

**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, UNORTHODOX WELL LOCATION, AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 14604

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by applicant as required by the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Mewbourne Oil Company
c/o D. Paul Haden
500 West Texas, Suite 1020
Midland, Texas 79701
(432) 682-3715

ATTORNEY

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

STATEMENT OF THE CASE

Mewbourne Oil Company seeks an order creating a non-standard spacing unit comprised of the W/2 E/2 of Section 6 Township 20 South, Range 29 East, NMPM, and pooling all mineral interests in the Bone Spring formation, Winchester Bone Spring Pool, in this non-standard spacing and proration unit which spacing unit will be the project area for the Ruger "6" Federal Com No. 4-H Well (API No. 30-015-37198) which it proposes to drill as a horizontal oil well from a non-standard surface location 150 feet from the North line and 1755 feet from the East line of said Section 6, and then in a southerly direction in the third sand interval of the Bone Spring formation to a bottom hole terminus at a point 330 feet the South line and 2310 feet from the East line of said Section 6. This well will penetrate the Bone Spring formation at an unorthodox location 150 feet from the North line and 1755 feet from the East line of Section 6, however, the producing interval in the wellbore is within the well's "producing area." Also to be considered will be the cost of drilling and completing the well and the allocation of the costs 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.

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PROPOSED EVIDENCE

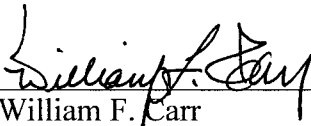
APPLICANT

| <u>WITNESS</u> | <u>TIME</u> | <u>EXHIBITS</u> |
|---|--------------------|------------------------|
| D. Paul Haden Landman | 15 minutes | Approx. 6 |
| Jason Lodge Geologist Or other geological witness | 10 minutes | Approx. 4 |

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,



William F. Carr

ATTORNEY FOR MEWBOURNE
OIL COMPANY