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

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

CASE NOS. 25223, 25224

PRE-HEARING STATEMENT

Mewbourne Oil Company ("Mewbourne" or "Applicant") submits its Consolidated Pre-

Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPLICANT

ATTORNEYS

Mewbourne Oil Company

Dana S. Hardy Jaclyn M. McLean Hardy McLean LLC 125 Lincoln Ave, Ste. 223 Santa Fe, NM 87501 Phone: (505) 230-4410 dhardy@hardymclean.com jmclean@hardymclean.com

INTERESTED PARTY

Marathon Oil Permian, LLC COG Operating LLC

EOG Resources, Inc.

ATTORNEYS

Elizabeth Ryan Keri L. Hatley ConocoPhillips 1048 Paseo de Peralta Santa Fe, New Mexico 87501 (505) 780-8000 beth.ryan@conocophillips.com keri.hatley@conocophillips.com

Jordan L. Kessler 125 Lincoln Avenue, Suite 213 Santa Fe, New Mexico 87501 jordan kessler@eogresources.com

STATEMENT OF THE CASES

In **Case No. 25223**, Mewbourne applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizonal spacing unit comprised of the N/2 SE/4 of Section 23 and the N/2 S/2 of Section 24, Township 24 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the Queen 23/24 Fed Com #406H (B1JI); Queen 23/24 Fed Com #556H (H3JI), and Queen 23/24 Fed Com #525H (B2HI) wells, which will be drilled from surface hole locations in the NE/4 SW/4 (Unit K) of Section 23 to bottom hole locations in the NE/4 SE/4 (Unit I) of Section 24.

In **Case No. 25224**, Mewbourne applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizonal spacing unit comprised of the S/2 SE/4 of Section 23 and the S/2 S/2 of Section 24, Township 24 South, Range 28 East, Eddy County, New Mexico. The Unit will be dedicated to the Queen 23/24 Fed Com #558H (H3OP); Queen 23/24 Fed Com #458H (B1OP), and Queen 23/24 Fed Com #528H (B2OP) wells, which will be drilled from surface hole locations in the NE/4 SW/4 (Unit K) of Section 23 to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 24.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Mewbourne as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The Queen wells are located approximately 10 miles southeast of Carlsbad, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Brad Dunn	Landman	Affidavit	Approx. 5
Tyler Hill	Geologist	Affidavit	Approx. 3

PROCEDURAL MATTERS

Applicant intends to consolidate these cases for presentation by affidavit if there is no

opposition to its applications.

Respectfully submitted,

HARDY MCLEAN LLC

/s/ Dana S. Hardy Dana S. Hardy Jaclyn M. McLean 125 Lincoln Ave, Ste. 223 Santa Fe, NM 87501 Phone: (505) 230-4410 dhardy@hardymclean.com jmclean@hardymclean.com *Counsel for Mewbourne Oil Company* Sante Fe Main Office Phone: (505) 476-3441

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

QUESTIONS

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Action 448565

QUESTIONS		
Operator:	OGRID:	
MEWBOURNE OIL CO	14744	
P.O. Box 5270	Action Number:	
Hobbs, NM 88241	448565	
	Action Type:	
	[HEAR] Prehearing Statement (PREHEARING)	

QUESTIONS

Testimony		
Please assist us by provide the following information about your testimony.		
Number of witnesses	Not answered.	
Testimony time (in minutes)	Not answered.	