

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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APPLICATION OF MEWBOURNE OIL COMPANY FOR
A NON-STANDARD OIL SPACING AND PRORATION UNIT
AND FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO
(Long Draw "10" de Fed. No. 1)

CASE NO. 14565

MEWBOURNE'S PRE-HEARING STATEMENT

Mewbourne Oil Company ("Mewbourne") submits their pre-hearing statement as required by the New Mexico Oil Conservation Commission.

APPEARANCES OF THE PARTIES

APPLICANT

Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, TX 79701
Attn: Corey Mitchell
432-682-3715

ATTORNEY

Thomas Kellahin, Esq.
706 Gonzales Road
Santa Fe, New Mexico 87501
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OPPONENT

Nearburg Producing Company

ATTORNEY

J. Scott Hall, Esq.
Montgomery & Andrews
325 Paseo de Peralta
Santa Fe, NM 87501
Phone 505-982-3873

MEWBOURNE'S STATEMENT OF THE CASE

Mewbourne Oil Company seeks an order approving an 80-acre non-standard oil spacing and proration unit (project area) in the Yeso formation comprised of the N12NW14 of Section 10, Township 20 South, Range 25 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Yeso formation underlying the NW14NW14 of Section 10 to form a standard 40 acre oil spacing and proration unit, and (ii) the Yeso formation underlying the N12NW14 of Section 10 to form a non-standard 80 acre oil spacing and proration unit (project area), for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Long Draw 10 DC Fed. Well No. 1, a horizontal well with a surface location in the NE14NE14 of offsetting Section 9, and a terminus in the NE14N W14 of Section 10. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 3 miles west of Seven Rivers, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EST. EXHIBIT
Corey Mitchell (Landman)	15 min	@ 8
Bryan Montgomery (engineer)	(pending)	
Jason Lodge (geologist)	(pending)	

PROCEDURAL MATTERS

None anticipated at this time.

KELLAHIN & KELLAHIN

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CERTIFICATE OF SERVICE

I certify that on November 10, 2010, I served a copy of the foregoing documents by:

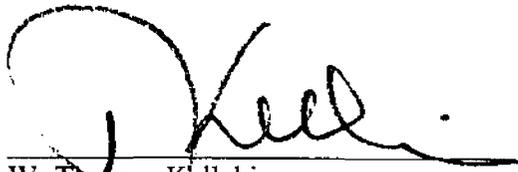
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