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*NOT LICENSED IN NEW MEXICO

December 22, 1992

VIA HAND DELIVERY

Florene Davidson
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503

Dear Florene:

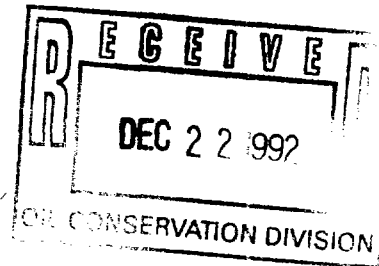
Enclosed is an original and two copies of an Application for compulsory pooling filed on behalf of Mewbourne Oil Company. Please set this matter for the January 21, 1993 hearing. Also enclosed is a proposed advertisement for the case.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

James Bruce
James Bruce

JB:frs
Enclosures

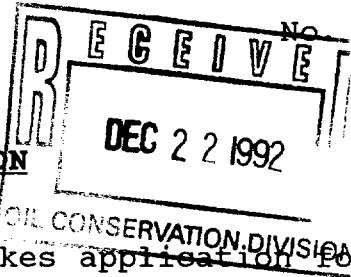


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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

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 $W\frac{1}{2}$ of Section 35, Township 17 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant is an interest owner and has the right to drill a well in the $W\frac{1}{2}$ of said Section 35.

2. Applicant proposes to drill its Chalk Bluff "35" Federal No. 2 Well in the $W\frac{1}{2}$ of Section 35, at an orthodox location 1,980 feet from the North line and 1,650 feet from the West line of the Section, to a depth sufficient to test the Morrow formation, and seeks to dedicate:

(a) The $W\frac{1}{2}$ of Section 35 to the well for all pools or formations spaced on 320 acres; and

(b) The $NW\frac{1}{4}$ of Section 35 to the well for all pools or formations spaced on 160 acres.

3. Applicant has in good faith sought to join all other mineral or leasehold interest owners in the $W\frac{1}{2}$ of Section 35 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 W½ of Section 35, as described above, pursuant to N.M. Stat. Ann. § 70-2-17 (1987 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 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 W½ of Section 35, as described above, will prevent waste, and protect correlative rights.

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

Dated: December 22, 1992.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY



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