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

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

CASE NO. 24223

MEWBOURNE OIL COMPANY'S PRE-HEARING STATEMENT

Mewbourne Oil Company ("Mewbourne" or "Applicant"), the applicant in the above-

referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation

Division.

APPEARANCES

APPLICANT

Mewbourne Oil Company ("Mewbourne")

ATTORNEY

Michael H. Feldewert Adam G. Rankin Paula M. Vance Holland & Hart, LLP Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421 (505) 983-6043 Facsimile mfeldewert@hollandhart.com agrankin@hollandhart.com

APPLICANT'S STATEMENT OF THE CASE

Under Case No. 24223, pooling all uncommitted mineral owners in the Wolfcamp formation (Burton Flat Upper Wolfcamp East Oil [98315]) underlying a standard 642.56-acre horizontal well spacing unit comprised of Lots 1-5, the SE/4 NW/4 and the S/2 NE/4 of irregular Section 6 (N/2 equivalent) and Lots 1-4 and the S/2 N/2 of irregular Section 5 (N/2 equivalent), Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. Mewbourne seeks to

initially dedicate this overlapping Wolfcamp spacing unit to the proposed **Sig 6/5 Fed Com #713H** well, to be horizontally drilled from a surface location in Lot 5 of irregular Section 6 (SW/4 NW/4 equivalent), with a first take point in Lot 4 of irregular Section 6 (NW/4 NW/4 equivalent) and a last take point in Lot 1 of irregular Section 5 (NE/4 NE/4 equivalent).

The completed interval of the **Sig 6/5 Fed Com #713H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.

The completed interval for the wells will comply with statewide setbacks for oil wells. Mewbourne has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject acreage.

APPLICANT'S PROPOSED EVIDENCE

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|-------------------------------|-------------------------|-----------|
| Ariana Rodrigues, Landman | Self-Affirmed Statement | Approx. 7 |
| Charles Crosby, Geologist | Self-Affirmed Statement | Approx. 4 |

PROCEDURAL MATTERS

Mewbourne intends to present this case by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

Father By:

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS

Page 4 of 4

Action 323322

QUESTIONS

| Operator: | OGRID: |
|----------------------------------|------------------------------------------|
| MEWBOURNE OIL CO | 14744 |
| P.O. Box 5270 Hobbs, NM 88241 | Action Number: 323322 |
| 10003, NW 00241 | Action Type: |
| | [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

| Testimony | | |
|-----------------------------------------------------------------------------|---------------|--|
| Please assist us by provide the following information about your testimony. | | |
| Number of witnesses | Not answered. | |
| Testimony time (in minutes) | Not answered. | |