PROPOSED ADVERTISEMENT

Application of Mewbourne Oil Company for compulsory Case <u>12070</u> pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 36, Township 20 South, Range 27 East, NMPM, and in the following manner: The S½ to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320acre spacing within said vertical extent, including the Undesignated West Burton Flat-Wolfcamp Pool, Undesignated Saladar-Upper Pennsylvanian Gas Pool, Undesignated West Burton Flat-Strawn Gas Pool, Undesignated Northeast Avalon Atoka-Gas Pool, and Burton Flat-Morrow Gas Pool; and the SE¼ to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160acre spacing within said vertical extent, including the Undesignated Foster Draw-Delaware Gas Pool and Undesignated East Avalon-Bone Spring Gas Pool. Said units are to be dedicated to applicant's Avalon Hills "36" State Com. Well No. 1, located 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 36. 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 applicant as operator of the well, and a charge for the risk involved in drilling and the well. Said unit is located approximately 7.5 miles north of Carlsbad, New Mexico.

