

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

**APPLICATIONS OF MEWBOURNE OIL
COMPANY FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL
SPACING UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NOS. 25141-25144

MEWBOURNE’S CONSOLIDATED PRE-HEARING STATEMENT

Mewbourne Oil Company (“Mewbourne” or “Applicant”), the applicant in the above-referenced cases, submits this Consolidated 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 CASE

Under these consolidated cases, Mewbourne seeks orders pooling the Bone Spring formation San Lorenzo; Bone Spring [53600] for the referenced acreage, all in Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, as follows:

- Under **Case No. 25141**, Mewbourne seeks an order (1) approving a 320.62-acre, more or less, overlapping horizontal well spacing unit underlying Lot 4, SE/4 NW/4, and W/2 SW/4 (W/2 W/2 equivalent) of irregular Section 4, and W/2 W/2

of Section 9, and (2) pooling all uncommitted interests in this acreage. Mewbourne seeks to initially dedicate the unit to the proposed **San Lorenzo 9-4 State Com #551H** well to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 9 to a bottom hole location in Lot 4 (NW/4 NW/4 equivalent) of irregular Section 4. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:

- 160-acre spacing unit comprised of Lot 4, SW/4 NW/4, and W/2 SW/4 (W/2 W/2 equivalent) of irregular Section 4, T25S-R28E, dedicated to the Odie 4 State 1H (API: 30-015-41311) well currently operated by RAYBAW Operating, LLC; and
 - 160-acre spacing unit comprised of the W/2 W/2 of Section 9, T25S-R28E, dedicated to the San Lorenzo 9 MD Fee 1H (API: 30-015-41305) well currently operated by Mewbourne Oil Company.
- Under **Case No. 25142**, Mewbourne seeks and order (1) approving a 320.50-acre, more or less, overlapping horizontal well spacing unit underlying Lot 3, SW/4 NW/4, and E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 4, and E/2 W/2 of Section 9, and (2) pooling all uncommitted interests in this acreage. Mewbourne seeks to initially dedicate the unit to the proposed **San Lorenzo 9-4 State Com #553H** well to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 9 to a bottom hole location in Lot 3 (NE/4 NW/4 equivalent) of irregular Section 4. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:
 - 160-acre spacing unit comprised of Lot 3, SE/4 NW/4, and E/2 SW/4 (E/2 W/2 equivalent) of irregular Section 4, T25S-R28E, dedicated to the Nermal 4 State 1H (API: 30-015-41239) well currently operated by RAYBAW Operating, LLC; and
 - 160-acre spacing unit comprised of the E/2 W/2 of Section 9, T25S-R28E, dedicated to the San Lorenzo 9 NC Fee 1H (API: 30-015-40749) well

currently operated by Mewbourne Oil Company.

- Under **Case No. 25143**, Mewbourne seeks and order (1) approving a 320.38-acre, more or less, overlapping horizontal well spacing unit underlying Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 4, and W/2 E/2 of Section 9, and (2) pooling all uncommitted interests in this acreage. Mewbourne seeks to initially dedicate the unit to the proposed **San Lorenzo 9-4 State Com #556H** well to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 9 to a bottom hole location in Lot 2 (NW/4 NE/4 equivalent) of irregular Section 4. This proposed horizontal well spacing unit will overlap the following existing spacing unit in the Bone Spring formation:
 - 160-acre spacing unit comprised of Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 4, T25S-R28E, dedicated to the Kayro 4 State 1H (API: 30-015-41292) well currently operated by RAYBAW Operating, LLC.
- Under **Case No. 25144**, Mewbourne seeks (1) approving a 320.26-acre, more or less, overlapping horizontal well spacing unit underlying Lot 1, SE/4 NE/4, and E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 4, and E/2 E/2 of Section 9, and (2) pooling all uncommitted interests in this acreage. Mewbourne seeks to initially dedicate the unit to the proposed **San Lorenzo 9-4 State Com #558H** well to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 9 to a bottom hole location in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 4. This proposed horizontal well spacing unit will overlap the following existing spacing unit in the Bone Spring formation:
 - 160-acre spacing unit comprised of Lot 1, SE/4 NE/4, and E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 4, T25S-R28E, dedicated to the Pooky 4 State 1H (API: 30-015-41241) well currently operated by RAYBAW

Operating, LLC.

The completed interval for each well will comply with statewide setbacks for oil wells. 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

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|---------------------------------------|-------------------------|-----------------|
| Carson Cullen, Landman | Self-Affirmed Statement | Approx. 5 |
| Cole Hatchel, Geologist | Self-Affirmed Statement | Approx. 3 |

PROCEDURAL MATTERS

Mewbourne requests that these matters be consolidated for hearing and intends to present these cases by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP



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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 429450

QUESTIONS

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| Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241 | OGRID: 14744 |
| | Action Number: 429450 |
| | 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> |