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September 17, 2002

Hand Delivered

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 12940

09 SEP 17 AM 11:04

Dear Florene:

Enclosed are an original and one copy of an application for special pool rules, together with a proposed advertisement, filed on behalf of Mewbourne Oil Company. Please set this matter for the October 10, 2002 Examiner hearing. Thank you.

The application and advertisement are also on the enclosed disk.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

02 SEP 17 11:11:04

APPLICATION OF MEWBOURNE OIL
COMPANY FOR POOL CREATION AND
SPECIAL POOL RULES THEREFOR,
EDDY COUNTY, NEW MEXICO.

No. 12940

APPLICATION

Mewbourne Oil Company applies for an order creating the North Shugart-Strawn Pool, and instituting special rules and regulations therefor, and in support thereof, states:

1. Applicant is the operator of the Strawn formation underlying NE¼ of Section 8, Township 18 South, Range 31 East, N.M.P.M.

2. Applicant has completed oil wells in the Strawn formation in the NE¼ of Section 8 (wildcat Strawn), which have found a separate source of supply.

3. Applicant requests that a new pool, designated the North Shugart-Strawn Pool, be created, originally encompassing the NE¼ of Section 8, and that special pool rules be instituted for the pool providing for:

(a) 160 acre spacing;

(b) orthodox well locations no closer than 660 feet to a quarter section line nor closer than 330 feet to a quarter-quarter section line or subdivision inner boundary;

(c) a special depth bracket allowable;

(d) a gas oil ratio of 4000 cubic feet of gas for each barrel of oil produced; and

(e) all other rules to comply with statewide rules.

4. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the relief requested above be granted.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
Post Office Box 1056
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Attorney for Mewbourne Oil Company

PROPOSED ADVERTISEMENT

Case 12940: Application of Mewbourne Oil Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant seeks creation of the North Shugart-Strawn Pool, to initially cover the NE¼ of Section 8, Township 18 South, Range 31 East, NMPM, and the promulgation of Special Rules and Regulations for the pool, including provisions for 160-acre spacing, a special depth bracket allowable, special well location requirements, and a gas:oil ratio of 4000 cubic feet of gas for each barrel of oil produced. The proposed pool is located approximately 6½ miles southeast of Loco Hills, New Mexico.

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