



2011 SEP 22 P 5:03

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Date: September 22, 2011

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Name: Florene Davidson  
New Mexico Oil Conservation Division

From: Earl E. DeBrine, Jr., Esq.

cc: Sonny Swazo , Esq. Fax: 505-476-3462  
 Jamie Bailey Fax: 505-476-3462  
 William F. Carr, Esq. Fax: 505-983-6043

**FAX FILING**

IN APPLICATION OF MEWBOURNE OIL COMPANY FOR APPROVAL OF A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO, Case No. 14736

Transmitted herewith for fax filing is HEYCO's PREHEARING STATEMENT in the above-referenced matter.

If you have any problems receiving our telecopy, please phone: 505.848.1800, Ext:

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

RECEIVED 003  
2011 SEP 22 P 5:03

**IN APPLICATION OF MEWBOURNE OIL  
COMPANY FOR APPROVAL OF A  
NON-STANDARD OIL SPACING AND  
PRORATION UNIT AND COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO**

CASE NO.: 14736

**PREHEARING STATEMENT**

The Harvey E. Yates Company, Explorers Petroleum Corporation and Spiral, Inc. (collectively "HEYCO") submit this Prehearing Statement as required by the New Mexico Oil Conservation Commission.

**I. APPEARANCES OF THE PARTIES**

Applicant:

Attorney

Mewbourne Oil Company

William F. Carr  
Holland & Hart LLP  
P.O. Box 2208  
Santa Fe, NM 87504-2208

Opponent:

Attorney

Harvey E. Yates Company,  
Explorers Petroleum Corporation  
and Spiral, Inc.

Earl E. DeBrine, Jr.  
Modrall, Sperling, Roehl, Harris & Sisk, P.A.  
P.O. Box 2168  
Albuquerque, NM 87103-2168

*cust 9/22/11*

**II. STATEMENT OF THE CASE**

(1) / Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2 N/2 of Section 11, Township 18 South, Range 31 East, NMPM and order force pooling all mineral interests from the base of the Second Bone Spring Carbonate to the base of the Bone Spring formation underlying the N/2 N/2 of Section 11 to form a non-standard 160 acre oil spacing and proration unit (project area), for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Tamano 11 Fed. Com. Well No. 1, a

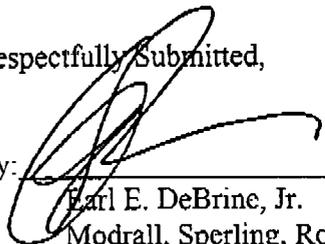
horizontal well with a surface location in the NE/4 NE/4, and a terminus in the NW/4 NW/4, of Section 11.

(2) HEYCO owns an interest in two sections that will be penetrated by Mewbourne's proposed well where there are existing wellbores. HEYCO opposes the drilling of the well because it will impair HEYCO's correlative rights.

**III. PROPOSED EVIDENCE BY HEYCO**

WITNESSES	EST. TIME	EST. EXHIBITS
Gordon Yahney (geologist)	60 minutes	3-4
Melissa Randle (land)	30 minutes	2

Respectfully Submitted,

By: 

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Earl E. DeBrine, Jr.  
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**ATTORNEYS FOR HARVEY E. YATES COMPANY,  
EXPLORERS PETROLEUM CORPORATION AND  
SPIRAL, INC.**

**CERTIFICATE OF SERVICE**

I certify that on September 22, 2011, I served a copy of the foregoing documents by:

- US Mail, postage prepaid
- Hand Delivery
- Facsimile

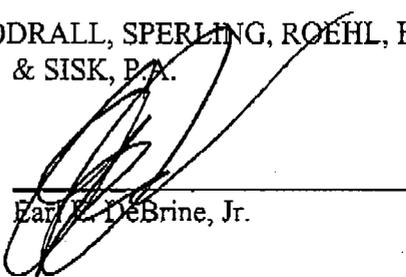
to the following:

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 Attorney for Oil Conservation Division

Jamie Bailey  
 Fax: 505-476-3462  
 Director, Oil Conservation Division

William F. Carr, Esq.  
 Fax: 505-983-6043  
 Attorney for Applicant

MODRALL, SPERLING, ROEHL, HARRIS  
 & SISK, P.A.

By:   
 \_\_\_\_\_  
 Earl E. DeBrine, Jr.

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