



February 2, 2010

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

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Case 14435

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 March 4, 2010 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

**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. 14435

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 surface to the top of the Bone Spring formation in all formations and pools in the NW/4 SW/4 of Section 24, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico, and in support of its application states:

1. Mewbourne is a working interest owner in the NW/4 SW/4 of said Section 24 and has the right to drill thereon.
2. Mewbourne proposed to dedicate the above-referenced spacing and proration unit to its Wyatt Draw "24" L Well No. 1. to be drilled as a wildcat oil well at a standard location 2310 feet from the South Line and 330 feet from the West Line (Unit L) of said Section 24 to a depth sufficient to evaluate Yeso formation and all other formations and pools to the top of the Bone Spring Lime. The top of the Bone Spring Lime is identified at a depth of 4,170 feet beneath the surface in the Density Neutron Electric Log run in the Nearburg Exploration Company Fairchild "24" Well No. 1 located 2100 feet from the North Line and 900 feet from the West Line of Section 24, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.
3. Mewbourne has sought and been unable to obtain a voluntary agreement for the development of these lands from certain interest owners in the subject spacing unit who are identified on Exhibit A to this application.
4. The pooling of interests in this spacing unit will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.
5. For 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 Oil Company should be designated the operator of this spacing unit and the well to be drilled thereon.

WHEREFORE, Mewbourne Oil Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 4, 2010, 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 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 87540
ATTORNEYS FOR MEWBOURNE
OIL COMPANY

EXHIBIT A

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

NW/4 SW/4 of Section 24, Township 19 South, Range 25 East,

NOTICE LIST

Nearburg Exploration Company, LLC
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
Attn: Mr. Terry Gant

El Paso Gas Marketing Company
c/o El Paso E&P Company, LP
1001 Louisiana Street
Houston, Texas 77002-5089
Attn: Mr. Chad Shaw, Rm. 526557A

CASE ~~14435~~ **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 surface to the top of the Bone Spring formation in all formations and pools in the NW/4 SW/4 of Section 24, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the pooled units to its Wyatt Draw "24" L Well No. 1. to be drilled as a wildcat oil well at a standard location 2310 feet from the South Line and 330 feet from the West Line (Unit L) of said Section 24. 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 2.75 miles northwest of Lakewood, New Mexico.