



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

June 22, 2010

**HAND DELIVERED**

Mark E. Fesmire, PE, JD  
Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

*Case 14516*

RECEIVED OCD  
2010 JUN 22 P 3:29

Re: **Application of Mewbourne Oil Company for a non-standard spacing and proration unit and 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 the legal advertisement. Mewbourne Oil Company requests that this matter be placed on the docket for the July 22, 2010 Examiner hearings.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr".

William F. Carr

Enclosures

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

**Holland & Hart LLP**

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Denver Aspen Boulder Colorado Springs Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Salt Lake City Santa Fe Washington, D.C. ♻️

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

**IN THE MATTER OF THE APPLICATION  
OF MEWBOURNE OIL COMPANY FOR  
A NON-STANDARD SPACING AND  
PRORATION UNIT AND COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 145/16

**APPLICATION**

Mewbourne Oil Company, ("Mewbourne") through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order: (1) creating a non-standard spacing unit comprised of the N/2 N/2 equivalent of Section 4, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico which will be a 169.64-acre Project Area for its Burton "4" Federal Well No. 3H (**API No. 30-015-37816**) to be drilled from a non-standard surface location 810 feet from the North line and 200 feet from the East line (Unit A) and then in a westerly direction approximately 4172.56 feet in the Bone Spring formation to a terminus 660 feet from the North line and 330 feet from the West line (Unit D) of said Section 4 and (2) pooling all mineral interests in the Bone Spring formation, Undesignated Parkway-Bone Spring Pool (**Pool Code 49622**) in this non-standard spacing and proration unit, and in support of its application states:

1. Mewbourne is a working interest owner in the N/2 N/2 equivalent of said Section 4 and has the right to drill thereon. Mewbourne has an interest in each of the oil spacing units in this project area and therefore has standing to bring this pooling application.

2. Mewbourne proposes to dedicate the above-referenced pooled project area to its Burton "4" Federal Well No. 3H (**API No. 30-015-37816**) to be drilled from a non-standard surface location 810 feet from the North line and 200 feet from the East line (Unit A) which is the subject of an administrative application filed for Mewbourne on June 1, 2010, to a true vertical depth of approximately 7,909 feet (estimated measured depth of approximately 12,442 feet) and then in a westerly direction approximately 4172.56 feet in the Bone Spring formation to

a terminus 660 feet from the North line and 330 feet from the West line (Unit D) of said Section 4.

3. Mewbourne has been unable to obtain a voluntary agreement for the development of these lands from certain working interest owners in the subject spacing unit. These owners are identified on Exhibit A to this application.

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

5. In order to permit the 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 the well to be drilled.

WHEREFORE, MEWBOURNE OIL COMPANY requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 22, 2010 and, after notice and hearing as required by law, the Division enter its order:

- A. creating a 169.64-acre non-standard spacing and proration unit in the Bone Spring formation comprised of the N/2 N/2 equivalent of Section 4, Township 20 South, Range 29 East, NMPM;
- B. pooling all mineral interests in this 169.64-acre non-standard unit / project area;
- C. designating Mewbourne Oil Company operator of this non-standard unit / project area and the well to be drilled thereon;
- D. authorizing Mewbourne Oil Company to recover its costs of drilling, equipping and completing the well;
- E. 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
- F. imposing a 200% penalty for the risk assumed by Mewbourne Oil Company in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of 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 A 169.64-ACRE NONSTANDARD SPACING AND PRORATION UNIT  
AND COMPULSORY POOLING  
N/2 N/2 EQUIVALENT OF SECTION 4, TOWNSHIP 20 SOUTH, RANGE 29 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.  
(Burton "4" Federal Well No. 3H)**

**NOTIFICATION FOR POOLING**

Underwood Petroleum Corporation  
The Summit  
1034 Liberty Park Drive  
Austin, Texas 78746

Bivins Energy Corporation  
4925 Greenville Ave., Suite 814  
Dallas, Texas 75206  
Attn: Craig Bivins

Christine Barnes Motycka  
Post Office Box 505  
Midland, Texas 79701

Julie Ellen Barnes  
c/o Christine B. Motycka  
Post Office Box 505  
Midland, Texas 79701

Craig W. Barr  
c/o Christine B. Motycka  
Post Office Box 505  
Midland, Texas 79701

Zachariah J. Reid  
c/o Christine B. Motycka  
Post Office Box 505  
Midland, Texas 79701

Taylor L. Barr  
c/o Christine B. Motycka  
Post Office Box 505  
Midland, Texas 79701

Thomas R. Barr  
c/o Christine B. Motycka  
Post Office Box 505  
Midland, Texas 79701

Viola Elaine Barnes  
c/o Christine B. Motycka  
Post Office Box 505  
Midland, Texas 79701

Steven Clement Barnes  
c/o Christine B. Motycka  
Post Office Box 505  
Midland, Texas 79701

Marion Gardiner Miller, Trustee  
of the Boyd and Marion Gardiner  
Laughlin Management Trust  
914 Bedford  
Midland, Texas 79701

Marion Gardiner Miller Trust  
914 Bedford  
Midland, Texas 79701

Heirs and devisees of  
Howard C. Warren  
(Address Unknown)

Mill Neck Associates  
(Address Unknown)

Josephine Laughlin, Trustee of the  
Josephine Laughlin Living Trust  
(Address Unknown)

**NOTIFICATION FOR NON-STANDARD UNIT**

Chesapeake Operating, Inc.  
Attn: Mr. Craig Barnard  
PO Box 18496  
Oklahoma City, Oklahoma 73154-0496

OXY USA WTP Limited Partnership  
Attn: Mr. Patrick S. Sparks  
P.O. Box 4294  
Houston, Texas 77210

SM Energy Company  
Attn: Ms. Rita Buress  
3300 N. A Street, Bldg 7, Suite 200  
Midland, Texas 79705

TriTex Resources, LLC  
Attn: Mr. Don Ritter  
15455 Dallas Parkway, Suite 600  
Addison, Texas 75001

**CASE 14516 : Application of Mewbourne Oil Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.**

To: Heirs or Devisees of Howard C. Warren, Mill Neck Associates and Josephine Laughlin, Trustee of the Josephine Laughlin Living Trust.

Applicant in the above-styled cause seeks an order (1) creating a 169.64-acre non-standard spacing unit comprised of the N/2 N/2 equivalent of Section 4, Township 20 South, Range 29 East, NMPM, and (2) pooling all mineral interests in the Bone Spring formation, Parkway-Bone Spring Pool, in this non-standard spacing and proration unit which spacing unit will be the project area for its Burton "4" Federal Well No. 3H (**API No. 30-015-37816**) to be drilled from a non-standard surface location 810 feet from the North line and 200 feet from the East line (Unit A) to a true vertical depth of approximately 7,909 feet (estimated measured depth of approximately 12,442 feet) and then in a westerly direction approximately 4172.56 feet in the Bone Spring formation to a terminus 660 feet from the North line and 330 feet from the West line (Unit D) of said Section 4. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Mewbourne Oil Company 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.