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. 22336 and 22337

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

Attention:

Adriana Salgado

(432) 682-3715

OPPONENT

APPLICANT'S ATTORNEY

James Bruce

P.O. Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

<u>Case No. 22336</u>: Mewbourne Oil Company seeks an order pooling all mineral interest owners in the Bone Spring formation in a horizontal spacing unit comprised of the N/2SE/4 of Section 3 and the N/2S/2 of Section 2, Township 18 South, Range 29 East, NMPM. The unit will be dedicated to the Swanson 3/2 B2JI Fed. Com. Well No. 1H, a horizontal well with a first take point in the NW/4SE/4 of Section 3 and a last take point in the NE/4SE/4 of Section 2.

Case No. 22337: Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the S/2SE/4 of Section 3 and the S/2S/2 of Section 2, Township 18 South, Range 29 East, NMPM. The unit will be dedicated to the Swanson 3/2 B2OP Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4SE/4 of Section 3 and a last take point in the SE/4SE/4 of Section 2.

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, completing, and equipping the wells.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

| WITNESSES | EST. TIME | <u>EXHIBIT</u> |
|------------------------------|-----------|----------------|
| Adriana Salgado (landman) | 15 min. | Approx. 6 |
| Charlie Crosby (geologist) | 15 min. | Approx. 6 |
| <u>OPPONENT</u> | | |

PROCEDURAL MATTERS

EST. TIME

These cases should be consolidated for hearing. They will be submitted by affidavit if there is no opposition.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

EXHIBIT

(505) 982-2043

Attorney for Mewbourne Oil Company

Cc: Counsel of record

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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 63790

QUESTIONS

| Operator: | OGRID: |
|------------------|--|
| MEWBOURNE OIL CO | 14744 |
| P.O. Box 5270 | Action Number: |
| Hobbs, NM 88241 | 63790 |
| | 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. | |