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October 13, 1992

*NOT LICENSED IN NEW MEXICO

VIA HAND DELIVERY

Ms. Florene Davidson
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87503

Dear Florene:

Enclosed, regarding Case No. 10,568, are an original and two copies of a Pre-Hearing Statement.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY


James Bruce

JB:frs
Enclosures

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OCT 13 1992

OIL CONSERVATION DIVISION

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. 10,568

APPLICATION OF MEWBOURNE OIL
COMPANY FOR AN UNORTHODOX
INFILL GAS WELL LOCATION AND
SIMULTANEOUS DEDICATION, EDDY
COUNTY, NEW MEXICO.

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OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Applicant as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Mewbourne Oil Company
550 West Texas
Suite 1020
Midland, Texas 79701
(915) 682-3715
Attention: D. Paul Haden

ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley
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OPPOSITION OR OTHER PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

Applicant seeks to drill its Chalk Bluff Fed. No. 3 Well to test the Morrow formation at an unorthodox location (1980 feet FSL and 990 feet FEL) in Section 1 - 18 South - 27 East, and to simultaneously dedicate the well to the S½ of Section 1 together with its Chalk Bluff Fed. No. 1 Well (located in the SW¼ of Section 1). The existing wells in Section 1, the Chalk Bluff Fed. No. 1 in the SW¼, and the Chalk Bluff Fed. No. 2 in the NW¼, are not capable of draining 320 acres each. In addition, a well located in the W½ of Section 6 - 18 South - 28 East, is draining the SE¼ of Section 1. Thus, the new well is needed to offset the Section 6 Well, to protect correlative rights of Section 1 owners.

OPPOSITION

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
D. Paul Haden (Landman)	5 minutes	(a) Land plat (b) Notice letters
Dexter Harmon (Geologist)	15 minutes	(a) Structure map (b) Isopach (c) Cross-section
Robin Vasicek (Engineer)	20 minutes	(a) Decline curves (b) Volumetric calculations

OPPOSITION

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

A handwritten signature in black ink, appearing to read "James Bruce", written over a horizontal line.

James Bruce
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Attorneys for Mewbourne Oil Company