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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

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

Case No. 13276

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Mewbourne Oil Company as required by the Oil Conservation Division.

APPEARANCES

APPLICANT Mewbourne Oil Company Suite 1020 500 West Texas Midland, Texas 79701 <u>APPLICANT'S ATTORNEY</u> James Bruce Post Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043

Attention: D. Paul Haden (432) 682-3715

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Morrow formation underlying the 5½ of Section 32, Township 20 South, Range 28 East, NMPM to form a standard 320-acre gas spacing and promation unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the North Burton Flat Wolfcamp Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, Undesignated Burton Flat-Atoka Gas Pool, and Burton Flat-Morrow Gas Pool. The unit is to be dedicated to applicant's Saladar "32" Fee Com. Well No. 1, to be drilled at an orthodox location in the SWMSE% (Unit O) of the section. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u> Paul Haden (landman) <u>EST. TIME</u> 15 min. EXHIBITS (a) land plat (b) correspondence (c) AFE (d) affidavit of notice

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,

James Bruce Fost Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043

Actorney for Mewbourne Oil Company