

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

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

**Case Nos. 24344 - 24346**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Mewbourne Oil Company ("Mewbourne") as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Mewbourne Oil Company  
Suite 1020  
500 West Texas  
Midland, Texas 79701

Attention: Mitch Robb  
(432) 682-3715

**APPLICANT'S ATTORNEY**

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

**OTHER PARTIES**

**OTHER PARTIES' ATTORNEYS**

**STATEMENT OF THE CASE**

**APPLICANT**

Case No. 24344: Mewbourne seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W $\frac{1}{2}$ W $\frac{1}{2}$  of Section 26 and the W $\frac{1}{2}$ W $\frac{1}{2}$  of Section 35, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Applicant proposes to drill the following wells on the unit to depths sufficient to test the Bone Spring formation:

- (a) The Layla 26/35 Fee Well No. 401H, with a first take point in the NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 26 and a last take point in the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 35; and
- (b) The Layla 26/35 Fee Well No. 521H, with a first take point in the NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 26 and a last take point in the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 35.

Case No. 24345: Mewbourne seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E $\frac{1}{2}$ W $\frac{1}{2}$  of Section 26 and the E $\frac{1}{2}$ W $\frac{1}{2}$  of Section 35, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Applicant proposes to drill the following wells on the unit to depths sufficient to test the Bone Spring formation:

- (a) The Layla 26/35 Fee Well No. 404H, with a first take point in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 26 and a last take point in the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 35; and
- (b) The Layla 26/35 Fee Well No. 563H, with a first take point in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 26 and a last take point in the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 35.

Case No. 24346: Mewbourne seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E $\frac{1}{2}$ W $\frac{1}{2}$  of Section 26, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Applicant proposes to drill the following well on the unit to depths sufficient to test the Bone Spring formation: The Layla 26 Fee Well No. 524H, with a first take point in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 26 and a last take point in the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 26.

Also to be considered will be the cost of drilling, completing, testing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, testing and equipping the wells.

#### OPPONENT

#### **PROPOSED EVIDENCE**

#### APPLICANT

| <u>WITNESSES</u>          | <u>EST. TIME</u> | <u>EXHIBIT</u> |
|---------------------------|------------------|----------------|
| Mitch Robb<br>(landman)   | 10 min.          | Approx. 5      |
| Tyler Hill<br>(geologist) | 10 min.          | Approx. 10     |

#### OPPONENT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBIT</u> |
|------------------|------------------|----------------|
|------------------|------------------|----------------|

#### **PROCEDURAL MATTERS**

The cases will be presented by affidavit if uncontested.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "James Bruce", is written over a horizontal line.

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Mewbourne Oil Company

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

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

QUESTIONS  
  
Action 327890

QUESTIONS

|                                                                   |                                                          |
|-------------------------------------------------------------------|----------------------------------------------------------|
| Operator:<br>MEWBOURNE OIL CO<br>P.O. Box 5270<br>Hobbs, NM 88241 | OGRID:<br>14744                                          |
|                                                                   | Action Number:<br>327890                                 |
|                                                                   | Action Type:<br>[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. |