

**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 A NON-STANDARD SPACING AND PRORATION  
UNIT, AND COMPULSORY POOLING EDDY COUNTY,  
NEW MEXICO.**

**CASE NO. 14474**

**PRE- HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

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**APPEARANCES OF PARTIES**

**APPLICANT**

Steven J. Smith  
Mewbourne Oil Co.  
500 W. Texas, Suite 1020  
Midland, TX 79701  
(432) 686-4170

**ATTORNEY**

Ocean Munds-Dry  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421

**STATEMENT OF CASE**

**APPLICANT**

Applicant seeks an order (1) creating a non-standard spacing unit comprised of the N/2 N/2 of Section 36, Township 19 South, Range 29 East, NMPM, and (2) pooling all mineral interests in the Bone Spring formation, Parkway-Bone Spring Pool, in this non-standard spacing and proration unit which spacing unit will be the project area for the Three Palms "36" State Com Well No. 1-H to be horizontally drilled from a surface location 660 feet from the North line and 330 feet from the East line (Unit A) and then in a westerly direction in the Bone Spring formation to a bottom hole terminus at a location 660 feet from the North line and 330 feet from the West line (Unit D) of said Section 36.

Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Mewbourne Oil Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 10 miles Northeast of Carlsbad, New Mexico.

### **PROPOSED EVIDENCE**

WITNESSES

ESTIMATED TIME

EXHIBITS

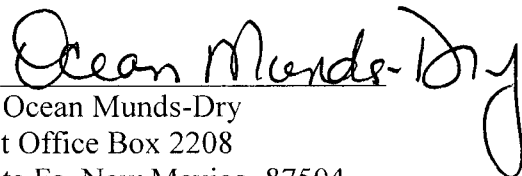
By Affidavit

### **PROCEDURAL MATTERS**

Mewbourne Oil Company has none at this time.

Respectfully submitted,

HOLLAND & HART LLP

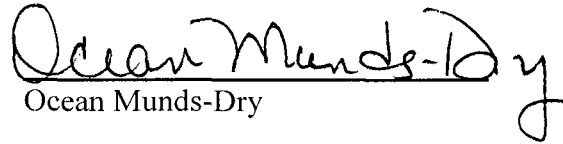
By:   
Ocean Munds-Dry  
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**ATTORNEY FOR  
MEWBOURNE OIL COMPANY**

**CERTIFICATE OF SERVICE**

I hereby certify that on this 17th day of June, 2010, I have caused to be delivered by Facsimile a copy of the **Pre-Hearing Statement** in the above mentioned case to the following counsel of record:

James Bruce, Esq.  
Post Office Box 1056  
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Ocean Munds-Dry