

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING,
A NONSTANDARD SPACING UNIT AND
AN UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 11648

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 base of the Yates - Seven Rivers-Queen formation, in the Eumont Gas Pool and all formations developed on 320-acres in the S/2, in all formations developed on 160-acre spacing in the SW/4, in all formations developed on 80-acre spacing in the W/2 SW/4 and in all formations developed on 40-acre spacing in the SW/4 SW/4 of Section 21, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Mewbourne owns or represents approximately 87.5% of the working interest in the S/2 of said Section 21, and applicant has the right to drill thereon.
2. Mewbourne proposes to dedicate the above-referenced spacing or proration unit to its Eumont "21" State Well No. 1 to be drilled at an unorthodox well location 990 feet from the South line and 860 feet from the West line of said Section 21 to a depth sufficient

to test all formations from the surface to the base of the Yates-Seven Rivers-Queen formation, Eumont Gas Pool.

3. Mewbourne proposes to dedicate a non-standard spacing unit to this well in the Eumont Gas Pool comprised of the S/2 of said Section 21.

4. Mewbourne has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the S/2 of said Section 21.

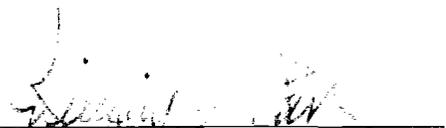
5. Said pooling of interests will prevent waste and will protect correlative rights.

6. 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 Applicant should be designated the operator of the well to be drilled on the proposed spacing unit at the above-referenced unorthodox well location.

WHEREFORE, Mewbourne Oil Company prays that this application be set for hearing before an examiner of the Oil Conservation Division on November 7, 1996 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicant to recover its costs of supervision of the well, including overhead charges, imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well, approving a non-standard spacing unit for the well comprised of the S/2 of Section 21 in the Eumont Gas Pool and approving an unorthodox location for the well 990 feet from the South line and 860 feet from the West line of said Section 21.

Respectfully submitted,

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