

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

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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 SPACING AND PRORATION  
UNIT AND COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.

Case No. 14,967

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: Steven J. Smith  
(432) 682-3715

APPLICANT'S ATTORNEY

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

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2W/2 of Section 35, Township 24 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the base of the Bone Spring formation underlying the SW/4SW/4 of Section 35 to form a standard 40 acre oil spacing and proration unit, and (ii) the Bone Spring formation underlying the W/2W/2 of Section 35 to form a non-standard 160 acre oil spacing and proration unit (project area), for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Willow Lake 35 MD Fed.

Com. Well No. 1, a horizontal well with a surface location in the SW/4SW/4, and a terminus in the NW/4NW/4, of Section 35. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Steven J. Smith (landman)	10 min.	Approx. 8
Nate Cless (geologist)	15 min.	Approx. 6

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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**PROCEDURAL MATTERS**

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Mewbourne Oil Company