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:

APPLICATIONS OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case Nos. 20671-20674

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:

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

Case No. 20671: Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the N/2N/2 of Section 11 and the N/2N2 of Section 12, Township 19 South, Range 28 East, NMPM. The unit will be dedicated to the Bourbon Red 11/12 B3DA State Com. Well No. 1H, a horizontal well a first take point in the NW/4NW/4 of Section 11 and a last take point in the NE/4NE/4 of Section 12.

Case No. 20672: Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the S/2N/2 of Section 11 and

the S/2N2 of Section 12, Township 19 South, Range 28 East, NMPM. The unit will be dedicated to the Bourbon Red 11/12 B3EH State Com. Well No. 1H, a horizontal well a first take point in the SW/4NW/4 of Section 11 and a last take point in the SE/4NE/4 of Section 12.

Case No. 20673: Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the N/2S/2 of Section 11 and the N/2S/2 of Section 12, Township 19 South, Range 28 East, NMPM. The unit will be dedicated to the Bourbon Red 11/12 B3LI State Com. Well No. 1H, a horizontal well a first take point in the NW/4SW/4 of Section 11 and a last take point in the NE/4SE/4 of Section 12.

Case No. 20674: Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the S/2S/2 of Section 11 and the S/2S/2 of Section 12, Township 19 South, Range 28 East, NMPM. The unit will be dedicated to the Bourbon Red 11/12 B3MP State Com. Well No. 1H, a horizontal well a first take point in the SW/4SW/4 of Section 11 and a last take point in the SE/4SE/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.

OPPONENTS

PROPOSED EVIDENCE

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<u>APPLICANT</u>

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Mitch Robb (landman)	15 min.	Approx. 6
Charlie Crosby (geologist)	15 min.	Approx.8

OPPONENTS

WITNESSES	EST. TIME	EXHIBIT

PROCEDURAL MATTERS

- 1. The cases should be consolidated for hearing.
- 2. If the cases are unopposed they will be presented by affidavit.

Respectfully submitted,

James Bruce

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Attorney for Mewbourne Oil Company