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

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

CASE NO. 20091

PRE-HEARING STATEMENT

Zane Kiehne provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

<u>APPLICANT'S ATTORNEYS</u>

Mewbourne Oil Company Gary W. Larson

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<u>OPPONENT'S ATTORNEYS</u>

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STATEMENT OF THE CASE

Mewbourne's application seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation in a standard 160-acre horizontal spacing unit comprised of the E/2 W/2 of Section 21, Township 26 South, Range 32 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to Mewbourne's proposed Red Hills West 21 W0CN Fed Com #1H

and Red Hills West 21 W1CN Fed Com #2H wells. Both wells will be horizontally drilled from a surface location in Unit C to a bottom hole location in Unit N of Section 21, Township 26 South, Range 32 East.

Mr. Kiehne is an unleased mineral owner in the subject acreage. Mr. Kiehne opposes this application on the ground, *inter alia*, that Mewbourne did not negotiate in good faith in seeking the voluntary participation of Mr. Kiehne in the proposed wells.

PROPOSED EVIDENCE

OPPONENT'S WITNESSES	EST. TIME	EXHIBITS
Zane Kiehne, unleased mineral owner	15 min.	4
Dan Perry, attorney	15 min.	4

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on November 8, 2018:

Gary W. Larson Hinkle Shanor LP P.O. Box 2068 Santa Fe, NM 87504-2068

/s/ Seth C. McMillan
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