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September 13, 2011

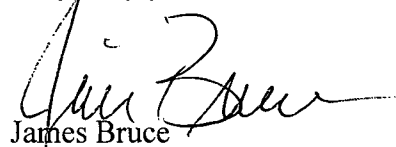
Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

*Case 14742*

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an original and one copy of an application for compulsory pooling, *etc.*, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please re-advertise the application for the October 13, 2011 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

- 1) Heirs or Devisees of Georgia Needham, deceased  
Last known address: c/o Lewis R. Needham  
8345 Cherokee Road  
Lake Arthur, New Mexico 88253
- 2) Billy Joe Green  
Last known address: 4514 S.W. 169 Pl.  
Ocala, Florida 34473
- 3) Harold D. Parrish, Sr.  
Last known address: 2106 Richey  
Artesia, New Mexico 88210
- 4) Wray J. Shildneck and his wife, Nina Shildneck  
Last known address: P.O. Box 111  
Faywood, New Mexico 88034
- 5) Lois Green and the Heirs or Devisees  
of Robert Richard Green, deceased  
Last known address: 105 Dolphin Court  
Aransas Pass, Texas 78336
- 6) Heirs or Devisees of Nora Agnes Cockrum, deceased  
Last known address: c/o Charlotte L. Gleghorn  
2146 E. Desert Fox Drive  
Green Valley, AZ 85614-5508
- 7) Heirs or Devisees of Jo Ann Allen, deceased  
Address Unknown
- 8) Jeffrey G. Allen (Possible heir to Jo Ann Allen)  
308 Cottonwood Lane  
Levelland, Texas 79336
- 9) Lisa A. Ancelet (Possible heir to Jo Ann Allen)  
2355 Sandy Point Road  
Wimberley, Texas 78676
- 10) Michael<sup>R.</sup> Allen (Possible heir to Jo Ann Allen)  
17614 11<sup>th</sup> Ave. NW  
Arlington, WA 98223
- 11) Alan G. Needham  
Last known address: 60 West Jackson Road  
Artesia, NM 88210
- 12) Barbara Daniel  
Last known address: 2504 W. Hillmont  
Odessa, Texas 79764
- 13) Minnie Cothran  
Last known address: 1214 W. Ave. M  
Lovington, NM 88260
- 14) Ben Richard Green  
Address Unknown

- 15) Heirs or Devisees of Martin Douglas Hardcastle, deceased  
Address Unknown
- 16) Martin Douglas Hardcastle, Jr.  
Address Unknown
- 17) Heirs or Devisees of Evelyn Barnett, deceased  
Address Unknown
- 18) Heirs or Devisees of Torita Ross, deceased  
Address Unknown
- 19) Heirs or Devisees of Leola Needham Watson, deceased  
Address Unknown
- 20) Ruth E. Hinman  
Address Unknown
- 21) Jean E. Doud  
Address Unknown
- 22) J.E. Doud, Jr.  
Address Unknown
- 23) Ella J. Owens  
Address Unknown
- 24) Eva D. Donaldson  
Address Unknown
- 25) George James Steele  
Address Unknown
- 26) Minnie Laverne Steele Drew  
Address Unknown
- 27) Robert J. Epperson  
Address Unknown
- 28) Cathy J. Jones  
Last known address: P.O. Box 562  
Ruidoso Downs, NM 88346-0562
- 29) Kenneth Jones  
Last known address: P.O. Box 202682  
Austin, Texas 78720-2682
- 30) Robin Hall, a/k/a Robin Pacheco  
Last known address: 474 Parish Blvd.  
Mary Esther, Florida 32569
- 31) Georgia E. Kotlinski  
Address Unknown
- 32) Melvin Burke  
Last known address: 5419 Joan Drive N.  
Keizer, OR 97303

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY  
FOR A NON-STANDARD OIL SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

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Case No. 14742

APPLICATION

Mewbourne Oil Company applies for an order (i) approving a non-standard oil spacing and proration unit in the <sup>to Loretta Yeso</sup> Bone Spring formation comprised of the  $W\frac{1}{2}W\frac{1}{2}$  of Section 21, Township 20 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and (ii) pooling all mineral interests from the surface to the top of the Yeso formation underlying the  $SW\frac{1}{4}SW\frac{1}{4}$  of Section 21, and the Yeso formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the  $W\frac{1}{2}W\frac{1}{2}$  of Section 21, and has the right to drill a well thereon.
2. Applicant proposes to drill its Pine Box 21 MD Fed. Com. Well No. 1 to a depth sufficient to test the Yeso formation. Applicant seeks to dedicate (i) the  $SW\frac{1}{4}SW\frac{1}{4}$  of Section 21 to the well to form a standard 40 acre oil spacing and proration unit, and (ii) the  $W\frac{1}{2}W\frac{1}{2}$  of Section 21 to the well to form a non-standard 160 acre oil spacing and proration unit (project area), for all pools or formations developed on 40 acre spacing. The well is a horizontal well, with a surface location in the  $SW\frac{1}{4}SW\frac{1}{4}$ , and a terminus in the  $NW\frac{1}{4}NW\frac{1}{4}$ , of Section 21.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the  $W\frac{1}{2}W\frac{1}{2}$  of Section 21 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.

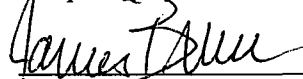
Therefore, applicant seeks an order pooling all mineral interest owners in the  $W\frac{1}{2}W\frac{1}{2}$  of Section 21, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests underlying the  $W\frac{1}{2}W\frac{1}{2}$  of Section 21 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

- A. Approving a non-standard oil spacing and proration unit (project area) in the Yeso formation comprised of the  $W\frac{1}{2}W\frac{1}{2}$  of Section 21;
- B. Pooling all mineral interests from the surface to the top of the Yeso formation underlying the  $SW\frac{1}{4}SW\frac{1}{4}$  of Section 21, and the Yeso formation underlying the  $W\frac{1}{2}W\frac{1}{2}$  of Section 21;
- C. Designating applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 14742:

*Application of Mewbourne Oil Company for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.* Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Yeso formation comprised of the W/2W/2 of Section 21, Township 20 South, Range 25 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Yeso formation underlying the SW/4SW/4 of Section 21 to form a standard 40 acre oil spacing and proration unit, and (ii) the Yeso formation underlying the W/2W/2 of Section 21 to form a non-standard 160 acre oil spacing and proration unit (project area), for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Pine Box 21 MD Fed. Com. Well No. 1, a horizontal well with a surface location in the SW/4SW/4, and a terminus in the NW/4NW/4, of Section 21. Also to be considered will be the cost of drilling and completing the 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 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 5 miles southwest of Seven Rivers, New Mexico.

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