

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

**APPLICATION OF MEWBOURNE OIL COMPANY  
FOR APPROVAL OF A NON-STANDARD 1,600-ACRE  
HORIZONTAL WELL SPACING UNIT AND COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24634**

**MEWBOURNE OIL COMPANY'S PRE-HEARING STATEMENT**

Mewbourne Oil Company ("Mewbourne" or "Applicant"), the applicant in the above-referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Mewbourne Oil Company  
("Mewbourne")

**ATTORNEY**

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**APPLICANT'S STATEMENT OF THE CASE**

Under **Case No. 24634**, Mewbourne seeks an order pooling all uncommitted mineral owners in the Bone Spring formation Forty Niner Ridge Bone Spring Pool [24720] underlying a non-standard 1,600.4-acre, more or less, horizontal spacing unit comprised of Lot 1 (NE/4 NE/4 equivalent), the NW/4 NE/4, Lots 2 and 3 (N/2 NW/4 equivalent), the S/2 N/2, and the S/2 of

irregular Section 4, all of Section 9, and the N/2 of Section 16, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico.

Due to the nature and configuration of the federal leases in the subject area, the Bureau of Land Management (“BLM”) will not approve the commingling of production at central facilities if the subject area is developed using standard horizontal well spacing units. *See, e.g.*, 43 CFR 3173.14 (addressing authorized commingling). However, if the proposed non-standard spacing unit is approved by the Division, the BLM has stated it will issue a corresponding Communitization Agreement for the federal leases within the subject area to allow commingling and the corresponding reduction of the necessary surface facilities.

Mewbourne seeks to minimize cost and surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing unit. To allow the proposed wells to be dedicated to a federal Communitization Agreement, Mewbourne requires approval of a corresponding non-standard horizontal well spacing unit in the Bone Spring formation.

Mewbourne seeks to initially dedicate the above-referenced spacing unit to the proposed **Forty Niner Ridge Unit Com #135H** (API: 30-015-50135), to be drilled horizontally from a surface location in the SE/4 NW/4 (Unit F) of Section 16 and a bottom hole location in Lot 3 (NW/4 NW/4 equivalent) of irregular Section 4; **Forty Niner Ridge Unit Com #136H** (API: 30-015-50141), to be drilled horizontally from a surface location in the SE/4 NW/4 (Unit F) of Section 16 and a bottom hole location in Lot 3 (NW/4 NW/4 equivalent) of irregular Section 4; **Forty Niner Ridge Unit Com #137H** (API: 30-015-50136), to be drilled horizontally from a surface location in the SE/4 NW/4 (Unit F) of Section 16 and a bottom hole location in Lot 2 (NE/4 NW/4 equivalent) of irregular Section 4; **Forty Niner Ridge Unit Com #149H** (API: 30-015-53311), to

be drilled horizontally from a surface location in the SW/4 NE/4 (Unit G) of Section 16 and a bottom hole location in the NW/4 NE/4 (Unit B) of irregular Section 4; **Forty Niner Ridge Unit Com #151H** (API: 30-015-49426), to be drilled horizontally from a surface location in the SW/4 NE/4 (Unit G) of Section 16 and a bottom hole location in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 4; and **Forty Niner Ridge Unit Com #152H** (API: 30-015-50146), to be drilled horizontally from a surface location in the SW/4 NE/4 (Unit G) of Section 16 and a bottom hole location in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 4.

The completed interval for the wells will comply with statewide setbacks for oil wells. Mewbourne has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject acreage.

**APPLICANT’S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Ariana Rodrigues, Landman	Self-Affirmed Statement	Approx. 5
Tyler Hill, Geologist	Self-Affirmed Statement	Approx. 3

**PROCEDURAL MATTERS**

Mewbourne intends to present this case by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

By:  \_\_\_\_\_

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
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QUESTIONS

Action 365530

**QUESTIONS**

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 365530
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<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>