

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:

CASE NO. 13421

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

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by  
the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**OPPOSITION**

Mewbourne Oil Company  
Attn: Mr. Steve Cobb  
500 West Texas, Suite 1020  
Midland, Texas 79701  
(432) 682-3715

**ATTORNEY**

William F. Carr, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988.4421

**STATEMENT OF CASE**

**APPLICANT**

Applicant seeks an order pooling all mineral interests in all formations from the  
surface to the base of the Morrow in the E/2 of Section 23, Township 23 South, Range 26  
East, N.M.P.M., in the following described spacing and proration units: the E/2 to form a  
standard 320-acre spacing and proration unit for all formations developed on a 320-acre  
spacing within that vertical extent which includes but is not necessarily limited to the South

Carlsbad-Morrow Gas Pool, the Undesignated North Black River-Atoka Gas Pool, the Undesignated Frontier Hills-Strawn Gas Pool, the Undesignated South Carlsbad-Canyon Gas Pool, the Undesignated South Carlsbad-Upper Pennsylvanian Gas Pool, and the Undesignated South Yarrow-Bone Spring Gas Pool; the SE/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and the SE/4 SE/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not limited to the Undesignated Dark Canyon-Delaware Pool. Said units are to be dedicated to applicant's proposed Black River Federal Com Well No. 1 to be drilled and completed at a standard gas well location 660 feet from the South and East lines (Unit P) of said Section 23. Also to be considered will be the cost of drilling and completing said well, the allocation of the cost thereof, actual operating costs and charges for supervision, the designation of Mewbourne Oil Company as operator of the well, and a charge for risk involved in drilling said well. Said area is located approximately 3 miles south of the Carlsbad Municipal Airport, Carlsbad, New Mexico.

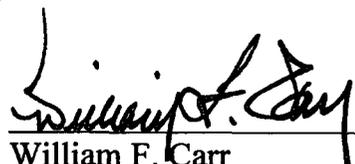
**PROPOSED EVIDENCE**

APPLICANT

<u>WITNESSES</u> (Name and Expertise)	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Steve Cobb (Landman)	Approx. 15 Minutes	Approx. 6

**PROCEDURAL MATTERS**

Mewbourne Oil Company has none at this time.

  
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William F. Carr  
Attorney for Mewbourne Oil Company