

**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**

**AMENDED 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: Corey Mitchell  
(432) 682-3715

**APPLICANT'S ATTORNEY**

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

**OPPONENT**

Cimarex Energy Co.

Jennifer Bradfute

**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, a horizontal well with a surface location in the SE/4SW/4 of Section 11, and a bottomhole location in the SE/4SW/4 of Section 12. 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>                           | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|--|------------------|-----------------|
| Ray Winkeljohn or Tyler Jolly<br>(landman) | 15 min.          | Approx. 6       |
| Charlie Crosby<br>(geologist)              | 15 min.          | Approx. 4       |

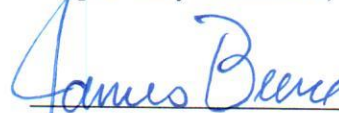
OPPONENT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|------------------|------------------|-----------------|
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**PROCEDURAL MATTERS**

1. Applicant requests that the application be amended to cover only the top of the Bone Spring to the base of the Second Bone Spring only.
2. The Sapphire 11/12 B3NN State Com. Well No. 2H will be deleted from the application.
3. Items 1 and 2 alleviate Cimarex's concerns about the applications. If there is no opposition, applicant will submit this case by affidavit.

Respectfully submitted,



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

Attorney for Mewbourne Oil Company

cc: J. Bradfute