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January 28, 1997

*NOT LICENSED IN NEW MEXICO

Hand Delivered

Florene Davidson New Mexico Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505

Dear Florene:

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JAN 2 8 1997

Oil Conservation Division

11123

Enclosed are an original and two copies of an application for an unorthodox location and a non-standard unit, together with a proposed advertisement, filed on behalf of Mewbourne Oil Company. Please set this application for the February 20th hearing. Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD & HENSLEY, L.L.P.

James Bruce

Attorneys for Mewbourne Oil Company

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY FOR AN UNORTHODOX GAS WELL LOCATION AND A NON-STANDARD GAS SPACING AND PRORATION UNIT, EDDY COUNTY, NEW MEXICO.

case no. $\frac{11023}{}$

APPLICATION

Mewbourne Oil Company hereby makes application for an order approving an unorthodox gas well location and a non-standard gas spacing and proration unit in the S% of Section 1, Township 21 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

- Applicant is a working interest owner in Lots 29 through
 and the SW% (the S% equivalent) of said Section 1.
- 2. Applicant has proposed the Catclaw Draw 1 Fed. Well No. 1 at an unorthodox gas well location 660 feet from the South line and 2310 feet from the East line of Section 1 (Unit W), to be drilled to a depth sufficient to test the Morrow formation.
- 3. The well is within the Catclaw Draw-Morrow Gas Pool, and the special pool rules therefor require 640 acre spacing, with wells to be no-closer than 1650 feet to the unit's outer boundary nor closer than 330 feet to a guarter-guarter section line.
- 4. A standard unit cannot be formed because Lots 11 through 14 and 25 through 28 (the middle third) of Section 1 are unleased federal minerals which are subject to a federal environmental study. As a result, applicant requests approval of a 297.88-acre non-standard gas spacing and proration unit in the Morrow formation, comprised of the S½ of Section 1.

5. Approval of the unorthodox gas well location and non-standard gas spacing and proration unit 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) Approving the unorthodox gas well location;
- (b) Approving a non-standard gas spacing and proration unit in the Morrow formation; and
- (c) Granting such further relief as the Division deems appropriate.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD & HENSLEY, L.L.P.

James Bruce

Post Office Box 2068

Santa Fe, New Mexico 87504-2068

(505) 982-4554

Attorneys for Mewbourne Oil Company

 ${\tt mocapp.uol}$

PROPOSED ADVERTISEMENT

11723 : Application of Mewbourne Oil Company unorthodox gas well location and a non-standard gas spacing and proration unit, Eddy County, New Mexico. Applicant seeks approval for the proposed Catclaw Draw 1 Fed. Well No. I at an unorthodox gas well location 660 feet from the South line and 2310 feet from Mary Mary the East line of Section 1, Township 21 South, Range 25 East, NMPM, to be drilled to the base of the Morrow formation, said location being unorthodox for any and all gas producing formations and/or pools from the top of the Wolfcamp formation to the base of the Morrow formation, including but not limited to the Catclaw Draw Morrow Gas Pool. Applicant also seeks approval of a 297.88-acre non-standard gas spacing and proration unit comprised of Lots 29 through 32 and the SW% (the S% equivalent) said Section 1. Said unit is located approximately 9 northwest of Carlsbad, New Mexico.

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