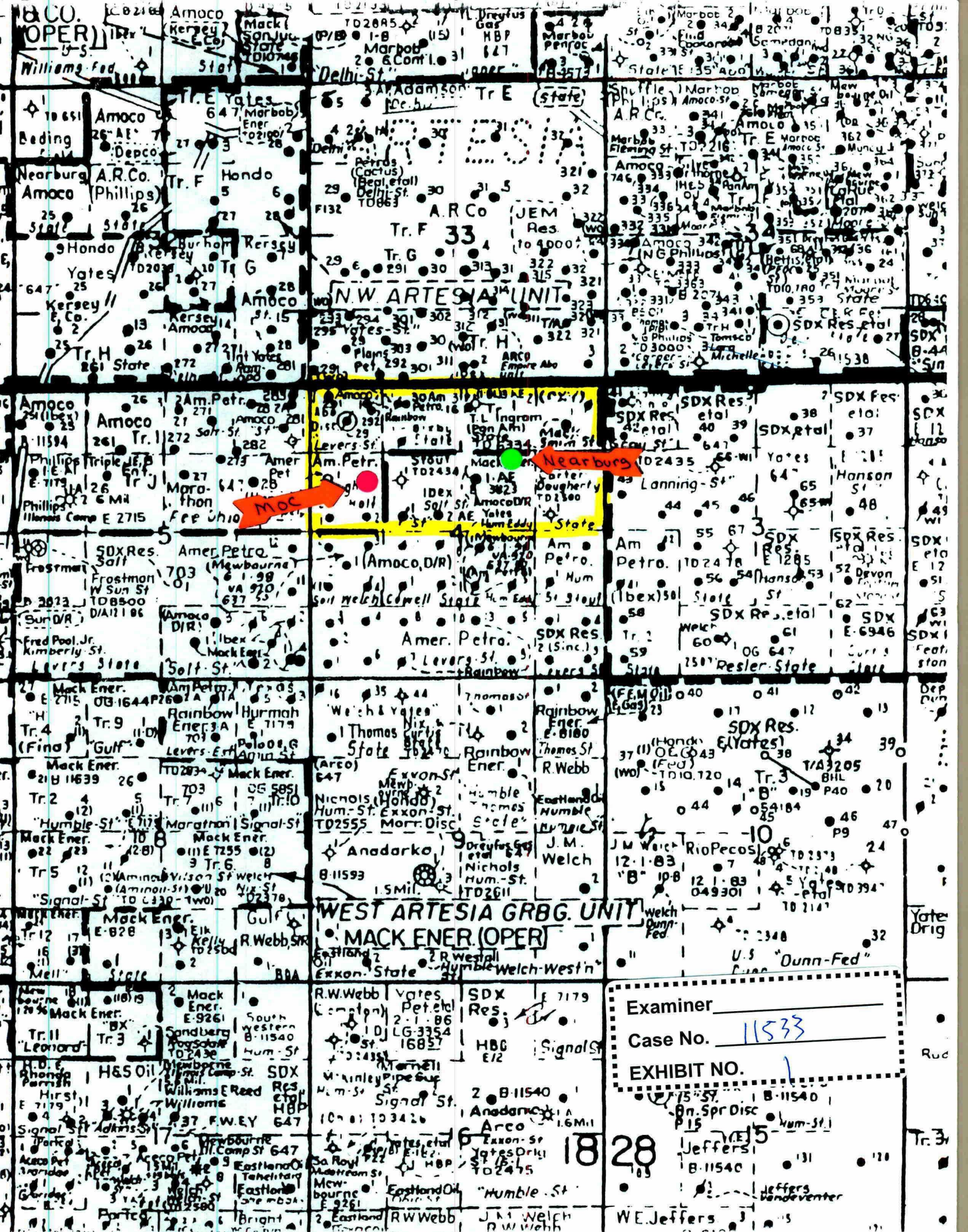
Case 11533: Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico.

Dear Mr. Stogner:

Pursuant to your request at the hearing on this date on the above referenced cases for a list of the pools in the subject area which are developed on 80-acre spacing, 160-acre spacing and 320-acre spacing, we have reviewed Division Records and can advise there are no pools within one mile of the proposed well which are developed under 80-acre spacing rules.

The following pools are developed on either 160-acre spacing or 320-acre spacing as indicated:

Artesia Queen-Grayburg-San Andres Pool: 160-acre spacing
Empire-Abo: 160-acre spacing
Empire-Wolfcamp: 160-acre spacing
(Created by Order No. R-561 dated December 16, 1956)
Empire-Pennsylvanian Gas Pool: 320-acre spacing
North Illinois Camp-Morrow Gas Pool: 320-acre spacing
South Empire-Morrow: 320-acre spacing



**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11533 Exhibit No. 1

Submitted by: Mewbourne Oil Company

Hearing Date: June 13, 1996

**TRACT OWNERSHIP
N/2 OF SECTION 4-18S-28E
EDDY COUNTY, NEW MEXICO**

TRACT 1

NWNW (LOT 4) (40)

