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

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

Case Nos. 21782 - 2 1783

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

APPLICANT'S ATTORNEY

James Bruce

P.O. Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attention:

Josh Anderson

(432) 682-3715

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Case No. 21782: Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2SW/4 of Section 25 and the W/2W/2 of Section 36, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the Fleetwood 36/25 B2ML State Com. Well No. 1H, with a first take point in the SW/4SW/4 of Section 36 and a last take point in the NW/4SW/4 of Section 25.

<u>Case No. 21783</u>: formation underlying a horizontal spacing unit comprised of the E/2SW/4 of Section 25 and the E/2W/2 of Section 36, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the Fleetwood 36/25 B2NK State Com. Well No. 1H, with a first take point in the SE/4SW/4 of Section 36 and a last take point in the NE/4SW/4 of Section 25

Also to be considered will be the cost of drilling, completing, 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, and equipping the wells.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES EST. TIME EXHIBIT Approx. 8 (landman)

Charles Crosby 15 min. Approx. 12 (geologist)

OPPONENT

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

PROCEDURAL MATTERS

These cases should be consolidated for hearing. They will be submitted by affidavit if there is no opposition.

Respectfully submitted,

James Bruce

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Attorney for Mewbourne Oil Company