

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

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**IN THE MATTER OF THE AMENDED
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, Spiral, Inc., Jalapeno Corporation and Walking X Partnership V (collectively "HEYCO") submit this Amended Prehearing Statement as required by the New Mexico Oil Conservation Commission.

I. APPEARANCES OF THE PARTIES

Applicant:

Attorney

Mewbourne Oil Company

J. Scott Hall
Montgomery & Andrews, P.A.
P.O. Box 2307
Santa Fe, NM 87504-2307

Opponents:

Attorneys

Harvey E. Yates Company,
Explorers Petroleum Corporation
Spiral, Inc., Jalapeno Corporation
and Walking X Partnership V

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

Jalapeno Corporation

Patrick A. Fort
6725 Ophelia Ave. NE
Albuquerque, New Mexico 87109-6935

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 are parties to a joint operating agreement which includes acreage dedicated to two spacing units that will be penetrated by Mewbourne's proposed well where there are existing wellbores. HEYCO oppose the Application because the compulsory pooling sought: (1) is not authorized by the pooling statute, N.M.S.A. 1978, §70-2-17; (2) will result in a taking of HEYCO's property rights; and (3) will impair HEYCO's correlative rights.

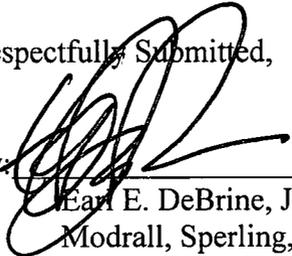
III. PROPOSED EVIDENCE BY HEYCO AND JALAPENO

WITNESSES	EST. TIME	EST. EXHIBITS
Gordon Yahney (geologist)	60 minutes	3-4
Melissa Randle (land)	30 minutes	2
Harvey Yates, Jr. (general oil and gas)	15 minutes	1

IV. PROCEDURAL MATTERS

HEYCO has filed a Motion to Dismiss the Application.

Respectfully Submitted,

By:  _____

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**ATTORNEYS FOR HARVEY E. YATES COMPANY,
EXPLORERS ° PETROLEUM CORPORATION,
SPIRAL, INC., JALAPENO CORPORATION AND
WALKING X PARTNERSHIP V**

and

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ATTORNEY FOR JALAPENO CORPORATION

CERTIFICATE OF SERVICE

I certify that on November 3, 2011, I served a copy of the foregoing document by fax and U.S. mail to the following:

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By: 

Earl E. DeBrine, Jr.

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