

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF MEWBOURNE OIL  
COMPANY FOR APPROVAL OF A NON-STANDARD  
1,830.48-ACRE HORIZONTAL WELL SPACING  
UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24990**

**MEWBOURNE OIL COMPANY'S PRE-HEARING STATEMENT**

Mewbourne Oil Company ("Mewbourne" or "Applicant"), the applicant in the above-referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Mewbourne Oil Company  
("Mewbourne")

**ATTORNEY**

Michael H. Feldewert  
Adam G. Rankin  
Paula M. Vance  
Holland & Hart, LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
pmvance@hollandhart.com

**APPLICANT'S STATEMENT OF THE CASE**

Under **Case No. 24990**, Mewbourne seeks an order (a) approving an 1,830.48-acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation (Avalon Bone Spring [Pool Code 96381]) underlying all of irregular Sections 3 and 4, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico and (b) pooling all uncommitted interests in this acreage.

Due to the nature and configuration of the federal leases in the subject area, the Bureau of Land Management (“BLM”) will not approve the commingling of production at central facilities if the subject area is developed using standard horizontal well spacing units. *See, e.g.*, 43 CFR 3173.14 (addressing authorized commingling). However, if the proposed non-standard spacing unit is approved by the Division, the BLM has stated it will issue a corresponding Communitization Agreement for the federal leases within the subject area to allow commingling and the corresponding reduction of the necessary surface facilities.

Mewbourne seeks to minimize cost and surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing unit. To allow the proposed wells to be dedicated to a federal Communitization Agreement, Mewbourne requires approval of a corresponding non-standard horizontal well spacing unit in the Bone Spring formation.

Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **King Harvest 3/4 Fed Com 621H**, to be drilled horizontally from a surface location in Lot 21 of irregular Section 2, a first take point in Lot 17 of irregular Section 3, and a last take point in Lot 19 of irregular Section 4; **King Harvest 3/4 Fed Com 622H**, to be drilled horizontally from a surface location in Lot 21 of irregular Section 2, a first take point in Lot 24 of irregular Section 3, and a last take point in Lot 20 of irregular Section 4; **King Harvest 3/4 Fed Com 623H**, to be drilled horizontally from a surface location in Lot 21 of irregular Section 2, a first take point in Lot 25 of irregular Section 3, and a last take point in Lot 24 of irregular Section 4; **King Harvest 3/4 Fed Com 624H**, to be drilled horizontally from a surface location in Lot 25 of irregular Section 4 and a last take point in Lot 30 of irregular Section 3; **King Harvest 3/4 Fed Com 625H**, to be drilled horizontally from a surface location in Lot 25 of irregular Section 4 and a last take point in

Lot 31 of irregular Section 3; and **King Harvest 3/4 Fed Com 626H**, to be drilled horizontally from a surface location in Lot 25 of irregular Section 4 and a last take point in the SE/4 SE/4 (Unit P) of irregular Section 3.

The completed interval for the wells will comply with statewide setbacks for oil wells. Mewbourne has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject acreage.

### **APPLICANT'S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Ariana Rodrigues, Landman	Self-Affirmed Statement	Approx. 6
Charles Crosby, Geologist	Self-Affirmed Statement	Approx. 4

### **PROCEDURAL MATTERS**

Mewbourne intends to present this case by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert  
Adam G. Rankin  
Paula M. Vance  
Post Office Box 2208  
Santa Fe, NM 87504  
505-988-4421  
505-983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
pmvance@hollandhart.com

**ATTORNEYS FOR MEWBOURNE OIL COMPANY**

Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

QUESTIONS

Action 416744

QUESTIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 416744
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	2
Testimony time (in minutes)	5