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. 20737

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

OPPONENT'S ATTORNEY

APPLICANT'S ATTORNEY

Santa Fe, New Mexico 87504

James Bruce

P.O. Box 1056

(505) 982-2043

STATEMENT OF THE CASE

APPLICANT

Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2 of Section 12 and the NW/4 of Section 13, Township 26 South, Range 29 East, NMPM. The unit will be dedicated to: (i) the Fuller 13/12 W1ED Fed. Com. Well No. 1H; and (ii) the Fuller 13/12 W1ED Fed. Com. Well No. 2H. The wells will be drilled to a depth sufficient to test the Wolfcamp formation and will have first take points in the SW/4NW/4 of Section 13 and final take points in the NW/4NW/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

<u>APPLICANT</u>

| WITNESSES | EST. TIME | EXHIBIT |
|----------------------------|-----------|----------------|
| Mitch Robb (landman) | 15 min. | Approx. 6 |
| Charlie Crosby (geologist) | 10 min. | Approx. 6 |

OPPONENT

| WITNESSES | EST. TIME | EXHIBITS |
|-----------|-----------|-----------------|
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PROCEDURAL MATTERS

Applicant will present this case by affidavit if it is unopposed.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Mewbourne Oil Company