

HOLLAND & HART<sup>LLP</sup>



**William F. Carr**  
wcarr@hollandhart.com

December 5, 2008

**HAND-DELIVERED**

Mr. Mark Fesmire, P.E.  
Director  
Oil Conservation Division  
New Mexico Energy, Minerals &  
Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

*Case 14261*

RECEIVED  
2008 DEC 5 PM 1:55

Re: Application of Mewbourne Oil Company for compulsory pooling, Eddy County,  
New Mexico.

Dear Mr. Fesmire:

Enclosed is the Application of Mewbourne Oil Company in the above-referenced case as well as a copy of a legal advertisement. Mewbourne Oil Company requests that this matter be placed on the docket for the January 8, 2009 Examiner hearings.

Very truly yours,

William F. Carr  
Attorney for Mewbourne Oil Company

Enclosures

cc: D. Paul Haden  
Senior Landman  
Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, Texas 79701

**Holland & Hart LLP**

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**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION OF MEWBOURNE OIL COMPANY FOR  
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 14261

**APPLICATION**

MEWBOURNE OIL COMPANY ("Mewbourne"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all mineral interests from the base of the Queen formation through the base of the Morrow formation in the following described spacing and proration units located in the E/2 of Section 31, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Turkey Track-Morrow Gas Pool; the SE/4 for all formations and/or pools developed on 160-acre spacing; the E/2 SE/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated Santo Nino-Bone Spring Pool; and the SE/4 SE/4 for all formations and/pools developed on 40-acre spacing which includes but is not limited to the Undesignated South Loco Hills-San Andres Pool and the Undesignated North Benson-Queen-Grayburg Pool, and in support of its application states:

1. Mewbourne is a working interest owner in the E/2 of said Section 31, Township 18 South, Range 30 East, NMPM, on which it proposes to drill its Bradley "31" Federal Com Well No. 3 at a standard gas well location 875 feet from the South line and 825 feet from the East line of the section to an approximate total depth of 11,900 feet to test any and all formations from the base of the Queen formation through the base of the Morrow formation.

2. Mewbourne has sought and been unable to obtain either a voluntary agreement for the development of this acreage from the owners of interest in the E/2 equivalent of Section 31 identified on Exhibit A to this application to whom notice of this application will be provided in accordance with the rules of the Division.

3. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

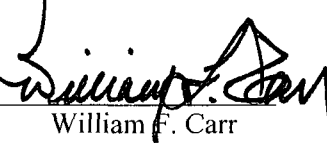
4. In order to permit Mewbourne to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Mewbourne should be designated the operator of the well.

WHEREFORE, Mewbourne Oil Company. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 8, 2009, and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Mewbourne Oil Company operator of the unit and the well to be drilled thereon,
- C. authorizing Mewbourne to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a 200% penalty for the risk assumed by the Mewbourne in drilling and completing the well against any working interest owner who does not voluntarily participate in the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR MEWBOURNE OIL COMPANY

**EXHIBIT A**

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

**NOTICE LIST**

Edge Petroleum Exploration Corporation  
1301 Travis, Suite 2000  
Houston, Texas 77002  
Attention: Mr. William Michalak

CASE 14261 **Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all mineral interests from the base of the Queen formation through the base of the Morrow formation in the following described spacing and proration units located in the E/2 of Section 31, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Turkey Track-Morrow Gas Pool; the SE/4 for all formations and/or pools developed on 160-acre spacing; the E/2 SE/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated Santo Nino-Bone Spring Pool; and the SE/4 SE/4 for all formations and/pools developed on 40-acre spacing which includes but is not limited to the Undesignated South Loco Hills-San Andres Pool and the Undesignated North Benson-Queen-Grayburg Pool. Applicant proposes to dedicate the pooled units to its Bradley "31" Federal Com Well No. 3 to be drilled at a standard gas well location 875 feet from the South line and 825 feet from the East line of said Section 31. Also to be considered will be the cost of drilling and completing said well as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 8 miles south of Loco Hills, New Mexico.