

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

**APPLICATIONS OF MEWBOURNE OIL
COMPANY FOR COMPLUSOTY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 25574 & 25575

PRE-HEARING STATEMENT

Mewbourne Oil Company ("Mewbourne") 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: Adriana Salgado

APPLICANT'S ATTORNEY

James Bruce
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Santa Fe, New Mexico 87504
(505) 660-6612

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OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Case No. 25574: *Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico*: 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 horizontal spacing unit comprised the W/2E/2 of Section 17, the W/2E/2 of Section 8, and Lot 15 and the W/2SE/4 of Section 5, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico (the "Unit). In support of this application, Applicant proposes to drill the following wells in the Unit to depths sufficient to test the Bone Spring formation:

- (a) The Cousin Eddy Fed. Unit Com. Well No. 9H, with a first take point in the SW/4SE/4 of Section 17 and a last take point in Lot 15 of Section 5; and

- (b) The Cousin Eddy Fed. Unit Com. Well No. 11H, with a first take point in the SW/4SE/4 of Section 17 and a last take point in Lot 15 of Section 5.

The Cousin Eddy Fed. Unit Com. Well No. 13H, with a first take point in the SW/4SE/4 of Section 17 and a last take point in Lot 15 of Section 5, is withdrawn from this application due to change in drilling plans.

Case No. 25575: ***Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico***: 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 horizontal spacing unit comprised the E/2E/2 of Section 17, the E/2E/2 of Section 8, and Lot 16 and the E/2SE/4 of Section 5, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico (the "Unit). In support of this application, Applicant proposes to drill the following wells in the Unit to depths sufficient to test the Bone Spring formation:

- (a) The Cousin Eddy Fed. Unit Com. Well No. 10H, with a first take point in the SE/4SE/4 of Section 17 and a last take point in Lot 16 of Section 5; and
 (b) The Cousin Eddy Fed. Unit Com. Well No. 12H, with a first take point in the SE/4SE/4 of Section 17 and a last take point in Lot 16 of Section 5.

The Cousin Eddy Fed. Unit Com. Well No. 15H, with a first take point in the SE/4SE/4 of Section 17 and a last take point in Lot 16 of Section 5, is withdrawn from this application due to change in drilling plans.

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, 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>
Adriana Salgado (Landman)	10 minutes	Approx. 10
Tyler Hill (Geologist)	10 minutes	Approx. 4

OPPONENT

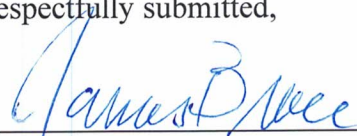
Witnesses

Estimated Time

Exhibits

PROCEDURAL MATTERS

Respectfully submitted,



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Energy, Minerals and Natural Resources
Oil Conservation Division
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QUESTIONS

Action 504317

QUESTIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 504317
	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.