

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

**APPLICATION OF MEWBOURNE OIL COMPANY  
FOR APPROVAL OF A 640-ACRE NON-STANDARD  
HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23681**

**APPLICANT’S PRE-HEARING STATEMENT**

Mewbourne Oil Company (OGRID No. 14744), the applicant in the above-referenced case, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Mewbourne Oil Company

**ATTORNEY**

Michael H. Feldewert, Esq.  
Adam G. Rankin, Esq.  
Julia Broggi, Esq.  
Paula M. Vance, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
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**OTHER PARTIES**

None

**ATTORNEY**

**APPLICANT’S STATEMENT OF CASE**

Mewbourne seeks an order (a) approving a 640-acre non-standard horizontal well spacing unit in the Bone Spring formation [Mescalero Escarpe; Bone Spring Pool (45793)] underlying the W2 of Sections 11 and 14, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted interests in this acreage. This spacing unit will be initially dedicated to the proposed **La Roca 14/11 Fed Com 521H** and the **La Roca 14/11 Fed Com 523H**

wells to be horizontally drilled from a common surface location in the SW4SW4 (Unit M) of Section 14 to bottom hole locations in the NW4NW4 (Unit D) and the NE4NW4 (Unit C) of Section 11.

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 has sought but been unable to obtain voluntary agreement for the development of these lands from all mineral interest owners in the subject acreage.

**APPLICANT’S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Tyler Jolly, Landman	Affidavit	Approx. 6
Jordan Carrell, Geology	Affidavit	Approx. 3

**PROCEDURAL MATTERS**

Mewbourne intends to present this matter by self-affirmed statements if they remain unopposed at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

A handwritten signature in blue ink, appearing to read "Michael H. Feldewert", written over a horizontal line.

Michael H. Feldewert

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
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QUESTIONS

Action 245111

**QUESTIONS**

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 245111
	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>