

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

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

CASE NO. 25429

PRE-HEARING STATEMENT

Mewbourne Oil Company ("Applicant") files this pre-hearing statement with the Oil Conservation Division pursuant to Division Rules.

APPEARANCES

APPLICANT

Mewbourne Oil Company
Suire 1020
500 West Texas
Midland, Texas 79701

Attention: Hudson Brunson

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 660-6612

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OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Mewbourne Oil Company ("Applicant") has filed an application with the Oil Conservation Division for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a non-standard spacing unit comprised of all of Sections 23 and 26, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico (the "Unit"). Applicant proposes to drill the following wells in the Unit:

- (a) The Querecho 23/26 Fed. Com. Well No. 521H, with a first take point in the NW/4NW/4 of Section 23 and a last take point in the SW/4SW/4 of Section 26;
- (b) The Querecho 23/26 Fed. Com. Well No. 524H, with a first take point in the NE/4NW/4 of Section 23 and a last take point in the SE/4SW/4 of Section 26;
- (c) The Querecho 23/26 Fed. Com. Well No. 523H, with a first take point in the NW/4NE/4 of Section 23 and a last take point in the SW/4SE/4 of Section 26;

- (d) The Querecho 23/26 Fed. Com. Well No. 612H, with a first take point in the NW/4NW/4 of Section 23 and a last take point in the SW/4SW/4 of Section 26; and
- (e) The Querecho 23/26 Fed. Com. Well No. 616H, with a first take point in the NE/4NW/4 of Section 23 and a last take point in the SE/4SW/4 of Section 26.

Also to be considered will be the cost of drilling, completing, testing, and equipping the wells, and the allocation of the cost thereof among the wells' working interest owners, designation of Applicant as operator of the wells and the Unit, approval actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure, and setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>Witnesses</u>	<u>Estimated Time</u>	<u>Exhibits</u>
Hudson (Landman)	10 minutes	Approx. 5
Charlie Crosby (Geologist)	10 minutes	Approx. 5

OPPONENT

<u>Witnesses</u>	<u>Estimated Time</u>	<u>Exhibits</u>
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PROCEDURAL MATTERS

Respectfully submitted,



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Oil Conservation Division
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QUESTIONS

Action 481275

QUESTIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 481275
	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.