

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

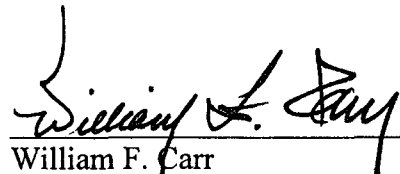
**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

CASE NO. 13306

AFFIDAVIT

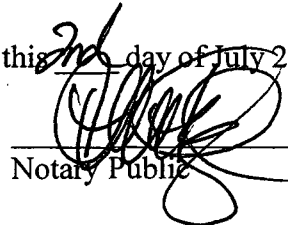
STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE) ss.

William F. Carr, attorney in fact and authorized representative of Mewbourne Oil Company, the Applicant herein, being first duly sworn, upon oath, states that notice of the above-referenced Application was mailed to the interested parties shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.



William F. Carr

SUBSCRIBED AND SWORN to before me this 2nd day of July 2004 by William F. Carr.



Notary Public

My Commission Expires:

01/14/07



**OFFICIAL SEAL
LISAMARIE ORTIZ
NOTARY PUBLIC-STATE OF NEW MEXICO**
My commission expires 01/14/07

3250966_1.DOC

EXHIBIT A

APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING,
S/2 SECTION 2, TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
EDDY COUNTY, NEW MEXICO.

NOTIFICATION LIST

Alps Oil Company
1011 E. 7th Street
Odessa, Texas 79761
Attention: Roy Collier

ChevronTexaco
15 Smith Road
Midland, Texas 70705
Attention: Ms. Denise Beckham

Eastland Exploration, Inc.
2901 Cherry Lane
Austin, Texas 78703
Attention Mr. Tom Sikes

Fortson Oil Company
301 Commerce Street, Suite 3301
Fort Worth, Texas 76102-4133
Attention: Brett Taylor

7001 1140 0002 5602 4890

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided)

OFFICIAL U.S. MAIL

Newbourne

Postage	\$.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

Sent To Alps Oil Company
Attn: Roy Collier
Street, Apt. No., or PO Box No. 1011 E. 7th Street
City, State, ZIP+4 Odessa, TX 79761

PS Form 3800, July 1999

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Alps Oil Company
Attn: Roy Collier
1011 E. 7th Street
Odessa, TX 79761

2. Article Number (Copy from:

7001 1140 0002 5602 4890

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-09

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly) **Nicole C. Thomas** B. Date of Delivery **7-6-99**
- C. Signature **X Nicole Thomas** ☒ Agent ☐ Addressee
- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7001 1140 0002 5602 4906

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided)

OFFICIAL U.S. MAIL

Postage \$.60

Certified Fee 2.30

Return Receipt Fee (Endorsement Required) 1.75

Restricted Delivery Fee (Endorsement Required)

Total Postage & Fees \$ 4.65

Sent To ChevronTexaco
Attn: Ms. Denise Beckham
Street, Apt. No. or PO Box No. 15 Smith Road
City, State, ZIP+4 Midland, TX 70705

PS Form 3800, July 1999

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ChevronTexaco
Attn: Ms. Denise Beckham
15 Smith Road
Midland, TX 70705

2. Article Number (Copy from

7001 1140 0002 5602 4906

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-09

- A. Received by (Please Print Clearly) **Denise Beckham** B. Date of Delivery **7-6-99**
- C. Signature **X Denise Beckham** ☐ Agent ☐ Addressee
- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only. No Insurance Coverage)

OFFICIAL MAIL

Postage	\$.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

Sent To Eastland Exploration, Inc.
Attn: Mr. Tom Sikes
Street, Apt. No.,
or PO Box No. 2901 Cherry Lane
City, State, ZIP+4 Austin, TX 78703

PS Form 3800

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Eastland Exploration, Inc.
Attn: Mr. Tom Sikes
2901 Cherry Lane
Austin, TX 78703

2. Article Number (Copy from

7001 1140 0002 5602 4913

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) T Sikes B. Date of Delivery 7-6-04

C. Signature [Signature] ☐ Agent ☐ Address

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Fortson Oil Company
Attn: Brett Taylor
301 Commerce Street, Suite 3301
Fort Worth, TX 76102-4133

2. Article Number (Copy from

7001 1140 0002 5602 4920

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) [Signature] B. Date of Delivery JUL 06 2004

C. Signature [Signature] ☐ Agent ☐ Address

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only. No Insurance Coverage)

OFFICIAL MAIL

Postage	\$.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

Sent To Fortson Oil Company
Attn: Brett Taylor
Street, Apt. No.,
or PO Box No. 301 Commerce Street, Suite 3301
City, State, ZIP+4 Fort Worth, TX 76102-4133

PS Form 3800



June 30, 2004

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To Affected Working Interest Owners

Re: *New Mexico Oil Conservation Division Case No. 13306: Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico.*

Ladies and Gentlemen:

This letter is to advise you that Mewbourne Oil Company has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation in the S/2 of Section 2, Township 20 South, Range 27 East, NMPM, Eddy County, New Mexico for all formations and/or pools developed on 320-acre spacing, which includes but is not necessarily limited to the Angell Ranch-Atoka Morrow Gas Pool. Said unit is to be dedicated to its Angel Draw "2" State Com Well No. 1 to be drilled at a standard location 990 feet from the South line and 660 feet from the East line of said Section 2 and drilled to a depth sufficient to test all formations from the surface to the base of the Morrow formation.

