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

APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 25414

PRE-HEARING STATEMENT

Mewbourne Oil Company ("Applicant") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPLICANT ATTORNEYS

Mewbourne Oil Company Dana S. Hardy

Jaclyn M. McLean Daniel B. Goldberg Hardy McLean LLC 125 Lincoln Ave, Ste. 223 Santa Fe, NM 87501

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INTERESTED PARTY ATTORNEYS

None.

STATEMENT OF THE CASE

Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 640.24-acre, more or less, standard horizonal spacing unit comprised of the N/2 of Sections 28 and 29, Township 22 South, Range 27 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): City Slickers 28/29 Fee #523H, which will be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 27 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 29; City Slickers 28/29 #551H, which will be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 27 to a bottom hole

location in the NW/4 NW/4 (Unit D) of Section 29; and City Slickers 28/29 #554H, which will be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 27 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 29. The completed intervals of the Wells will be orthodox. The completed interval of the City Slickers 28/29 #523H well will be located within 330' of the quarter-quarter section line separating the N/2 N/2 and S/2 N/2 of Sections 28 and 29 to allow for the creation of a standard, 640.24-acre, more or less, standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as operator of the Unit and Wells, and a 200% charge for the risk involved in drilling and completing the Wells.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Brad Dunn	Landman	Affidavit	Approx. 5
Tyler Hill	Geologist	Affidavit	Approx. 3

PROCEDURAL MATTERS

Applicant intends to present the case by affidavit if there is no opposition to its application.

Respectfully submitted,

HARDY MCLEAN LLC

/s/ Dana S. Hardy

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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 481342

QUESTIONS

Operator:	OGRID:
MEWBOURNE OIL CO	14744
P.O. Box 5270	Action Number:
Hobbs, NM 88241	481342
	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.		