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

FEB 24 1:52

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF HEARING:

CASE NO. 14607

APPLICATION OF MEWBOURNE OIL COMPANY
FOR A NON-STANDARD GAS SPACING AND PRORATION UNIT,
AN UNORTHODOX OIL WELL LOCATION AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO
[N/2S/2 Sec 30, T18S, R30E-Bradley 30 Fed Com Well No. 1]

PRE-HEARING STATEMENT

Chisos, Ltd. submits this pre-hearing statement as required by the New Mexico Oil
Conservation Division.

APPEARANCES OF THE PARTIES

APPLICANT

Mewbourne Oil Company

ATTORNEY

James Bruce, Esq.

OPPONENT

Chisos, Ltd.
670 Dona Ana Road SW
Deming NM 88303
Attn: Sue Ann Craddock
575-546-8802

ATTORNEY

Thomas Kellahin, Esq.
706 Gonzales Road
Santa Fe, New Mexico 87501
505-982-4285

STATEMENT OF THE CASE

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OPPONENT:

2011 FEB 24 P 1:51

By letter dated February 21, 2011, Mewbourne Oil Company ("Mewbourne") proposed to Chisos, Ltd. ("Chisos") the drilling of the Bradley "30" Federal Com Well No. 1H. See Exhibit "A" attached.

By email dated February 24, 2011, Chisos notified Mewbourne that Chisos was electing to voluntarily participate and returned a signed AFE. See Exhibit "B" attached.

Chisos is now awaiting a JOA from Mewbourne for this wellbore and spacing unit.

Chisos requested that it be dismissed as a party to be pooled by this application

PROPOSED EVIDENCE

OPPONENT

WITNESSES

EST. TIME

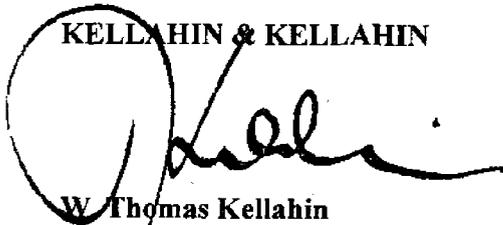
EST. EXHIBITS

Pending

PROCEDURAL MATTERS

Motion to Dismiss Chisos from this pooling case.

KELLAHIN & KELLAHIN



W. Thomas Kellahin
706 Gonzales Road
Santa Fe, New Mexico 87501
Phone 505-982-4285
Fax 505-216-2780

E-mail: tkellahin@comcast.net

CERTIFICATE OF SERVICE

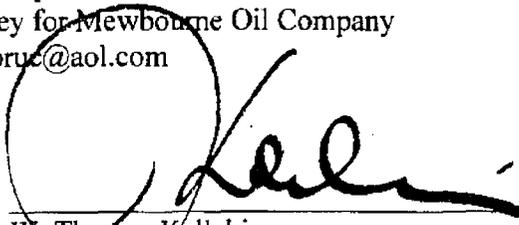
I certify that on February 24, 2011, I served a copy of the foregoing documents by:

- US Mail, postage prepaid
- Hand Delivery
- Facsimile
- Email

to the following:

David K. Brooks, Esq.
OCD Attorney
David.brooks@state.nm.us

James Bruce, Esq.
Attorney for Mewbourne Oil Company
jamesbruc@aol.com



W. Thomas Kellahin

February 21, 2011

Certified Mail-Return Receipt No. 4528

Chisos, Ltd.
670 Dona Ana Road, SW
Deming, New Mexico 88030
Attn: Sue Ann Craddock

Re: Bradley "30" Federal Com No. 1H
1850' FSL & 330' FWL (SL) (Sec. 29)
1980' FSL & 330' FWL (BHL) (Sec. 30)
Section 30, T18S, R30E
Eddy County, New Mexico

Dear Sue Ann:

Per my conversation with Mr. Tom Kellahin, it is my understanding Chisos, Ltd. ("Chisos") does not wish to participate in the previously proposed WIU but rather would like to participate in the captioned well with their respective full interest. Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to drill the captioned well at the referenced surface location ("SL") to the referenced bottom hole location ("BHL"). The proposed well will be drilled to a true vertical depth ("TVD") of approximately 8,130 feet subsurface to evaluate the Second Bone Spring Sand formation for oil production. The proposed well will have a horizontal measured depth ("MD") of approximately 13,200 feet. The N/2S/2 of the captioned Section 30 will be dedicated to the well as the oil proration unit.

Regarding the above, enclosed for your further handling is our AFE dated September 27, 2010 for the captioned well. In the event you elect to participate in the captioned proposed well, please sign the enclosed AFE and return to me within thirty (30) days. Upon receipt of same, I'll forward you our proposed Operating Agreement for signature.

Should you have any questions regarding the above, please email me at cmitchell@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Corey Mitchell

Corey Mitchell
Landman



