DE COMSEL. HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 800 '92 APA 21 POST OFFICE BOX 2043

ALBUQUERQUE, NEW MEXICO 87103

(505) 768-1500

FAX (505) 768-1529

CLARENCE E HINKLE (1901-985) W E. BONDURANT, JR (1913-1973) ROY C SNODGRASS, JR (1914-1987)

OF COUNSEL
O M CALHOUN*
MACK EASLEY
JOE W WOOD
RICHARD S MORRIS

WASHINGTON, D.C. SPECIAL COUNSEL ALAN J STATMAN

April 27, 1992

A DIVISION

700 UNITED BANK PLAZA POST OFFICE BOX IO ROSWELE MEN MEXICO BB202

FAX (505) 623-9332

2800 CLAYDESTA CENTER 6 DESTA DRIVE POST OFFICE BOX 3580 MIDLAND, TEXAS 79702 (915) 683-4691 FAX (915) 683-6518

1700 TEAM BANK BUILDING POST OFFICE BOX 9238 AMARILLO, TEXAS 79105 (806) 372-5569 FAX (806) 372-976

218 MONTEZUMA POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554 FAX (505) 982-8623

MARTIN MEYERS
GREGORY S WHEELER
ANDREW S CHOUTER
JAMES A. GILLESPIE
GARY W LARSON
STEPHANIE LANDRY
JOHN R KULSETH, JR.
MARGARET R MENETT
BRIAN T CARTVRIGHT*
LISA K SMITH*
JAMES KENT SCHUSTER*
ROBERT H BETHEA*
BRALLEY W HOWARD
CHARLES A. SUTTON*
NORMAN D EWART
DARREN T GROCE*
MOLLY MCINTOSH GARY D COMPTON*
MICHAEL A GROSS
THOMAS D HAINES, JR
GREGORY J NIBERT
DAVID T MARKETTE*
MARK C DOW *NOT LICENSED IN NEW MEXICO

LEWIS C COX

PAUL W EATON

PAUL W LATON
CONRAD E COFFIELD
HAROLD L HENSLEY, JR
STUART D SHANOR
ERIC D LANPHERE
C D MARTIN
PAUL J KELLY JR
ROBERT P TINNIN, JR

MARSHALL G MARTIN

MARSHALL G MARTIN
OWEN M LOPEZ
DOUGLAS L LUNSFORD
JOHN J KELLY
NICHOLAS J NOEDING
I CALDER EZZELL JR
WILLIAM B BURFORD'
P CHARD E OLSON
RICHARD P WILFONG'
T-OMAS J MERDIDE

T-OMAS J MCBRIDE STEVEN D ARNOLD

STEVEN O ARNOLD
JAMES J WECHSLER
NANCY S CUSACK
LEFFREY L FORNACIARI
JEFFREY D HEWETT
JAMES BRUCE
JEFFREY W HELLBERG*
ALBERT L PITTS
THOMAS M HNASKO
JOHN C C-AMBERS*
GARY D COMPTON*
MICHAEL A BROSS

Florene Davidson Oil Conservation Division State Land Office Building P. O. Box 2088 Santa Fe, New Mexico 87504

KAREN M. RICHARDSON*

KARA L KELLOGG

KAREN M. RICHARDSON*
FRED W. SCHWENDIMANN
JAMES M. HUDSON
JEFFREY'S BARD*
MACDONNELL GOROON
REBECCA NICHOLS JOHNSON
WILLIAM P. JOHNSON
STANLEY K. KOTOVSKY JR.
H. R. THOMAS
KARBAL K.E. L. C. G.

BETTY H LITTLE*
RUTH S MUSGRAVE
ELLEN 5. CASEY
S BARRY PAISNER
MARGARET CARTER LUDEWIG

STEPHEN M CRAMPTON MARTIN MEYERS

Dear Florene:

Enclosed for filing is a Pre-Hearing Statements for case no. 10,470.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &

HENSLEY

James Bruce By:

JB:le

cc w/enc: William F. Carr

STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

May 7, 1992

CAMBELL, CARR, BERGE & SHERIDAN
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE:

CASE NO. 10470

ORDER NO. R-9671

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Florene Davidson

Horene

OC Staff Specialist

FD/sl

cc:

BLM Carlsbad Office

J. Bruce

OF COMPANY MEWBOURNE OIL COMPANY

'92 MBY 25 AM 9 42

500 W, TEXAS, SUITE 1020 MIDLAND, TEXAS 79701

> (915) 682-3715 FAX (915) 685-4170 May 19, 1992

the like

HAND DELIVERED

Maralo, Inc. P. O. Box 832 Midland, Texas 79701

Attention: Mark Wheeler, CPL District Landman

> RE: Farmout Agreement

SW/4SE/4 of Section 13, T18S, R32E

Lea County, New Mexico NMOCD Order No. R-9671

Dear Mark:

Enclosed for your further handling is an executed copy of that certain Farmout Agreement regarding Mewbourne's acreage under the captioned land in support of Maralo's West Corbin 13 Federal #1 well to be drilled in the SE/4SE/4 of the subject Section 13 to test the Wolfcamp formation.

As the referenced agreement was undated, I inserted "15th" in the appropriate space above "this day" on line (1) of the agreement. Also please note on Page (1), under Provision I, Test Well, first paragraph on lines (8) and (9) I inserted "but in no event below the base of the Wolfcamp Formation." As the depth restriction also applies to Provision II, Assignment, on Page (3) and Additional Assignments, on Page (4), I inserted "but in no event below the base of the Wolfcamp Formation" in the appropriate places.

In the event the additions described above are unacceptable to Maralo, please advise. The other provisions of the Farmout Agreement submitted to us by Maralo on May 18, 1992 are acceptable.

Regarding the above, please have the enclosed pages (1), (3) and (4) initialed in the appropriate places and have the enclosed two duplicate signature pages executed on behalf of Maralo. Upon execution, return the initialed pages and an original executed signature page of the agreement to my attention. As time is of the essence in this trade, please forward the papers via Federal Express. As set out in the referenced agreement, we need the requested papers returned to Mewbourne's office in Midland, Texas by May 26, 1992 prior to 5:00 p.m.

Maralo's cooperation in connection with this trade is greatly appreciated. Please call should you have any questions regarding the above.

Sincerely,

Mewbøurne Qil Company

D. Paul Haden, CPL

Landman

DPH/nb enclosure

CC: New Mexico Oil Conservation Division

P. O. Box 2088

Santa Fe, New Mexico 87504

Attention: Mr. David R. Catanach, Examiner