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October 9, 2006

2006 OCT 10 AM 9 48

Case 13806

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 application for approval of a unit agreement, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the November 9th Examiner hearing. Thank you.

A pre-hearing statement is also enclosed.

Very truly yours,

un James Bruce

Attorney for Mewbourne Oil Company

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY 2006 OCT 10 AM 9 48 FOR APPROVAL OF A UNIT AGREEMENT, EDDY COUNTY, NEW MEXICO. Case No. (3806)

APPLICATION

Mewbourne Oil Company applies for an order approving the Unit Agreement for the proposed Horseshoe State Exploratory Unit Area, and in support thereof, states:

1. Applicant is a working interest owner in, and is the operator of, the proposed Horseshoe State Exploratory Unit Area, an exploratory unit comprising 640.00 acres of state lands in Eddy County, New Mexico, described as follows:

Township 23 South, Range 25 East, N.M.P.M.Section 28:S½Section 33:W½

2. Applicant has obtained preliminarily approval of the unit agreement from the State Land Office.

3. The approval of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that, after hearing, the Division enter its order approving the relief requested herein.

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. <u>1780</u>: Application of Mewbourne Oil Company for approval of a unit agreement, Eddy County, New Mexico: Applicant seeks approval of the Horseshoe State Exploratory Unit Area, comprising 640.00 acres of state lands in Sections 28 and 33, Township 23 South, Range 25 East, NMPM. The proposed unit area is centered approximately 6 miles north-northwest of Whites City, New Mexico.