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 COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 21719

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

Case No. 21720

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Mewbourne Oil Company

Suite 1020

500 West Texas

Midland, Texas 79701

Attention: Cy Shook

(432) 682-3715

OPPONENT

APPLICANT'S ATTORNEY

James Bruce

P.O. Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

<u>Case No. 21719</u>: Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the W/2W/2 of Section 17 and the W/2W/2 of Section 8, Township 26 South, Range 33 East, NMPM. The unit will be dedicated to

the Zach 17/8 W1MD Fed. Com. Well No. 1H, with a first take point in the SW/4SW/4 of 17 and a last take point in the NW/4NW/4 of Section 8.

Case No. 21720: Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the E/2W/2 of Section 17 and the E/2W/2 of Section 8, Township 26 South, Range 33 East, NMPM. The unit will be dedicated to the Zach 17/8 W1NC Fed. Com. Well No. 3H, with a first take point in the SE/4SW/4 of 17 and a last take point in the NE/4NW/4 of Section 8.

Also to be considered will be the cost of drilling and completing 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 cost plus 200% charge for the risk involved in drilling and completing the wells.

OPPONENT

PROPOSED EVIDENCE

<u>APPLICANT</u>

	WITNESSES	EST. TIME	EXHIBITS
	Cy Shook (landman)	10 min.	Approx. 12
	Charlie Crosby (geologist)	10 min.	Approx. 12
<u>OPPONENTS</u>			
	WITNESSES	EST. TIME	EXHIBITS

PROCEDURAL MATTERS

If unopposed applicant intends to present the cases by affidavit.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Mewbourne Oil Company