

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 OIL
SPACING AND PRORATION UNIT,
UNORTHODOX WELL LOCATION, AND
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

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CASE NO. 14749

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Paul Haden
Mewbourne Oil Company
500 West Texas, Ste. 1020
Midland, TX 79701
(432) 682-3715

ATTORNEYS

Adam G. Rankin
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110 N. Guadalupe Suite 1
Santa Fe, NM 87504
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STATEMENT OF THE CASE

APPLICANT

Applicant in the above-styled cause seeks an order: (1) approving a 160-acre non-standard oil spacing and proration unit ("project area") in the Bone Spring formation, comprised of the E½E½ of Section 11, Township 26 South, Range 28 East, N.M.P.M., Eddy County, New

Mexico, and (2) pooling all mineral interests underlying the non-standard oil spacing and proration unit ("project area"). The unit is to be dedicated to the Delaware Ranch 11 Fed. Com. Well No. 1-H, a horizontal well with an unorthodox surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 14, Township 26 South, Range 28 East, N.M.P.M., and a bottom-hole location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 11, Township 26 South, Range 28 East, N.M.P.M. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as the actual operating costs and charges for supervision, designation of applicant as operator of the unit and the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 11 miles south of Malaga, New Mexico.

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Steve Smith Petroleum Landman	Approx. 20 min	Approx. 10
Roger Townsend Petroleum Geologist	Approx. 20 min	Approx. 10
Drew Robinson Petroleum Engineer	Approx. 20 min	Approx. 10

PROCEDURAL MATTERS

Mewbourne Oil Company has none at this time.

Sincerely,



Adam G. Rankin
Attorney for Mewbourne Oil Company