OL CONSESNION DIV.

PROPOSED ADVERTISEMENT

99 JUN 29 case: 38/2237:

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Morrow formation underlying the W½ of Section 8, Township 18 South, Range 31 East, NMPM, 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 North Shugart-Atoka Gas Pool and Undesignated North Shugart-Morrow Gas Pool. Said unit is to be dedicated to applicant's Fren "8" Fed. Com. Well No. 1, located at an orthodox gas well location in the NW¼ of said Section 8. 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 completing the well. Said unit is located approximately 6½ miles southeast of Loco Hills, New Mexico.