

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

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

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

Case No. 13,798

AMENDED 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: D. Paul Haden  
(432) 682-3715

APPLICANT'S ATTORNEY

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

9/21/06  
JMB

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 27, Township 22 South, Range 26 East, NMPM, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Southeast Carlsbad-Wolfcamp Gas Pool, Undesignated Northeast Sheep Draw-Strawn Gas Pool, ~~Undesignated Happy Valley-Strawn Gas Pool~~, and Happy Valley-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the SW/4SE/4 to form a standard 40-acre oil spacing and proration unit for

any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Happy Valley-Delaware Pool and Undesignated Southeast Happy Valley-Bone Spring Pool. The unit is to be dedicated to the proposed Runaway "27" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SW/4SE/4 of Section 27. 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

DUE TO LACK OF OPPOSITION, THIS CASE WILL BE SUBMITTED BY AFFIDAVIT.

OPPONENT

WITNESSES

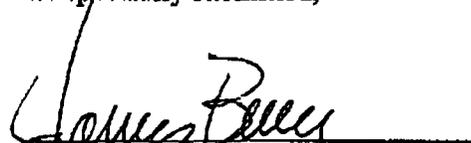
EST. TIME

EXHIBITS

**PROCEDURAL MATTERS**

-None-

Respectfully submitted,



James Bruce  
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Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Mewbourne Oil Company