Fina Oil & Chemical	75.00000%	(30 acres)
Eugene E. Nearburg →	10.28750%	(4.115 acres)
Ben A. Copass, Jr.	2.21250%	(.885 acres)
Earl R. Bruno, Jr.	6.25000%	(2.5 acres)
Robert H. Marshall	<u>6.25000%</u>	<u>(2.5 acres)</u>
	100.00000%	40.00 acres

TRACT 2

NENW (LOT 3) (40)

Arco Permian	50.00000%	(20 acres)
Amoco Production Company	50.00000%	(20 acres)

TRACT 3

NWNE (LOT 2) (40)

Mewbourne Oil Company	100.00000%	(40 acres)
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TRACT 4

E/2NE/4 (LOT 1 & SENE) (80)

Oxy USA Inc.	100.00000%	(80 acres)
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TRACT 5

SWNE & SENW (80)

Mewbourne Oil Company	100.00000%	(80 acres)
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TRACT 6

SWNW (40)

Nearburg Producing Company	100.00000%	(40 acres)
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Examiner	_____
Case No.	11-33
EXHIBIT NO.	12

[Handwritten signatures and initials]

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11533 Exhibit No. 2

Submitted by: Mewbourne Oil Company

Hearing Date: June 13, 1996

UNIT OWNERSHIP
N/2 of Section 4-18S-28E
Eddy County, New Mexico

<u>Company</u>	<u>Acres</u>	<u>% W.I.</u>	<u>Status</u>
Mewbourne Oil Company	120.000	37.50000	
/ Oxy USA Inc.	80.000	25.00000	Participating - Supports Mewbourne
Nearburg Producing Company	40.000	12.50000	
✓ Fina Oil & Chemical	30.000	9.37500	Committed to Mewbourne
Arco Permian	20.000	6.25000	
Amoco Producing Company	20.000	6.25000	
Eugene E. Nearburg	4.115	1.28594	Farmed-Out to Mewbourne
Earl R. Bruno, Jr.	2.500	.78125	
Robert H. Marshall	2.500	.78125	
Ben A. Copass, Jr.	<u>.885</u>	<u>.27656</u>	Farmed-Out to Mewbourne
	320.000	100.00000	

Summary

Mewbourne Oil Company:	73.4375%
Uncommitted:	<u>26.5625%</u>
	100.0000%

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11533 Exhibit No. 3

Submitted by: Mewbourne Oil Company

Hearing Date: June 13, 1996

**MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE**

Prospect: Morrow Test

Field: Scogglin Draw Morrow

Well Name and No: Scogglin Draw #4 State #1

Location: 1850' FNL & 890' FWL

Section: 4

Block:

Township: 18S

Range: 28E

County: Eddy

State: New Mexico

Proposed Depth: 10,500'

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
INTANGIBLE COST 180			
300	Permits and Surveys	500	800
301	Location, Roads and Surveys	18000	1000
302	Footings or Turnkey Drilling	189000	0
303	Day Work	14000	0
304	Fuel, Water and Other	16000	500
305	Completion/Workover Rig	0	10000
306	Mud and Chemicals	18000	0
307	Cementing	26300	35800
308	Logging and Wireline	18000	8000
309	Casing-Tubing Services	2100	7800
310	Mud Logging	4800	0
311	Testing	4300	0
312	Treating	0	50000
313	Coiling	0	0
320	Transportation	1800	8100
321	Welding and Construction Labor	2000	400
322	Contract Supervision	0	0
330	Equipment Rental	8000	5000
334	Well/Lease Legal/Tax	2800	0
335	Well/Lease Insurance	8000	0
350	Intangible Supplies	250	250
360	Pipeline ROW and Easements	0	3000
367	Pipeline Interconnect	0	0
375	Company Supervision	20000	10000
380	Overhead Fixed Rate	6000	5000
399	Contingencies	7053	2886
Total Intangibles		\$359,703	8148,115
TANGIBLE COST 181			
	Conductor Casing	0	0
	Surface Casing 13 3/8" @ 400' +/-	8400	0
	Intermediate Casing 8 5/8" @ 2800' +/-	28000	0
	Production Casing 5 1/2" @ 10,500'	0	55000
	Production Casing	0	0
	Tubing 2 7/8" @ 10,500'	0	28900
800	Drilling Head	3700	0
805	Tubing Head	0	2500
870	Upper Section	0	4000
875	Sucker Rods	0	0
880	Packer, Pump & Other Subsurface	0	7000
885	Pumping Unit & Prime Mover + Electricity	0	0
890-1	Tanks (Steel & Fiberglass)	0	8000
894-5	Separation Equipment (fired, Non-fired)	0	8500
898	Metering Equipment	0	4200
900	Line Pipe	0	9000
905	Valves	0	2000
908	Miscellaneous Fittings & Accessories	0	8000
910	Production Equipment Installation	0	4000
920	Pipeline Construction	0	28000
Total Tangibles		\$38,100	8185,100
SUBTOTAL		\$397,803	8311,215
TOTAL WELL COST		\$700,018	

Date Prepared: Feb. 2, 1990

Prepared By: Bill Pierce

Company Approval: *Key Harts*

Date Approved: *2/2/90*

Joint Owner Approval:

Joint Owner Interest:

Joint Owner Amount:

