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. 25634

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

Varithm Refer

Yarithza Peña HARDY MCLEAN LLC

125 Lincoln Ave, Ste. 223 Santa Fe, NM 87501 Phone: (505) 230-4410

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INTERESTED PARTY ATTORNEYS

None.

STATEMENT OF THE CASE

Applicant applies for an order pooling all uncommitted interests in the Second Bone Spring interval of the Bone Spring formation underlying an 876.42-acre, more or less, non-standard horizonal spacing unit comprised of the N/2 of Section 19, Township 18 South, Range 30 East, the N/2 of Section 24, Township 18 South, Range 29 East, and the N/2 of Section 23, excluding the E/2 NE/4, Township 18 South, Range 29 East, Eddy County, New Mexico. The Unit will be dedicated to the following wells ("Wells"): **IOU 19/23 Fed Com #521H**, 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 NW/4 NW/4 (Unit D) of Section 23, Township 18 South, Range 29 East; and **IOU 19/23 Fed Com #523H**, 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 NW/4 (Unit E) of Section 23, Township 18 South, Range 29 East.

The completed intervals of the Wells will be orthodox. Mewbourne has separately requested administrative approval of the non-standard horizontal spacing unit. The E/2 NE/4 of Section 23, Township 18 South, Range 29 East will not be perforated. Also to be considered will be the cost of drilling and completing the Wells, the allocation of the costs, the designation of Applicant as the operator of the Units and Wells, and a 200% charge for the risk involved in drilling and completing the Wells.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Braxton Blandford	Landman	Affidavit	Approx. 5
Charlie 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

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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 511755

QUESTIONS

Operator:	OGRID:
MEWBOURNE OIL CO	14744
P.O. Box 5270	Action Number:
Hobbs, NM 88241	511755
	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.		