

**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 A NON-STANDARD GAS SPACING AND PRORATION
UNIT AND COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

Case No. 16279

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Mewbourne Oil Company
Suite 1020
500 West Texas
Midland, Texas 79701

Attention: Paul Haden
(432) 682-3715

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT/OTHER PARTY

COG Operating LLC

Cimarex Energy Co.

ATTORNEY

Ocean Munds-Dry
William F. Carr
Elizabeth A. Ryan

Earl E. DeBrine

STATEMENT OF THE CASE

APPLICANT

Mewbourne Oil Company seeks an order approving a 200-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the SE/4SW/4 and S/2SE/4 of Section 11 and the S/2SW/4 of Section 12, Township 19 South, Range 29 East,

NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to the Sapphire 11/12 B2NN State Com. Well No. 1H and the Sapphire 11/12 B3NN State Com. Well No. 2H, horizontal wells with surface locations in the SE/4SW/4 of Section 11, and bottomhole locations in the SE/4SW/4 of Section 12. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

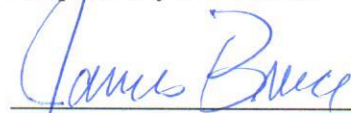
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Paul Haden (landman)	15 min.	Approx. 6
Charlie Crosby (geologist)	15 min.	Approx. 8

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

Respectfully submitted,



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

Attorney for Mewbourne Oil Company

cc: counsel of record