

**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. 21724 & 21725

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: Josh Anderson
(432) 682-3715

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Case No. 21724: Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 23 and the N/2 of Section 24, Township 21 South, Range 27 East, NMPM. The unit will be dedicated to: (a) the Chile Verde W0DA 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the NW/4NW/4 of Section 23 and a last take point in the NE/4NE/4 of Section 24; and (b) the Chile Verde W0EH 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4NW/4 of Section 23 and a last take point in the SE/4NE/4 of Section 24.

Case No. 21725: Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2 of Section 23 and the S/2 of Section 24, Township 21 South, Range 27 East, NMPM. The unit will be dedicated to: (a) the Chile Verde W0LI 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point

in the NW/4SW/4 of Section 23 and a last take point in the NE/4SE/4 of Section 24; and (b) the Chile Verde W0MP 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4SW/4 of Section 23 and a last take point in the SE/4SE/4 of Section 24.

Also to be considered will be the cost of drilling, completing, 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 and completing the wells.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBIT</u>
Josh Anderson (landman)	20 min.	Approx. 8
Charles Crosby (geologist)	20 min.	Approx. 8

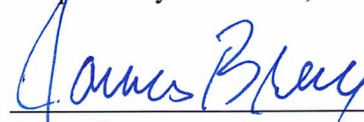
OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBIT</u>
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PROCEDURAL MATTERS

The cases should be consolidated for hearing. They will be submitted by affidavit.

Respectfully submitted,



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Attorney for Mewbourne Oil Company