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. 16496

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

OPPONENT

APPLICANT'S ATTORNEY
James Bruce

P.O. Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of Lots 1-4 (the N/2N/2) of Section 1 and Lots 1 and 2 (the N/2NE/4) of Section 2, Township 18 South, Range 30 East, NMPM. The unit will be dedicated to the Loco Hills 1//2 B2AB Fed. Com. Well No. 1H, a horizontal well with a first take point in Lot 1 of Section 1 and a final take point in Lot 2 of Section 2. 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>

Mitch Robb 15 min. Approx. 6

(landman)

Charlie Crosby 15 min. Approx. 4

(geologist)

OPPONENT

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

PROCEDURAL MATTERS

If there is no opposition, applicant will submit this case by affidavit.

Respectfully submitted,

James Bruce

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Attorney for Mewbourne Oil Company