

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

NO. 11639

APPLICATION

Mewbourne Oil Company hereby makes application for an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the N½ of Section 8, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant is a working interest owner in the N½ of said Section 8.

2. Applicant proposes to drill its Scoggin Draw "8" State Com. Well No. 1 in the N½ of Section 8, at a location 660 feet from the North line and 2250 feet from the East line, to a depth sufficient to test the Morrow formation, and seeks to dedicate the N½ of Section 8 for all pools or formations spaced on 320 acres.

3. Applicant has in good faith sought the voluntary joinder of all other mineral interest owners in the N½ of Section 8 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 N½ of Section 8, pursuant to N.M. Stat. Ann. § 70-2-17 (1995 Repl.).

5. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated the operator of the well, and that the Division set a penalty for the risk involved in drilling the well.

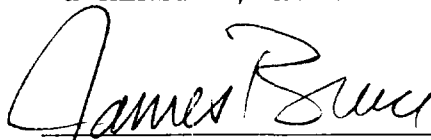
6. The pooling of all mineral interests underlying the N½ of Section 8 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Applicant requests that this matter be heard at the November 7, 1996 Examiner hearing.

WHEREFORE, Applicant requests that, after hearing, the Division grant the relief requested above.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.

A handwritten signature in black ink, appearing to read "James Bruce", is written over a horizontal line.

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Attorneys for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case 11639: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the N½ of Section 8, Township 18 South, Range 28 East, NMPM, forming a standard 320 acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing. Applicant proposes to dedicate this pooled unit to its Scoggin Draw "8" State Com. Well No.1, to be drilled at an orthodox location 660 feet from the North line and 2250 feet from the East line of said Section 8. Also to be considered will be the cost of drilling and completing said 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 charge for the risk involved in drilling the well. Said unit is located approximately 11 miles southwest of Artesia, New Mexico.

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Oil and Gas Division