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 OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 15,110

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

<u>OPP</u>ONENT

OPPONENT'S ATTORNEY

APPLICANT'S ATTORNEY

Santa Fe, New Mexico 87504

James Bruce

P.O. Box 1056

(505) 982-2043

STATEMENT OF THE CASE

APPLICANT

Mewbourne Oil Company seeks an order approving an 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2W/2 of Section 21, Township 26 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the W/2W/2 of Section 21 for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the El Mar 21 DM Fed. Com. Well No. 1H, a horizontal well with a surface location in the NW/4NW/4, and a terminus in the SW/4SW/4, of Section 21. 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.

<u>OPPONENT</u>

PROPOSED EVIDENCE

APPLICANT

WITNESSES

<u>WITNESSES</u>	EST, TIME	<u>EXHIBITS</u>
Corey Mitchell (landman)	15 min.	Approx. 8
Roger Townsend (geologist)	15 min.	Approx. 5
OPPONENT		

PROCEDURAL MATTERS

EST. TIME

-None-

Respectfully submitted,

EXHIBITS

Post Office Box 1056 Santa Fe, New Mexico 87504

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Attorney for Mewbourne Oil Company