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2009 JUN 24 A 8:41

Case 14346

June 23, 2009

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 the application for the July 23, 2009 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

Parties Being Pooled

-
- 1) Marbob Energy Corporation
P.O. Box 227
Artesia, New Mexico 88211-0227
 - 2) Chase Oil Corporation
P.O. Box 960
Artesia, New Mexico 88211-0960
 - 3) Paul Willis Priebe
30564 Kerry Lane
Wickliffe, OH 44092
 - 4) Estate of Martha E. Priebe, Deceased
and her unknown Heirs or Devisees
Address Unknown
 - 5) Estate of Franklin A. Priebe, Deceased
and his unknown Heirs or Devisees
Address Unknown
 - 6) Estate of Earl Raymond Priebe, Deceased
and his unknown Heirs or Devisees
Address Unknown
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- 7) Gary Reeves Davis
Address Unknown
 - 8) Evelyn Priebe Davis
Address Unknown
 - 9) Harold Priebe
Address Unknown

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

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Case No. 2009 JUN 24 A 8:41
14346

APPLICATION

Mewbourne Oil Company applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S $\frac{1}{2}$ of Section 29, Township 19 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

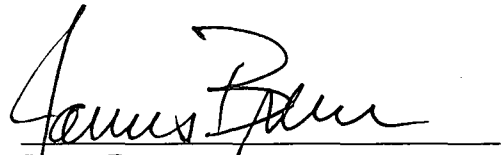
1. Applicant is an interest owner in the S $\frac{1}{2}$ of Section 29, and has the right to drill a well thereon.
2. Applicant proposes to drill its Wyatt Draw "29" State Com. Well No. 1, at an orthodox location in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 29, to a depth sufficient to test the Morrow formation, and seeks to dedicate the S $\frac{1}{2}$ of Section 29 to the well to form a standard 320 acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated Boyd-Strawn Gas Pool, Undesignated Boyd-Morrow Gas Pool, and Undesignated Four Mile Draw-Morrow Gas Pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S $\frac{1}{2}$ of Section 29 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 S $\frac{1}{2}$ of Section 29, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the S½ of Section 29 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 S½ of Section 29, from the surface 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. 14346 :

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

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 29, Township 19 South, Range 26 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated Boyd-Strawn Gas Pool, Undesignated Boyd-Morrow Gas Pool, and Undesignated Four Mile Draw-Morrow Gas Pool. The unit will be dedicated to the proposed Wyatt Draw "29" State Com. Well No. 1, to be drilled at an orthodox location in the SE/4SE/4 of Section 29. 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 unit is located approximately 2 miles west-southwest of Lakewood, New Mexico.

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