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

2014 OCT 20 P 4: 36

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, EDDY COUNTY, NEW MEXICO.

Case No. 15,194

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT'S ATTORNEY

Mewbourne Oil Company James Bruce Suite 1020 P.O. Box 1056

500 West Texas Santa Fe, New Mexico 87504

Midland, Texas 79701 (505) 982-2043

Attention: D. Paul Haden

(432) 682-3715

<u>OPPONENT'S ATTORNEY</u>

STATEMENT OF THE CASE

APPLICANT

<u>.</u>

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 S/2N/2 of Section 17, Township 20 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the S/2N/2 of Section 17 for all pools or formations developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the Glock 17 B2EH Fed. Well No. 1H, a horizontal well with a surface location in the SW/4NW/4, and a terminus in the SE/4NE/4, of Section 17. 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

WITNESSES	EST. TIME	EXHIBITS
Paul Haden (landman)	10 min.	Approx. 6
David Rawlins (geologist)	15 min.	Approx. 4

OPPONENT

WITNESSES	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

APPLICANT REQUESTS PERMISSION TO SUBMIT THIS APPLICATION BY AFFIDAVIT, PURSUANT TO THE RECENT NOTICE PUBLSIHED BY THE DIVISION.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Mewbourne Oil Company