

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 AND
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

RECEIVED OGD
2011 OCT 20 P 3:03
CASE NO. 14750

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
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Midland, TX 79701
(432) 682-3715

ATTORNEYS

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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 W¹/₂E¹/₂ 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. 2-H, a horizontal well with a surface location in the NW¼NE¼ and a bottom-hole location in the SW¼SE¼ of Section 11. 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