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March 29, 2005

Hand Delivered

Mark E. Fesmire, P.E. Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: Case No. 13359 (de novo)

Dear Mr. Fesmire:

Enclosed for the Commission's consideration are an original and four copies of Mewbourne Oil Company's Motion to Dismiss.

Very truly yours,

James Bruce

Attorney for Mewbourne Oil Company

Cc: Counsel of record

Mewbourne Oil Company

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

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

Case No. 13359 (*de novo*) Order No. R-12283

MEWBOURNE OIL COMPANY'S MOTION TO DISMISS

Mewbourne Oil Company ("Mewbourne") moves to dismiss (a) its application, and (b) the applications for hearing *de novo* filed herein by Chesapeake Operating, Inc. ("Chesapeake") and Finley Resources, Inc. ("Finley"). In support thereof, Mewbourne states:

1. This case involves the pooling of the N½ of Section 9, Township 21 South, Range 35 East, N.M.P.M., and of the Osudo "9" State Com. Well No. 1, located in the SE¼NE¼ of Section 9. At the time the pooling application was filed by Mewbourne, working interest ownership in the well unit was as follows:

(a) NE¹/₄ of Section 9.

(b)

(i)	Surface to 10,000 feet:	Mewbourne Finley	3.125% 96.875%
(ii)	Below 10,000 feet:	Mewbourne	100.000%
NW½	4 of Section 9.		
All depths:		Chesapeake	100.000%

- 2. Mewbourne filed its application seeking to pool all depths from the surface to the base of the Morrow formation. The Morrow formation, the primary zone of interest, lies completely below 10,000 feet in the N½ of Section 9.
- 3. Subsequent to the filing of the application, Chesapeake voluntarily joined in the well and signed an operating agreement, which designated Mewbourne as operator. Therefore, the request to pool zones spaced on 320 acres (below 10,000 feet) was dismissed at hearing.
- 4. However, Mewbourne continued with its request to pool the uncommitted working interest in the NE¼ of Section 9, from the surface to 10,000 feet, in the event that (a) the proposed well was not completed in a gas zone spaced on 320 acres, and (b) an uphole completion was attempted. Mewbourne requested that any such pooling be limited to a completion in a shallow zone attempted within 120 days of the commencement of the Osudo "9"

State Com. Well No. 1. Mewbourne's request was granted by the Division. Order No. R-12283, Ordering Paragraph (5).

- 5. The Osudo "9" State Com. Well No. 1 was commenced on January 18, 2005, and it was completed in the Morrow formation on March 8, 2005 as a well capable of producing in paying quantities. **Affidavit of Steven J. Smith** (attached hereto as Exhibit A). Furthermore, no uphole completion will be attempted in the well within 120 days of its commencement. **Id**.
- 6. As a result of the foregoing facts, Order No. R-12283 will lapse by its own terms, and a hearing *de novo* is moot.

WHEREFORE, Mewbourne (a) dismisses its pooling application filed herein, and (b) requests the Commission to enter its order dismissing the applications for hearing *de novo* filed by Chesapeake and Finley.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(\$05) 982-2043

Attorney for Mewbourne Oil Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 2972 day of March, 2005 by facsimile transmission and U.S. Mail:

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James Bruce

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

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

Case No. 13359 (de novo) Order No. R-12283

AFFIDAVIT OF STEVEN J. SMITH

COUNTY OF MIDLAND)
) ss.
STATE OF TEXAS)

Steven J. Smith, being duly sworn upon his oath, deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am a landman for Mewbourne Oil Company ("Mewbourne"), and I testified on Mewbourne's behalf at the hearings in this case.
- 3. The Osudo "9" State Com. Well No. 1 (the "Well"), which was the subject of this case, is located 1980 feet from the north line and 660 feet from the east line of Section 9, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico. The N½ of Section 9 is dedicated to the Well.
- 4. Mewbourne spudded the Well on January 18, 2005. The Well was completed on March 8, 2005, in the Morrow formation. The well is capable of producing in paying quantities.
- 5. Because of the Well's completion in the Morrow formation, a completion above 10,000 feet subsurface will not be attempted within 120 days of January 18, 2005.

Steven J. Smith

SUBSCRIBED AND SWORN TO before me this 28th day of March, 2005 by Steven J. Smith.

My Commission Expires: 1-19-2008

GLENDA BARNETT NOTARY PUBLIC STATE OF TEXAS My Comm. Expires 1-19-2008

Blumberg No. 5118