

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF MEWBOURNE OIL COMPANY FOR
COMPULSORY POOLING, AN
UNORTHODOX WELL LOCATION,
AND NONSTANDARD SPACING UNITS,
EDDY COUNTY, NEW MEXICO.

CASE NO. 16874

APPLICATION

MEWBOURNE OIL COMPANY, through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat.Ann. § 70-2-17, (1978), for an order pooling all of the mineral interests in the W/2 of Section 19 for all pools or formations spaced on 320-acres and the SW/4 of Section 19 for all pools or formations spaced on 160-acres, and the SW/4 SW/4 of Section 19 for all pools or formations spaced on 40-acres, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Applicant owns or represents approximately 30% of the working interest in the W/2 of Section 19 and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing or proration units to its Parkchester "19" State No. 1 Well to be drilled at an unorthodox location 990 feet from the South line and 740 feet from the West line of Section 19, to a depth of approximately 11,400 feet, more or less, to test any and all formations from the surface to the base of the Morrow formation, Winchester-Morrow Gas Pool.

3. Due to survey variations, the W/2 of said Section 19 contains only 290.32 acres and accordingly Mewbourne seeks approval of a 290.32 acre W/2 unit for pools or formations developed on 320-acre spacing and a 145.04 acre SW/4 unit for pools or formations developed on 320-acre spacing.

4. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the W/2 of said Section 19.

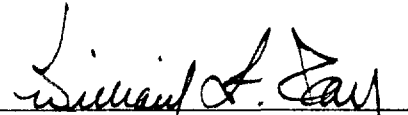
5. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

6. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 2, 1993 and, after notice and hearing as required by law, the Division enter its order approving the proposed unorthodox well locatio, pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE
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