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November 16, 1992

\*NOT LICENSED IN NEW MEXICO

## VIA HAND DELIVERY

Florene Davidson  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico 87503

Dear Florene:

Enclosed for filing are an original and two copies of two Applications filed by Mewbourne Oil Company for compulsory pooling and an unorthodox well location. Please set both Applications for the December 17 hearing. Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY

  
James Bruce

JB:frs  
Enclosures

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*Case 10635*

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NOV 16 1992

OIL CONSERVATION DIVISION

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY  
FOR COMPULSORY POOLING AND AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY,  
NEW MEXICO.

No. 10636

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APPLICATION

OIL CONSERVATION DIVISION

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 E $\frac{1}{2}$  of Section 27, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and for an unorthodox gas well location, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in the E $\frac{1}{2}$  of said Section 27.

2. Applicant proposes to drill its Diamond A "27" State No. 1 Well in the E $\frac{1}{2}$  of Section 27, at an unorthodox location 1,756 feet from the South line and 660 feet from the East line of the Section, to a depth sufficient to test the Morrow formation (approximately 10,600 feet), and seeks to dedicate the following acreage to the well:

(a) The E $\frac{1}{2}$  of Section 27 for all pools or formations spaced on 320 acres;

(b) The SE $\frac{1}{4}$  of Section 27 for all pools or formations (if any) spaced on 160 acres;

(c) The E $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 27 for all pools or formations (if any) spaced on 80 acres; and

(d) The NE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 27 for all pools or formations spaced on 40 acres.

3. Applicant has in good faith sought to join all other mineral or leasehold interest owners in the E $\frac{1}{2}$  of Section 27 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral or leasehold 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 acreage. Therefore, Applicant seeks an order pooling all mineral and leasehold interest owners underlying the E $\frac{1}{2}$  of Section 27, as described above, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 Repl.).

5. Applicant requests the Division to order 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 as operator of the well and that the Division set a penalty of 200% for the risk involved in drilling the well.

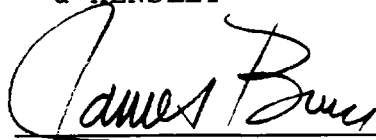
6. The pooling of all interests underlying the E $\frac{1}{2}$  of Section 27, as described above, and the approval of the unorthodox gas well location will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

Dated: November 16, 1992.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above a horizontal line.

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James Bruce  
Post Office Box 2068  
Santa Fe, New Mexico 87504-2068  
(505) 982-4554

Attorneys for Applicant

**EXHIBIT A**

**Diamond A "27" State No. 1 Well**

Conoco, Inc.  
Suite 100W  
10 Desta Drive  
Midland, Texas 79705  
Attention: M.J. Johnson

Yates Petroleum Corporation  
105 South 4th Street  
Artesia, New Mexico 88210  
Attention: Robert Bullock

Marathon Oil Company  
Post Office Box 552  
Midland, Texas 79702  
Attention: Randal P. Wilson

Lewis Dreyfus Gas Holdings, Inc.  
Suite 600  
1400 Quail Springs Parkway  
Oklahoma City, Oklahoma 73134  
Attention: Rusty Waters

Samedan Oil Corporation  
Suite 240E  
10 Desta Drive  
Midland, Texas 79705  
Attention: Jack E. Anderson