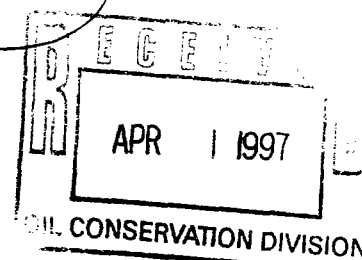


**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

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

CASE NO. 11723

APPLICATION OF MEWBOURNE OIL
COMPANY FOR AN UNORTHODOX
GAS WELL LOCATION AND
NON-STANDARD GAS PRORATION UNIT,
EDDY COUNTY, NEW MEXICO.



PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr & Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Mewbourne Oil Company

name, address, phone and
contact person

ATTORNEY

Jim Bruce, Esq.
Attorney at Law
Post Office Box 1056
Santa Fe, New Mexico 87504-1056
(505) 982-2043

INTERESTED PARTY

Texaco Exploration & Production Inc.
c/o David Uhl

Post Office Box 2100
Denver, CO 80201
(303) 793-4647

ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Texaco Exploration and Production Inc., will request that a well at the unorthodox location proposed by Mewbourne be penalized to restrict the production therefrom and thereby offset the advantage Mewbourne will gain by virtue of this location.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

OTHER PARTY

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

David Uhl, Geology

10Min.

Approximately 4

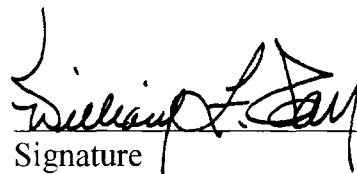
Kevin Bittel, Engineer

10 Min.

Approximately 2

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)

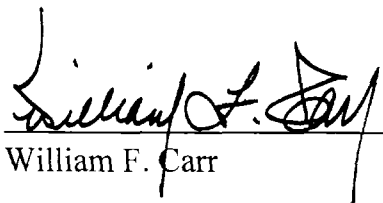

Signature

Pre-hearing Statement
NMOCD Case No. 11723
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CERTIFICATE OF SERVICE

I hereby certify that I have caused a true and correct copy of the foregoing Pre-Hearing Statement to be hand-delivered on this 8th day of April, 1997 to the following counsel of record:

James E. Bruce, Esq.
Attorney at Law
612 Old Santa Fe Trail
Suite B
Santa Fe, New Mexico 87501



William F. Carr