

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

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

Case No. 20501

**MEWBOURNE OIL COMPANY'S
PRE-HEARING STATEMENT**

Mewbourne Oil Company ("Mewbourne") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

Mewbourne is the applicant in this case. Its business address is 500 West Texas Ave., Suite 1020, Midland, Texas 79701. Mewbourne is represented by the undersigned counsel.

STATEMENT OF THE CASE

Mewbourne's application seeks an order pooling all uncommitted mineral interests in the Bone Spring formation in a 398.54-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Section 3, the N/2 N/2 of Section 4, and the N/2 NE/4 of Section 5, Township 20 South, Range 30 East in Eddy County, New Mexico.

Mewbourne proposes to dedicate the horizontal spacing unit to the Caballo Loco 5/3 B2BA Fed Com #3H well, which will be horizontally drilled from a surface location in Unit B in Section 5 to a bottom hole location in Unit A in Section 3, Township 20 South, Range 30 East. The completed interval for the well will be orthodox.

PROPOSED EVIDENCE

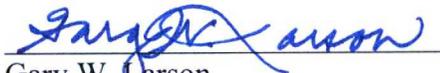
<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Mitch Robb (Landman)	10 minutes	Approx. 6
Charles Crosby (Geologist)	10 minutes	Approx. 5

Mewbourne reserves the right to call a rebuttal witness(es) if appropriate.

PROCEDURAL MATTERS

Mewbourne is not aware of any procedural matters to be resolved prior to the hearing. If there is no opposition to its application, Mewbourne will present its case by affidavit.

HINKLE SHANOR, LLP



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