

**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:**

**IN THE MATTER OF THE APPLICATION OF MEWBOURNE OIL COMPANY
FOR A NON-STANDARD SPACING AND PRORATION UNIT AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 14527

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Mewbourne Oil Company
Attn: Mr. D. Paul Haden
500 West Texas, Suite 1020
Midland, Texas 79701
(432) 682-3715

ATTORNEY

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

STATEMENT OF CASE

APPLICANT:

Applicant in the above-styled cause seeks an order (1) creating a 160-acre non-standard spacing unit comprised of the S/2 N/2 of Section 17, Township 19 South, Range 33 East, NMPM, and (2) pooling all mineral interests in the Bone Spring formation, Tonto Bone Spring Pool (Pool Code 59475), in this non-standard spacing and proration unit which spacing unit will be the project area for its Spyglass "17" Federal Well No. 1H to be drilled from a surface location 2135 feet from the North line and 330 feet from the West line (Unit E) and then in an easterly direction in the Bone Spring formation to a terminus 2135 feet from the North line and 330 feet from the East line (Unit H) of said Section 17.

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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 19 miles Southeast of Maljamar, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

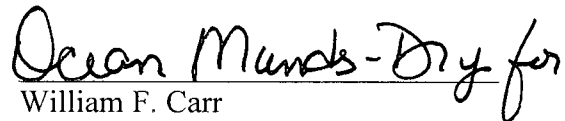
ESTIMATED TIME

EXHIBITS

Mewbourne Oil Company will present this case by affidavit.

PROCEDURAL MATTERS

Mewbourne Oil Company has none at this time.

The signature is written in cursive and reads "Ocean Mounds-Dry for".

William F. Carr
Attorney for Mewbourne Oil
Company