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. 21769

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 T

500 West Texas

Midland, Texas 79701

APPLICANT'S ATTORNEY

James Bruce P.O. Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attention:

Mitch Robb

(432) 682-3715

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Mewbourne Oil Company seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2 of Section 11 and the W/2 of Section 14, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to: (a) The Delaware Ranch 11/14 W1DM Fed. Com. Well No. 1H, with a first take point in the NW/4NW/4 of Section 11 and a last take point in the SW/4SW/4 of Section 14; and (b) The Delaware Ranch 11/14 W1DM Fed. Com. Well No. 2H, with a first take point in the NW/4NW/4/4 of Section 11 and a last take point in the SW/4SW/4 of Section 14. 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 200% charge for the risk involved in drilling and completing the wells.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

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

Mitch Robb 10 min. Approx. 6

(landman)

Tyler Hill 10 min. Approx. 6

(geologists)

OPPONENT

<u>WITNESSES</u> <u>EST. TIME</u> <u>EXHIBITS</u>

PROCEDURAL MATTERS

Applicant will present this case by affidavit if it is unopposed.

Respectfully submitted,

James Bruce

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Attorney for Mewbourne Oil Company