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

2014 JUL -1 P. 12: 49

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 GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

Case No. 15,171

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT'S ATTORNEY

Mewbourne Oil Company James Bruce
Suite 1020 P.O. Box 1056

500 West Texas Santa Fe, New Mexico 87504

Midland, Texas 79701 (505) 982-2043

Attention: D. Paul Haden

(432) 682-3715

<u>OPPONENT'S ATTORNEY</u>

STATEMENT OF THE CASE

APPLICANT

Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 35, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico, and approving an unorthodox gas well location in the Wolfcamp formation. The unit will be dedicated to the Layla 35 W2OB Fee Well No. 3H, a horizontal well with a surface location 185 feet from the south line and 2435 feet from the east line, and a terminus 330 feet from the north line and 2150 feet from the east line, of Section 35. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

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

D. Paul Haden 15 min. Approx. 8

(landman)

Nate Cless 15 min. Approx. 4

(geologist)

OPPONENT

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

PROCEDURAL MATTERS

Respectfully submitted,

James Bruce

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Attorney for Mewbourne Oil Company