

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. 13329

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

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

APPLICANT'S ATTORNEY

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

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E½ of Section 28, Township 20 South, Range 27 East, NMPM to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Avalon-Strawn Gas Pool, Undesignated Northeast Avalon-Atoka Gas Pool, and Avalon-Morrow Gas Pool. The unit is to be dedicated to applicant's Penlon "28" Fed. Com. Well No. 1, to be drilled at an orthodox location in the NE¼NE¼ (Unit A) 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****WITNESSES**

D. Paul Haden
(landman)

EST. TIME

20 min.

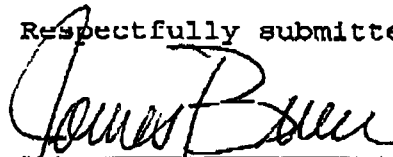
EXHIBITS

- (a) land plat
- (b) list of owners
- (c) correspondence
- (d) AFE
- (e) affidavit of
notice

OPPONENT**WITNESSES****EST. TIME****EXHIBITS****PROCEDURAL MATTERS**

-None-

Respectfully submitted,



James Bruce
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Attorney for Mewbourne Oil
Company

CASE 13328: Continued from August 19, 2004, Examiner Hearing

Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Wolfcamp formation to the base of the Morrow formation underlying the W/2 of Section 14, Township 22 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated South Carlsbad-Morrow Gas Pool. The unit is to be dedicated to applicant's Pecos River "14" Well No. 1, to be drilled at an orthodox location in the NE/4 NW/4 (Unit C) 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. The unit is located approximately 3 miles north of Otis, New Mexico.

CASE 13329: Continued from August 19, 2004, Examiner Hearing

Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 28, Township 20 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Avalon-Strawn Gas Pool, Undesignated Northeast Avalon-Atoka Gas Pool, and Avalon-Morrow Gas Pool. The unit is to be dedicated to applicant's Penlon "28" Fed. Com. Well No. 1, to be drilled at an orthodox location in the NE/4 NE/4 (Unit A) 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. The unit is located approximately 8½ miles east-southeast of Seven Rivers, New Mexico.

CASE 13330: Continued from September 2, 2004, Examiner Hearing

Application of Mewbourne Oil Company for an exception to Division Rule 104.C.(2)(c), Eddy County, New Mexico. Applicant seeks an order granting an exception to Division Rule 104.C.(2)(c) to allow two operators in all formations developed on 320-acre spacing in the N/2 of Section 20, Township 22 South, Range 28 East, to form a standard 320-acre gas spacing and proration unit in the Undesignated West Indian Flats-Strawn Gas Pool, Undesignated Dublin Ranch-Atoka Gas Pool, and Dublin Ranch-Morrow Gas Pool. The unit will be simultaneously dedicated to the existing Foal "20" Federal Well No. 1, operated by Jetta Operating Company, Inc., located in the NE/4 NW/4 of Section 20, and the proposed Dinero "20" Federal Well No. 2, to be operated by applicant, to be located in the SE/4 NE/4 of Section 20. The unit is located approximately 4 miles northeast of Otis, New Mexico.

CASE 13319: Reopened

Application of Pogo Producing Company for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Cherry Canyon formation to the base of the Morrow formation underlying the following described acreage in Section 30, Township 23 South, Range 33 East, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent; the NE/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and the SE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the West Brinninstool-Wolfcamp Pool. The units are to be dedicated to the Foxglove 30 Fed. Well No. 1, to be drilled at an orthodox location in the SE/4 NE/4 of Section 30. 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. The units are located approximately 20½ miles south-southeast of the intersection of State Highway 176 and U.S. Highway 62/180. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 13343: Application of Arch Petroleum, Inc. for a Non-Standard Gas Spacing Unit and an Unorthodox Gas Well Location, Lea County, New Mexico. Applicant seeks to establish a non-standard 160-acre gas spacing unit within the Jalmat Gas Pool (79240) comprising the SW/4 of section 16, Township 23 South, Range 37 East, which is located approximately nine miles south of Eunice, New Mexico. This unit is to be dedicated to the Applicant's proposed Kelly State Well No. 5 to be drilled at an unorthodox gas well location 910 feet from the South line and 1230 feet from the West line (Unit M) of Section 16.