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. 20148

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 pooling all uncommitted mineral interests in the Bone Spring formation in a standard 240-acre horizontal spacing unit comprised of the W/2 NW/4 of Section 25 and the W/2 W/2 of Section 24, Township 21 South, Range 34 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to Mewbourne's proposed Dolly Varden 25/24 B2ED State Com #1H well, which will be horizontally drilled from a surface location in Unit E in Section 25 to a last take point in Unit D in Section 24, Township 21 South, Range 34 East. The completed interval for the well will comply with the Division's setback requirements.

PROPOSED EVIDENCE

WITNESS

ESTIMATED TIME

EXHIBITS

Ray Winkeljohn (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 opposition to its application, Mewbourne will present its case by affidavit.

HINKLE SHANOR, LLP

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Counsel for Mewbourne Oil Company