

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

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 24337

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Mewbourne Oil Company ("Mewbourne") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Mewbourne Oil Company
Suite 1020
500 West Texas
Midland, Texas 79701

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attention: Hudson Brunson
(432) 682-3715

OTHER PARTIES

OTHER PARTIES' ATTORNEYS

STATEMENT OF THE CASE

APPLICANT

Mewbourne seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation, limited to depths from the top of the First Bone Spring Sand to the base of the Bone Spring formation, underlying a proximity tract horizontal spacing unit comprised of the W/2 of Section 15 and the W/2 of Section 22, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Applicant proposes to drill the following wells to depths sufficient to test the Bone Spring formation:

(a) the Red Hills West 22/15 Fed Com. Well Nos. 521H, 571H, and 502H, with first take points in the SW/4SW/4 of Section 22 and last take points in the NW/4NW/4 of Section 15; and

(b) the Red Hills West 22/15 Fed Com. Well Nos. 524H, 574H and 573H, with first take points in the SE/4SW/4 of Section 22 and last take points in the NE/4NW/4 of Section 15.

Also to be considered will be the cost of drilling, completing, testing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, testing and equipping the wells.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBIT

Hudson Brunson
(landman)

10 min.

Approx. 5

Justin Roeder
(geologist)

10 min.

Approx. 10

OPPONENT

WITNESSES

EST. TIME

EXHIBIT

PROCEDURAL MATTERS

This case will be presented by affidavit if uncontested.

Respectfully submitted,



James Bruce
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Attorney for Mewbourne Oil Company

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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 327887

QUESTIONS

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| Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241 | OGRID: 14744 |
| | Action Number: 327887 |
| | Action Type: [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

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