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August 21, 2012

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

Dear Florene:

Enclosed for filing, on behalf of Mewbourne Oil Company, are an original and one copy of an <u>amended</u> application to re-open Case 14554, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please re-set the application for the September 20, 2012 Examiner hearing. Thank you.

Very truly yours,

James Bruce

Attorney for Mewbourne Oil Company

RECEIVED OCD

2012 AUG 21 P12: 46

Case 44900

Parties Being Notified

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H()(+	Resources,	Inc
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Chesapeake Operating, Inc.

COG Operating LLC

Manzano, LLC

Chi Operating, Inc.

Nearburg Producing Company

Yates Petroleum Corporation

Chisos, Ltd.

Echo Production Company

Nadel and Gussman Permian, L.L.C.

Cimarex Energy Co.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

MECILIVED OCE

APPLICATION OF MEWBOURNE OIL COMPANY TO RE-OPEN CASE NO. 14554 TO MAKE THE SPECIAL RULES AND REGULATIONS FOR THE NORTH SEVEN RIVERS GLORIETA-YESO POOL PERMANENT, AND TO EXPAND THE POOL, EDDY COUNTY, NEW MEXICO.

2012 AUG 21 P12: 416

Case No. 14554

AMENDED APPLICATION

Mewbourne Oil Company applies for an order making the special rules and regulations for the North Seven Rivers Glorieta-Yeso Pool permanent, and in support thereof, states:

1. Division Order No. R-13350 (i) abolished the Seven Rivers-Yeso Pool and the Cemetery-Yeso Pool, and (ii) expanded the North Seven Rivers Glorieta-Yeso Pool to include the acreage in the abolished pools and additional acreage, so that it comprised the following lands:

Township 19 South, Range 24 East, NMPM

Section 36: SE/4

Township 19 South, Range 25 East, NMPM

Section 15: SW/4

Section 16: NE/4

Section 22: All

Section 23: S/2

Section 24: W/2

Section 26: W/2

Section 27: All

Section 31: SW/4

Section 34: All

Section 35: All

Section 36: NW/4

Township 20 South, Range 25 East, NMPM

Section 2: W/2

Section 3: All

Section 4: S/2

Section 5: S/2

Section 7: NE/4
Section 9: All
Section 10: All
Section 11: SE/4
Section 14: W/2
Section 15: All
Section 22: NW/4

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- 2. The order also approved special pool rules and regulations for the expanded North Seven Rivers Glorieta-Yeso Pool, providing for a special depth bracket allowable of 240 barrels of oil per day for a standard 40 acre spacing unit.
- 3, Applicant requests that the special rules and regulations for the North Seven Rivers Glorieta-Yeso Pool be made permanent, effective retroactive to January 18, 2012.
- 4. Applicant further requests that the North Seven Rivers Glorieta-Yeso Pool be expanded to include the following acreage:

Township 19 South, Range 25 East, NMPM

Section 13: All Section 16: S/2 Section 20: S/2

Section 21: NE/4 and S/2

Section 24: E/2Section 25: All Section 26: E/2Section 28: SE/4 Section 31: SE/4 Section 32: SW/4 Section 33: N/2Section 36: SW/4

Township 19 South, Range 26 East, NMPM

Section 18: SW/4 Section 19: NW/4 Section 30: W/2

Township 20 South, Range 24 East, NMPM

Section 1: N/2

Township 20 South, Range 25 East, NMPM

Section 1: W/2

E/2 Section 2: Section 4: N/2Section 5: N/2Section 8: N/2SW/4 Section 11: Section 16: All Section 17: E/2Section 20: S/2 Section 21: All Section 29: NE/4

The expansion is necessary due to additional wells drilled in or near the pool, or to make the acreage in the pool contiguous.

5. Approval of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order granting the relief requested above.

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. 14554 (Re-opened): (Continued and re-advertised)

Application of Mewbourne Oil Company to re-open Case No. 14554 to make the special rules and regulations for the North Seven Rivers Glorieta-Yeso Pool permanent, and to expand the pool, Eddy County, New Mexico. Division Order No. R-13350 (i) abolished the Seven Rivers-Yeso Pool and the Cemetery-Yeso Pool, and (ii) expanded the North Seven Rivers Glorieta-Yeso Pool to include the acreage in the abolished pools and additional acreage, so that it comprised the following lands:

Township 19 South, Range 24 East, NMPM

Section 36: SE/4

Township 19 South, Range 25 East, NMPM

Section 15: SW/4

Section 16: NE/4

Section 22: All

Section 23: S/2

Section 24: W/2

Section 26: W/2

Section 27: All

Section 31: SW/4

Section 34: All

Section 35: All

Section 36: NW/4

Township 20 South, Range 25 East, NMPM

Section 2: W/2

Section 3: All

Section 4: S/2

Section 5: S/2

Section 7: NE/4

Section 9: All

Section 10: All

Section 11: SE/4

Section 14: W/2

Section 15: All

Section 22: NW/4

The order also approved special pool rules and regulations for the expanded North Seven Rivers Glorieta-Yeso Pool providing for a special depth bracket allowable of 240 barrels of oil per day for a standard 40 acre spacing unit. Applicant requests that the special rules and regulations for the North Seven Rivers Glorieta-Yeso Pool be made permanent effective retroactive to January 18, 2012.

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In addition, applicant requests that the pool be expanded to include the following acreage:

Township 19 South, Range 25 East, NMPM

Section 13:

All

Section 16:

S/2 S/2

Section 20:

NE/4 and S/2

Section 21: Section 24:

E/2

Section 25:

Section 26: E/2

Section 28:

SE/4

Section 31:

SE/4

All

SW/4

Section 32: Section 33:

N/2

Section 36:

SW/4

Township 19 South, Range 26 East, NMPM

Section 18:

SW/4

Section 19:

NW/4

Section 30:

W/2

Township 20 South, Range 24 East, NMPM

Section 1:

N/2

Township 20 South, Range 25 East, NMPM

Section 1:

W/2

Section 2:

E/2

Section 4:

N/2

Section 5: Section 8: N/2N/2

Section 11:

SW/4

Section 16:

All

Section 17:

E/2

Section 20:

S/2

Section 21: Section 29: All NE/4

The North Seven Rivers Glorieta-Yeso Pool is centered approximately 3 miles west-northwest of Seven Rivers, New Mexico.