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. 25615

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

Varithma Paña

Yarithza Peña

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 applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 238.17-acre, more or less, standard horizontal spacing unit comprised of the S/2 S/2 of Section 13, Township 18 South, Range 29 East, and the S/2 SW/4 of Section 18, Township 18 South, Range 30 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Study Butte 18/13 Fed Com #528H well ("Well"), which will be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 20, Township 18 South, Range 30

East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 13, Township 18 South, Range 29 East.

The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well, the allocation of the costs, the designation of Applicant as the operator of the Units and Well, and a 200% charge for the risk involved in drilling and completing the Well.

PROPOSED EVIDENCE

| Witness | Occupation | Estimated Time | Exhibits |
|-------------------|------------|-----------------------|-----------------|
| Braxton Blandford | Landman | Affidavit | Approx. 5 |
| Charles Crosby | Geologist | Affidavit | Approx. 3 |

PROCEDURAL MATTERS

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

Respectfully submitted,

HARDY MCLEAN LLC

/s/ Dana S. Hardy

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 511753

QUESTIONS

| Operator: | OGRID: |
|------------------|--|
| MEWBOURNE OIL CO | 14744 |
| P.O. Box 5270 | Action Number: |
| Hobbs, NM 88241 | 511753 |
| | 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. | | |