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

APPLICATIONS OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 25276-25277

MEWBOURNE'S CONSOLIDATED PRE-HEARING STATEMENT

Mewbourne Oil Company ("Mewbourne" or "Applicant") submits this consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

| APPLICANT | ATTORNEY |
|--|--|
| Mewbourne Oil Company ("Mewbourne") | Michael H. Feldewert Adam G. Rankin Paula M. Vance Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421 (505) 983-6043 Facsimile |
| OTHER PARTIES None | |

APPLICANT'S STATEMENT OF THE CASE

In Case No. 25276, Mewbourne seeks an pooling a non-standard 1,909.60-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying all of Sections 25 and 26, Township 22 South, Range 26 East, and Lots 1-4, E/2W/2, and E/2 (all) of Section 30, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. Mewbourne seeks to initially dedicate the above-referenced horizontal spacing

unit to the following proposed wells to be horizontally drilled from a surface location in the SE4 of Section 27:

- Runway 26/30 Fed Com 521H with a first take point in the NW4NW4 (Unit D) of Section 26 and a last take point in NE4NE4 (Unit A) of Section 30,
- Runway 26/30 Fed Com 523H with a first take point in the SW4NW4 (Unit E) of Section 26 and a last take point in SE4NE4 (Unit H) of Section 30,
- Runway 26/30 Fed Com 525H with a first take point in the NW4SW4 (Unit L) of Section 26 and a last take point in the NE4SE4 (Unit I) of Section 30, and
- Runway 26/30 Fed Com 527H with a first take point in the SW4SW4 (Unit M) of Section 26 and a last take point in the SE4SE4 (Unit P) of Section 30.

Under Case No. 25277, Mewbourne seeks an order pooling a non-standard 1,909.60-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying all of Sections 25 and 26, Township 22 South, Range 26 East, and Lots 1-4, E/2W/2, and E/2 (all) of Section 30, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. Mewbourne seeks to initially dedicate the above-referenced horizontal spacing unit to the following proposed wells to be horizontally drilled from a surface location in the SE4 of Section 27:

- Runway 26/30 Fed Com 711H with a first take point in the NW4NW4 (Unit D) of Section 26 and a last take point in NE4NE4 (Unit A) of Section 30,
- Runway 26/30 Fed Com 713H with a first take point in the SW4NW4 (Unit E) of Section 26 and a last take point in SE4NE4 (Unit H) of Section 30,
- Runway 26/30 Fed Com 715H with a first take point in the NW4SW4 (Unit L) of Section 26 and a last take point in the NE4SE4 (Unit I) of Section 30, and

• Runway 26/30 Fed Com 717H with a first take point in the SW4SW4 (Unit M) of Section 26 and a last take point in the SE4SE4 (Unit P) of Section 30.

The completed interval for the wells will comply with statewide setbacks for oil wells.

Mewbourne has sought but been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing units. The pooling of uncommitted mineral owners in the proposed spacing unit will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

APPLICANT'S PROPOSED EVIDENCE

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|----------------------------|-------------------------|-----------|
| Hudson Brunson, Landman | Self-Affirmed Statement | Approx. 4 |
| Dillon Bagnall, Geologist | Self-Affirmed Statement | Approx. 3 |

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS

Action 448662

QUESTIONS

| Operator: | OGRID: |
|------------------|--|
| MEWBOURNE OIL CO | 14744 |
| P.O. Box 5270 | Action Number: |
| Hobbs, NM 88241 | 448662 |
| | Action Type: |
| | [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

| Testimony | | |
|---|---------------|--|
| Please assist us by provide the following information about your testimony. | | |
| Number of witnesses | Not answered. | |
| Testimony time (in minutes) | Not answered. | |