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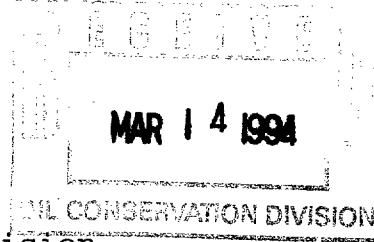
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March 14, 1994



VIA HAND DELIVERY

Mr. William LeMay
New Mexico Oil Conservation Division
Energy, Minerals and Natural Resources Department
State Land Office Building
Santa Fe, New Mexico 87501

Re: Case Nos. 10,939 and 10,940 (Applications of Mewbourne
Oil Company for Unorthodox Gas Well Locations)

Dear Mr. LeMay:

Enclosed is an original and two copies of a consolidated pre-hearing statement in the above two cases.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

James Bruce
James Bruce

JB/bc

Enclosures

**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 NOS. 10,939 and 10,940

**APPLICATIONS OF MEWBOURNE OIL
COMPANY FOR TWO UNORTHODOX GAS
WELL LOCATIONS, EDDY COUNTY,
NEW MEXICO.**

CONSOLIDATED PRE-HEARING STATEMENT

This Statement is submitted by Mewbourne Oil Company as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

Applicant:

Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, Texas 79701
Attn: D. Paul Haden
(915) 682-3715

Attorney:

James Bruce
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MAR 14 1994

STATEMENT OF CASE

Applicant:

Applicant requests two unorthodox gas well locations: (a) 330' FSL and 2210' FWL § 23; and (b) 1667' FNL and 2140' FWL § 26, both in 16 South-28 East. Both wells will test the undesignated Vandagriff Keyes Gas Pool (Queen formation).

The location for the well in the SW $\frac{1}{4}$ § 23 is required due to (i) geological factors which indicate a well should not be drilled to the north or west of the proposed location, (ii) topographic

reasons (high relief at the original standard location), and (iii) potential archaeological limitations to the West.

The location for the well in the NW $\frac{1}{4}$ of § 26 is limited by (i) numerous archeological sites, and (ii) high structural relief throughout the quarter section. The proposed location is satisfactory from a geological standpoint.

Both wells are significant step-outs from existing Queen production.

PROPOSED EVIDENCE

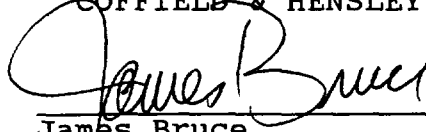
Applicant:

	WITNESS	ESTIMATED TIME	EXHIBITS
1.	Paul Haden (Landman)	5 minutes	(a) Land Plat
2.	David Schatzer (Geologist)	15 minutes	(a) Topographic map (b) Archaeological reports (c) Production map (d) Structure map (e) Net sand isopach (f) Cross section

PROCEDURAL MATTERS

Applicant requests Case Nos. 10939 and 10940 be consolidated for hearing, since the testimony for both cases is similar.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

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Attorneys for Mewbourne Oil Company