

**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 AN ORDER AUTHORIZING THE DRILLING OF
A WELL IN THE POTASH AREA, EDDY COUNTY,
NEW MEXICO.**

RECEIVED OGD
2010 JUL 25 P 4: 35
CASE NO. 14519

PRE- HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Mewbourne Oil Co.
Attn. Mr. D. Paul Haden
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 approving the drilling of its proposed Parkway "26" State Com Well No. 3H as a horizontal well in the Potash Area from a standard surface location 2240 feet from the North line and 330 feet from the West line (Unit E) of Section 26, Township 19 South, Range 29 East, NMPM, to a depth of 12,500 feet (true vertical depth of approximately 8,200 feet subsurface) and then in an easterly direction in the Bone Spring formation, Turkey Track-Bone Spring Pool (Pool Code 60660), to a bottom hole terminus at a location 2240 feet from the North line and 330 feet from the East line of said Section 26. The project area for this horizontal well will be the S/2N/2 of Said

Section 26. Said location is within the Potash Area and located approximately 13 miles Northeast of Carlsbad, New Mexico.

PROPOSED EVIDENCE

WITNESSES

ESTIMATED TIME

EXHIBITS

None

PROCEDURAL MATTERS

Mewbourne Oil Company has received a waiver of objection from Intrepid Potash – New Mexico LLC for the drilling of this well. The waiver letter has been submitted to the district office to request approval of its Application for Permit to Drill. If the approval is received by the time of the hearing, Mewbourne will request dismissal of this case. If approval has not been received at that time, Mewbourne will request a continuance.

Respectfully submitted,

HOLLAND & HART LLP

By: Ocean Munds-Dry

Ocean Munds-Dry
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421
(505) 983-6043 Facsimile

**ATTORNEY FOR
MEWBOURNE OIL COMPANY**