

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

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

CASE NO. 14918

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Mewbourne Oil Company ("Mewbourne") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Mewbourne Oil Company
500 West Texas, Ste. 1020
Midland, TX 79701
(432) 682-3715

ATTORNEY

Michael H. Feldewert
Adam G. Rankin
Holland & Hart, LLP
Post Office Box 2208
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OPPONENT

None

ATTORNEY

None

STATEMENT OF THE CASE

Mewbourne seeks an order (1) creating a non-standard 160-acre spacing and proration unit comprised of the N/2 S/2 of Section 10, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage to form a 160-acre project area in this formation. Mewbourne proposes to initially dedicate this spacing and proration unit as the project area for its proposed Tamano 10 Fed Com 8H Well to be horizontally drilled from a surface location 1,737 feet from the South line and 260 feet from the West line to a bottom hole location 1,800 feet from the South line and

330 feet from the East line of Section 10. The completed interval for this well will be within the 330-foot standard offset required by the rules.

The subject spacing unit includes more than one federal lease. Mewbourne has obtained the signatures of all the working interests in the subject spacing unit to a joint operating agreement covering this acreage, but has been unable to obtain the voluntary ratification and joinder of a communitization agreement from all working interest owners and record title owners. The U.S. Bureau of Land Management ("BLM") has stated it will not approve the necessary communitization agreement without a pooling order from the Division. Mewbourne has therefore brought this application before the Division.

OPPONENT'S PROPOSED EVIDENCE

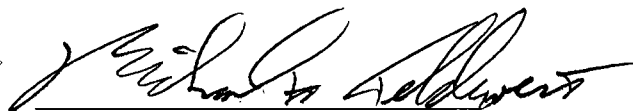
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Corey Mitchell, Landman	Approx. 15 minutes	Approx. 5
Nate Class, Petroleum Geologist	Approx. 15 minutes	Approx. 5

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART, LLP



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