This application has been set for hearing before a Division Examiner on July 22, 2004 at Porter Hall in the Division's Santa Fe offices. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, three days in advance of a scheduled hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,

William F. Carr
Attorney for Mewbourne Oil Company

cc: Mr. Steve Smith
Mewbourne Oil Company

3250399_1.DOC

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

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

CASE NO. _____

2001 JUN 29 PM 4 14

APPLICATION

MEWBOURNE OIL COMPANY ("Mewbourne"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all mineral interests in the S/2 of Section 2, Township 20 South, Range 27 East, NMPM, Eddy County, New Mexico from the surface to the base of the Morrow formation for all formations and/or pools developed on 320-acre spacing, which includes but is not necessarily limited to the Angell Ranch-Atoka Morrow Gas Pool, and in support of its application states:

1. Mewbourne is a working interest owner in the S/2 of Section 2 and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing and proration units to its Angel Draw "2" State Com Well No. 1 to be drilled at a standard gas well location in the SE/4 at a point 990 feet from the South line and 660 feet from the East line of said Section 2 to an approximate depth of 11,300 feet to test any and all formations from the surface to the base of the Morrow formation.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of this spacing and proration unit from the interest owners in the proposed spacing and proration unit identified on Exhibit A to this application.
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

DEPOSITION

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Mewbourne Oil Company should be designated the operator of the well to be drilled.

WHEREFORE, Mewbourne Oil Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 22, 2004, and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration unit,
- B. designating Mewbourne Oil Company operator of these units and the well to be drilled thereon,
- C. authorizing Mewbourne to recover their costs of drilling, equipping and completing the well,
- D. approving the operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures,
- E. providing for subsequent operations on the pooled acreage in accordance with the operating agreement between the parties, and
- G. imposing a 200% penalty for the risk assumed in drilling and completing the well against any working interest owner who does not voluntarily participate in the well.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
Telephone: (505) 988-4421

ATTORNEYS FOR MEWBOURNE OIL
COMPANY

CASE _____: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation in the S/2 of Section 2, Township 20 South, Range 27 East, NMPM, Eddy County, New Mexico for all formations and/or pools developed on 320-acre spacing, which includes but is not necessarily limited to the Angell Ranch-Atoka Morrow Gas Pool. Said unit is to be dedicated to its Angle Draw "2" State Com. Well No. 1 to be drilled at a standard location 990 feet from the South line and 660 feet from the East line of said Section 2 and drilled to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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, provisions governing subsequent operations on the pooled units, designation of Mewbourne Oil Company, as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 9 miles North of Carlsbad, New Mexico.

Affidavit of Publication

NO. 18518

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn,says: That he is the Publisher of The
Artesia Daily Press, a daily newspaper of general
circulation, published in English at Artesia, said county
and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said
Artesia Daily Press,a daily newspaper duly qualified
for that purpose within the meaning of Chapter 167 of
the 1937 Session Laws of the state of New Mexico for

1 consecutive weeks/days on the same

day as follows:

First Publication July 2 2004

Second Publication

Third Publication

Fourth Publication

Subscribed and sworn to before me this

12th Day July 2004

Notary Public, Eddy County, New Mexico

My Commission expires September :23, 2007

Copy of Publication:

NOTICE OF PUBLICATION STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RE- SOURCE'S DEPART- MENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXI- CO

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on July 22, 2004, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network 1-800-659-1779 by July 12, 2004. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO:
All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico

Principal Meridian whether or not so stated.)

CASE 13306: Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County New Mexico. Applicant in the

LEGAL NOTICE

above-styled cause seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation in the S/2 of Section 2, Township 20 South, Range 27 East, NMPM, Eddy County, New Mexico for all formations and/or pools developed on 320-acre spacing, which includes but is not necessarily limited to the Angell Ranch-Atoka Morrow Gas Pool. Said unit is to be dedicated to its Angel Draw "2" State Com Well No. 1 to be drilled at a standard location 990 feet from the South line and 660 feet from the East line of said Section 2 and drilled to a depth sufficient to test all formations from the surface to the base of the Morrow formation.

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, provisions governing subsequent operations on the pooled units, designation of Mewbourne Oil Company, as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 9 miles north of Carlsbad, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 30th day of June 2004.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION
Mark E. Fesmire, P.E.
Director

Published in the Artesia Daily Press, Artesia, N.M. July 2, 2004.

Legal 18518