

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:

CASE NO. 13305

APPLICATION OF MEWBOURNE OIL COMPANY FOR
AN EXCEPTION TO DIVISION RULE 104.C(2)(c), EDDY
COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by
the Oil Conservation Division.

APPEARANCES OF PARTIES

OPPOSITION

Mewbourne Oil Company
Mr. Paul Haden
500 West Texas, Suite 1020
Midland, Texas 79701
(432) 682-3715

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988.4421

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause 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 equivalent of irregular Section 19, Township 21 South, Range 27 East, NMPM, to form a standard 320-acre gas spacing and proration unit in the Burton Flat-Morrow Gas Pool, the Undesignated La Huerta-Strawn Gas Pool and the Undesignated La Huerta-Atoka Gas Pool

and any other pool in this 314.84 spacing unit developed on 320acre spacing. Applicant proposes to directionally drill the Mewbourne Esperanza "19" Federal Com Well No. 2 from a non-standard surface location 599 feet from the North line and 2043 feet from the East line to a standard bottomhole location of 780 feet from the North line and 1463 feet from the West line of this section. The well will therefore be at a standard location in the Wolfcamp, Strawn, Atoka and Morrow formations.

Applicant seeks authority to simultaneously dedicate the N/2 of Section 19 in the Morrow formation to its Esperanza well and to the Wynn-Crosby Energy, Inc. RGD Well No. 1 located in the NE/4 NE/4 of the Section and to simultaneously dedicate the N/2 of Section 19 in the Strawn, Atoka and other formations to its Esperanza Well and the Vernon E. Faulconer, Inc. Pioneer Federal Com Well No. 1 located in the SW/4 NE/4 of Section 19. This unit is located approximately one mile northeast of Carlsbad, New Mexico.

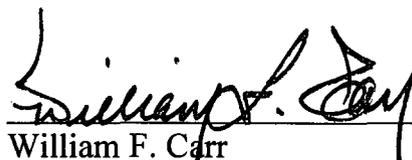
PROPOSED EVIDENCE

OPPOSITION

<u>WITNESSES</u> (Name and Expertise)	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Paul Haden (Landman)	Approx. 20 Minutes	Approx. 6

PROCEDURAL MATTERS

Mewbourne Oil Company has none at this time.



William F. Carr
Attorney for Mewbourne Oil Company