

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87501

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

RECEIVED

2007 SEP 25 PM 3 10

September 25, 2007

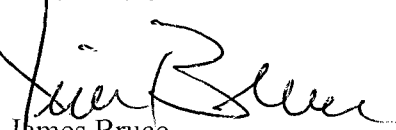
Case 14021

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 compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the November 1, 2007 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

EOG Resources, Inc.
P.O. Box 2267
Midland, Texas 79702

Attention: Douglas Hurlbut

Harvey E. Yates Company
P.O. Box 1933
Roswell, New Mexico 88202

Attention: Vernon D. Dyer

Lobos Energy Partners, LLC
Suite 950
3817 NW Expressway
Oklahoma City, Oklahoma 73112

Attention: F.G. Taylor

Jalapeno Corporation
P.O. Box 1608
Albuquerque, New Mexico 87103

Gary N. Pointer and Janie C. Pointer
5497 FM 2867
Henderson, Texas 75654

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED
2007 SEP 25 PM 3 10

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

Case No. 14021

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests from 500 feet below the top of the San Andres formation to the base of the Morrow formation underlying Lots 1-4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ (the W $\frac{1}{2}$) of Section 18, Township 19 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E $\frac{1}{2}$ of Section 18, and has the right to drill a well thereon.

2. Applicant proposes to drill its Mossberg "18" State Com. Well No. 1, at an orthodox location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 18, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:

(a) The SE $\frac{1}{4}$ SW $\frac{1}{4}$ to form a standard 40 acre oil and spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent, including the Artesia-Bone Spring Pool, Undesignated Winchester-Wolfcamp Pool, and Undesignated Winchester-Upper Pennsylvanian Pool;

(b) Lots 1, 2, and the E $\frac{1}{2}$ SW $\frac{1}{4}$ (the SW $\frac{1}{4}$) to form a 166.12 acre gas spacing and proration unit for any formations and/or pools developed on 160 acre spacing within that vertical extent; and

(c) Lots 1-4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ (the W $\frac{1}{2}$) to form a 332.48 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that

vertical extent, including the Undesignated West Millman-Wolfcamp Gas Pool and Undesignated South Millman-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W½ of Section 18 for the purposes set forth herein.

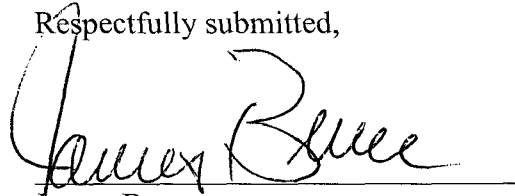
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the W½ of Section 18, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the W½ of Section 18 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. Pooling all mineral interests in the W½ of Section 18, from 500 feet below the top of the San Andres formation to the base of the Morrow formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. 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,

A handwritten signature in black ink, appearing to read "James Bruce", written over a horizontal line.

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case No. 14021: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 500 feet below the top of the San Andres formation to the base of the Morrow formation underlying the following described acreage in Section 18, Township 19 South, Range 28 East, NMPM, and in the following manner: Lots 1-4 and the E/2W/2 (the W/2) to form a 332.48-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated West Millman-Wolfcamp Gas Pool and Undesignated South Millman-Morrow Gas Pool; Lots 3, 4, and the E/2SW/4 (the SW/4) to form a 166.12-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the SE/4SW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Artesia-Bone Spring Pool, Undesignated Winchester-Wolfcamp Pool, and Undesignated Winchester-Upper Pennsylvanian Pool. The units are to be dedicated to the proposed Mossberg "18" State Com. Well No. 1, to be drilled at an orthodox location in the SE/4SW/4 of Section 18. 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 units are located approximately 9 miles east-northeast of Lakewood, New Mexico.

RECEIVED
2007 SEP 25 PM 3 11