

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

**APPLICATION OF MEWBOURNE OIL
COMPANY FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL
SPACING UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 25370

MEWBOURNE'S PRE-HEARING STATEMENT

Mewbourne Oil Company ("Mewbourne" or "Applicant"), the applicant in the above-referenced case, 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

APPLICANT'S STATEMENT OF CASE

Under **Case No. 25370**, Mewbourne seeks an order (1) approving a non-standard, 632.03-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation (Benson; Bone Spring, North [5200]) underlying Lots 1-4 and the S/2 N/2 (N/2 equivalent) of irregular Section 1, Township 19 South, Range 30 East, and the Bone Spring formation (Hackberry; Bone Spring North [97056]) underlying Lots 1-4 (N/2 N/2), Lot 5 (SW/4 NW/4), SE/4 NW/4 and the S/2 NE/4 (N/2 equivalent) of irregular Section 6, Township 19 South, Range

31 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Mewbourne seeks to initially dedicate the unit to the proposed **Tin Man 1/6 Fed Com #601H** well to be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 1, T19S-R30E, to a bottom hole location in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 6, T19S-R31E, and the **Tin Man 1/6 Fed Com #623H** well to be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 1, T19S-R30E, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 6, T19S-R31E.

The proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:

- A 160.32-acre horizontal well spacing unit comprised of Lot 4 (NW/4 NW/4), SW/4 NW/4, W/2 SW/4 of Section 1, T19S-R30E, operated by Cimarex Energy Co. of Colorado and dedicated to the Crescent Hale “1” Federal Com 1H (30-015-37652);
- A 160.22-acre horizontal well spacing unit comprised of Lot 3 (NE/4 NW/4), SE/4 NW/4, E/2 SW/4 of Section 1, T19S-R30E, operated by Cimarex Energy Co. of Colorado and dedicated to the Crescent Hale “1” Federal Com 2H (30-015-38524);
- A 160.14-acre horizontal well spacing unit comprised of Lot 2 (NW/4 NE/4), SW/4 NE/4, W/2 SE/4 of Section 1, T19S-R30E, operated by Chi Operating Inc and dedicated to the Wizard Federal Com 6H (30-015-38543);
- A 160.04-acre horizontal well spacing unit comprised of Lot 1 (NE/4 NE/4), SE/4 NE/4, E/2 SE/4 of Section 1, T19S-R30E, operated by Chi Operating Inc and dedicated to the Wizard Federal Com 5H (30-015-38315);
- A 184.88-acre horizontal well spacing unit comprised of the SW/4SW/4 of Section 31, T18S-R31E and Lots 4-7 (W/2W/2) of Section 6, T19S-R30E, operated by Permian Resources Operating, LLC and dedicated to the Samantha 31/6 Federal Com 1H (30-015-40050);
- A 159.85-acre horizontal well spacing unit comprised of Lot 3 (NE/4 NW/4), SE/4 NW/4, E2 SW/4 of Section 6, T19S-R31E, operated by Permian Resources Operating, LLC and dedicated to the Hackberry 6 Federal 4H (30-015-41248);

- A 159.74-acre horizontal spacing unit comprised of Lot 2 (NW/4 NE/4), SW/4 NE/4, W/2 SE/4 of Section 6, T19S-R31E, operated by Devon Energy Production Company, L.P. and dedicated to the Helios 6 Federal Com 2H (30-015-38483) and the Helios 6 Federal Com 4H (30-015-42316); and
- A 159.63-acre horizontal well spacing unit comprised of Lot 1 (NE/4 NE/4), SE/4 NE/4, E/2 SE/4 of Section 6, T19S-R31E, operated by Devon Energy Production Company, L.P. and dedicated to the Helios 6 Federal Com 1H (30-015-38482) and the Helios 6 Federal Com 3H (30-015-41619).

The completed interval for each well will comply with statewide setbacks for oil wells.

Mewbourne will file separately for administrative approval of the non-standard horizontal spacing unit. Mewbourne has sought but been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject acreage.

APPLICANT'S PROPOSED EVIDENCE

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|---------------------------------------|-------------------------|-----------------|
| Brock Dixon, Landman | Self-Affirmed Statement | Approx. 5 |
| Justin Roeder, Geologist | Self-Affirmed Statement | Approx. 3 |

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



Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
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

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 457830

QUESTIONS

| | |
|---|--|
| Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241 | OGRID: 14744 |
| | Action Number: 457830 |
| | 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. |