

HOLLAND & HART LLP



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August 26, 2009

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 14386

RECEIVED OCD
2009 AUG 26 P 3:20

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 October 1, 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

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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. 94386

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 a depth of 3,350 feet subsurface through the base of the Morrow formation in the following described spacing and proration units located in the S/2 of Section 29, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico: the S/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; Undesignated Benson-Strawn Gas Pool; the SE/4 for all formations and/or pools developed on 160-acre spacing; the S/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 SW/4 SE/4 for all formations and/pools developed on 40-acre spacing which includes but is not limited to the North Benson-Queen-Grayburg Pool; Undesignated South Loco Hills-San Andres Pool; Undesignated South Leo Wolfcamp Pool, and in support of its application states:

1. Mewbourne is a working interest owner in the S/2 of said Section 29, Township 18 South, Range 30 East, NMPM, on which it proposes to drill its Bradley "29" Federal Com Well No. 1 at a standard gas well location 660 feet from the South line and 1980 feet from the East line of said Section 29 to an approximate total depth of 11,800 feet to test any and all formations from a depth of 3,350 feet subsea 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 S/2 of Section 29 identified on Exhibit A to this

application to whom notice of this application will be provided in accordance with the rules of the Division.

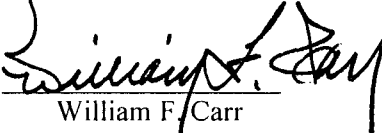
3. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

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 October 1, 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.

HOLLAND & HART LLP

By: 
William F. Carr

Post Office Box 2208
Santa Fe, New Mexico 87504
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

Marilyn J. Cone, Trustee of the
D. C. Trust
Post Office Box 64244
Lubbock, Texas 79464

Kenneth G. Cone, Individually and as
Trustee of the Trusts Created U/W/O
& Codicil of Kathleen Cone, Deceased
fbo the children of Kenneth G. Cone
Post Office Box 11310
Midland, Texas 79702

Tom R. Cone
Post Office Box 778
Jay, Oklahoma 74346

Randy Lee Cone
Post Office Box 552
Jay, Oklahoma 74346

Cathie Cone McCown, Individually and as
Trustee of the Auvenshine Children's Trust
Created U/W/O & Codicil of Kathleen Cone, Deceased
Post Office Box 507
Dripping Springs, Texas 78620

Clifford Cone, Individually and as
Trustee of Trusts Created U/W/O & Codicil of
Kathleen Cone, Deceased, fbo the children of Clifford Cone
address unknown

Robert J. Leonard and
Marian M. Leonard, Trustees
of the Leonard Trust
Post Office Box 329
Roswell, New Mexico 88202

Case 14386 **Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** To: Clifford Cone, Individually and as Trustee of Trusts Created U/W/O & Codicil of Kathleen Cone, Deceased, fbo the children of Clifford Cone, his successors, heirs and assigns. Applicant in the above-styled cause seeks an order pooling all mineral interests from a depth of 3,350 feet subsurface through the base of the Morrow formation in the following described spacing and proration units located in the S/2 of Section 29, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico: the S/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; Undesignated Benson-Strawn Gas Pool; the SE/4 for all formations and/or pools developed on 160-acre spacing; the S/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 SW/4 SE/4 for all formations and/pools developed on 40-acre spacing which includes but is not limited to the North Benson-Queen-Grayburg Pool; Undesignated South Loco Hills-San Andres Pool; Undesignated South Leo Wolfcamp Pool. Applicant, dedicate these pooled units to its Bradley "29" Federal Com Well No. 1 to be drilled at a standard gas well location 660 feet from the South line and 1980 feet from the East line of said Section 29 to an approximate total depth of 11,800 feet to test any and all formations from a depth of 3,350 feet subsea through the base of the Morrow formation. 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 7 miles south of Loco Hills, New Mexico.