

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

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

Case No. 20092

**MEWBOURNE OIL COMPANY'S
PRE-HEARING STATEMENT**

Mewbourne Oil Company ("Mewbourne") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

Mewbourne is the applicant in this case. Its business address is 500 West Texas Ave., Suite 1020, Midland, Texas 79701. Mewbourne is represented by the undersigned counsel.

STATEMENT OF THE CASE

Mewbourne's application seeks an order (i) approving a 200-acre non-standard horizontal spacing unit in the Second Bone Spring Sand zone of the Bone Spring formation comprised of the NE/4 SW/4 and N/2 SE/4 of Section 11 and the N/2 SW/4 of Section 12, Township 19 South, Range 29 East, N.M.P.M., in Eddy County, and (ii) pooling all uncommitted mineral interests in the Second Bone Spring Sand zone of the Bone Spring formation underlying the proposed horizontal spacing unit.

The proposed horizontal spacing unit will be dedicated to the Sapphire 11/12 B2KK State Com Well #1H, which will be horizontally drilled, with a surface location in Unit K of Section 11 and a last take point Unit K of Section 12, Township 23 South, Range 27 East. Mewbourne proposes to drill the Sapphire 11/12 B2KK State Com Well #1H to a depth sufficient to test the

Second Bone Spring Sand, defined as the stratigraphic equivalent of 7,800 to 8,164 feet beneath the Kelly Bushing elevation of 3,393 feet, as found on the BHC Acoustilog for the Chisos, Ltd. State HL Well No. 1 located 660 feet FSL and 1,980 feet FWL of Section 11, Township 19 South, Range 29 East in Eddy County (API No. 30-015-22956). The completed interval for the well will be orthodox.

PROPOSED EVIDENCE

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Paul Haden (Landman)	10 minutes	Approx. 6
Jordan Carrell (Geologist)	10 minutes	Approx. 4

Mewbourne reserves the right to call a rebuttal witness(es) if appropriate.

PROCEDURAL MATTERS

Mewbourne is not aware of any procedural matters to be resolved prior to the hearing. If there is no oppositions to its application, Mewbourne will present its case by affidavit.

HINKLE SHANOR, LLP



Gary W. Larson
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
glarson@hinklelawfirm.com

Counsel for Mewbourne Oil Company