

**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 SPACING AND PRORATION
UNIT, AND COMPULSORY POOLING EDDY COUNTY,
NEW MEXICO.**

CASE NO. 14474

PRE- HEARING STATEMENT

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

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APPEARANCES OF PARTIES

APPLICANT

Steven J. Smith
Mewbourne Oil Co.
500 W. Texas, Suite 1020
Midland, TX 79701
(432) 686-4170

ATTORNEY

Ocean Munds-Dry
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

STATEMENT OF CASE

APPLICANT

Applicant seeks an order (1) creating a non-standard spacing unit comprised of the N/2 N/2 of Section 36, Township 19 South, Range 29 East, NMPM, and (2) pooling all mineral interests in the Bone Spring formation, Parkway-Bone Spring Pool, in this non-standard spacing and proration unit which spacing unit will be the project area for the Three Palms "36" State Com Well No. 1-H to be horizontally drilled from a surface location 660 feet from the North line and 330 feet from the East line (Unit A) and then in a westerly direction in the Bone Spring formation to a bottom hole terminus at a location 660 feet from the North line and 330 feet from the West line (Unit D) of said Section 36.

Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, 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 10 miles Northeast of Carlsbad, New Mexico.

PROPOSED EVIDENCE

WITNESSES

ESTIMATED TIME

EXHIBITS

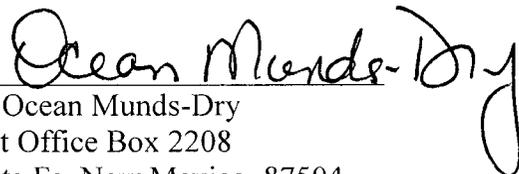
By Affidavit

PROCEDURAL MATTERS

Mewbourne Oil Company has none at this time.

Respectfully submitted,

HOLLAND & HART LLP

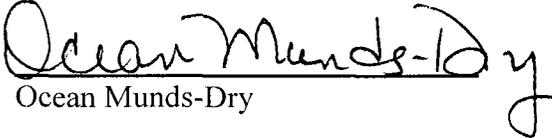
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**ATTORNEY FOR
MEWBOURNE OIL COMPANY**

CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of June, 2010, I have caused to be delivered by Facsimile a copy of the **Pre-Hearing Statement** in the above mentioned case to the following counsel of record:

James Bruce, Esq.
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Ocean Munds-Dry