

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

No. 12826

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OIL CONSERVATION DIVISION

APPLICATION

Pursuant to Division Rule 1207.A(1)(b), Mewbourne Oil Company applies for an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the E½ of Section 17, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the E½ of Section 17, and has drilled its Illinois Camp "17" State Com. Well No. 2, at an orthodox location in the NW¼SE¼ of the section, to a depth sufficient to test the Morrow formation.

2. Applicant has in good faith sought to obtain the voluntary joinder of all other interest owners in the E½ of Section 17 for the purposes set forth herein.

3. Although applicant attempted to obtain voluntary agreements from all leasehold record title owners to sign a communitization agreement for the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all interest owners in the E½ of Section 17, pursuant to NMSA 1978 §70-2-17.

4. Pursuant to Division Rule 1207.A(b), the following information is submitted in support of this application:

(a) No opposition is expected because only "record title" owners in state oil and gas leases are being pooled. Pooling

of the record title owners is necessary for a communitization agreement to be approved by the Commissioner of Public Lands. (The Commissioner of Public Lands will not allow the subject well to be produced as to certain formations unless a communitization agreement is entered into by all parties.) **The persons being pooled are not liable for well costs, and a non-consent penalty is not being sought against them.**

(b) A map outlining the spacing unit being pooled, and marking the location of the subject well, is attached hereto as Exhibit A. Applicant seeks to dedicate the E½ of Section 17 to the well to form a standard 320 acre gas spacing and proration unit for any and all formations and/or pools developed on 320 acre spacing within that vertical extent, including the North Illinois Camp-Morrow Gas Pool.

(c) The parties being pooled are as follows:

- (1) NE¼NE¼ §17 (State Lease B-11540): Exxon Mobil Corporation.
- (2) NW¼NE¼ §17 (State Lease E-9261): Chevron U.S.A. Inc.
- (3) NE¼SE¼ §17 (State Lease 647-397): Frederick S. Brown and Marshall G. Brown.
- (4) SW¼SE¼ §17 (State Lease 647-314): Ruth L. Williams Estate (Judith Skidmore, Barbara Peregrine, Lawrence D. Hillyer, Sharyn L. Simons, Clifford Taylor, and Wendy Atkins-Pattenson.

(5) ~~SE¼SE¼~~ §17 (State Lease LG-3019): Phillips
Petroleum Company.

(d) Because the persons being pooled are not liable for well costs, and because a non-consent penalty is not requested, geologic maps and an Authorization for Expenditure are not attached hereto, and overhead rates are not requested.

(e) Copies of the correspondence with the record title owners is attached hereto as Exhibit B.

5. The pooling of all interests underlying the E½ of Section 17 will prevent waste and protect correlative rights.


WHEREFORE, Applicant requests that, after notice and hearing, the Division enter its order:

A. Pooling all mineral interests in the E½ of Section 17 from the top of the Wolfcamp formation to the base of the Morrow formation; and

B. Designating applicant as operator of the well.

**APPLICANT REQUESTS THAT IN THE ABSENCE OF OBJECTION THIS
MATTER BE TAKEN UNDER ADVISEMENT.**

Respectfully submitted,

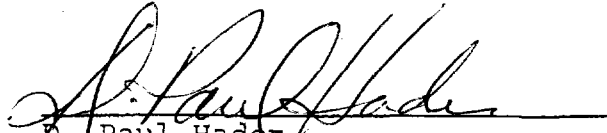

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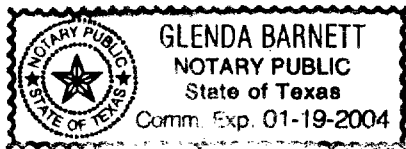
VERIFICATION


STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

D. Paul Haden, being duly sworn upon his oath, deposes and states that: He is a landman for Mewbourne Oil Company, and is authorized to make this verification on its behalf; he has read the foregoing application and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.


D. Paul Haden

Subscribed and sworn to before me this 7th day of February, 2002 by D. Paul Haden.




Notary Public

My Commission Expires:

01-19-2004

EXHIBIT
A