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44524-0004

October 25, 2002



VIA HAND DELIVERY

David R. Catanach, Hearing Examiner
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87504

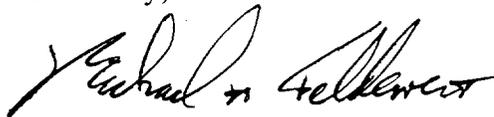
Re: **Case No. 12940** Application of Mewbourne Oil Company For
Pool Creation and Special Pool Rules
Proposed North Shugart-Strawn Pool
Section 8, T-18-S, R-31-E, Eddy County, New Mexico

Dear Mr. Catanach:

Gruy Petroleum Management Company has reviewed the technical information presented at the October 10th hearing on the above referenced application. Based on that information, Gruy respectfully requests that any new pool created by the Division include not only the NE/4 of Section 8, but also the SE/4 of Section 5. The information presented at the hearing demonstrates that the productive area of the subject Strawn interval extends into the SE/4 of Section 5 and that Mewbourne's existing well in that quarter section (Gruy Petroleum Magnum 5 Federal No. 2) is potentially productive from this interval. *See, e.g.,* Transcript at p. 23; Mewbourne Exhibit 9.

Thank you for your consideration of this matter.

Sincerely,



Michael H. Feldewert

MHF:jlj

cc. James Bruce, attorney for Mewbourne.

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