

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR A NON-STANDARD GAS SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 16234

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR A NON-STANDARD GAS SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 16235

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

Case No. 16313

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

Case No. 16386

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

Case No. 16387

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

Case No. 16388

**APPLICATION OF MARATHON OIL PERMIAN LLC
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 16301

**APPLICATION OF MARATHON OIL PERMIAN LLC
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 16302

**APPLICATION OF MARATHON OIL PERMIAN LLC
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 16303

SECOND AMENDED PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Mewbourne Oil Company
Suite 1020
500 West Texas
Midland, Texas 79701

Attention: Corey Mitchell
(432) 682-3715

OPPONENTS

COG Operating LLC

Marathon Oil Permian LLC

Tom Ragsdale

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENTS' ATTORNEY

Ocean Munds-Dry
William F. Carr
Elizabeth Ryan

Jennifer Bradfute
Earl DeBrine

Sharon Shaheen

STATEMENT OF THE CASE

APPLICANT

Case No. 16234: Mewbourne Oil Company seeks an order approving a 480-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the NE/4 of Section 21 and the E/2 of Section 16, Township 24 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the Creedence 21/16 W0HA State Com. Well No. 1H and the Creedence W0HA State Com. Well No. 2H, horizontal wells with a first take point in the SE/4NE/4 of Section 21, and a last take point in the NE/4NE/4 of Section 16.

Case No. 16235: Mewbourne Oil Company seeks an order approving a 480-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the NW/4 of Section 21 and the W/2 of Section 16, Township 24 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to the Creedence 21/16 W2ED State Com. Well No. 1H and the Creedence W0ED State Com. Well No. 2H, horizontal wells with a first take point in the SW/4NW/4 of Section 21, and a last take point in the NW/4NW/4 of Section 16.

Case No. 16313: Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a 480 acre horizontal spacing unit comprised of the SE/4 of Section 21 and the E/2 of Section 28, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the Kansas 21/28 W0IP Fed. Com. Well No. 2H and the Kansas W2IP Fed. Com. Well No. 1H, horizontal wells with surface locations in the NE/4SE/4 of Section 21, and last take points in the SE/4SE/4 of Section 28. The producing intervals will be orthodox.

Case No. 16386: Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the W/2NE/4 of Section 21 and the W/2E/2 of Section 16, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the Creedence 21/16 B3GB State Com. Well No. 1H, a horizontal well a first take point in the SW/4NE/4 of Section 21 and a last take point in the NW/4NE/4 of Section 16.

Case No. 16387: Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the E/2NE/4 of Section 21 and the E/2E/2 of Section 16, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the Creedence 21/16 B3HA State Com. Well No. 1H, a horizontal well a first take point in the SE/4NE/4 of Section 21 and a last take point in the NE/4NE/4 of Section 16.

Case No. 16388: Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the NE/4 of Section 21 and the E/2 of Section 16, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the Creedence 21/16 W0GB State Com. Well No. 3H, the Creedence W2GB State Com. Well No. 4H, the Creedence 21/16 W2HA State Com. Well No. 5H, the Creedence 21/16 W2GB State Com. Well No. 6H, and the Creedence 21/16 W2GB State Com. Well No. 7H, horizontal wells with surface locations in the S/2NE/4 of Section 21, and final take points in the N/2NE/4 of Section 16.

Also to be considered in each case will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

OPPONENTS

Marathon Oil Permian LLC has filed competing applications in Cases 16301-16303, which Mewbourne Oil Company opposes.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

Tyler Jolly
(landman)

EST. TIME

25 min.

EXHIBIT

Approx. 15

Charles Crosby
(geologist)

25 min.

Approx. 15

Travis Cude
(engineer)

20 Min.

Approx. 5

OPPONENTS

WITNESSES

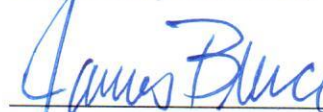
EST. TIME

EXHIBIT

PROCEDURAL MATTERS

The parties will be requesting a special hearing date.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043
jamesbruc@aol.com

Attorney for Mewbourne Oil Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 13th day of September, 2018 by e-mail:

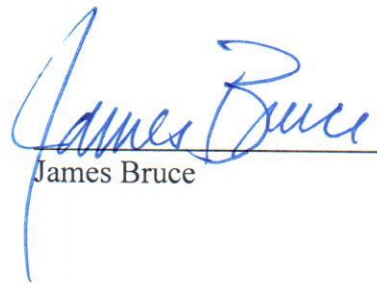
Ocean Munds-Dry
omundsdry@concho.com

William F. Carr
wcarr@concho.com

Elizabeth A. Ryan
eryan@concho.com

Jennifer L. Bradfute
jlb@modrall.com

Sharon T. Shaheen
sshaheen@montand.com


James Bruce