

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

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**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

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

Case No. 15862

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 Texas
Midland, Texas 79701

Attention: Ray Winkeljohn
(432) 682-3715

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Mewbourne Oil Company seeks an order approving a 480 acre non-standard gas spacing and proration unit in the Wolfcamp formation underlying the E/2 of Section 11 and the NE/4 of Section 14, Township 26 South, Range 29 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to: (i) the Fuller 14/11 W2HA Fed. Com. Well No. 3H, to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in the SE/4NE/4 of Section 14 and a terminus in the NE/4NE/4 of Section 11. The beginning and end of the producing interval will be orthodox; and (ii) the Fuller 14/11 W1HA Fed. Com. Well

No. 2H to be drilled to a depth sufficient to test the Wolfcamp formation. The well is a horizontal well, with a surface location in the SE/4NE/4 of Section 14 and a terminus in the NE/4NE/4 of Section 11. The beginning and end of the producing interval will be orthodox. 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

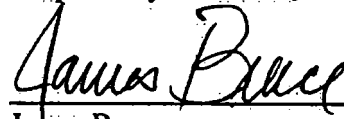
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Ray Winkeljohn (landman)	10 min.	Approx. 5
Charlie Crosby (geologist)	15 min.	Approx. 4

OPPONENT

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

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Mewbourne Oil Company