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

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

Case No. 20268

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.

<u>APPEARANCES</u>

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 Third Bone Spring Sand interval of the Bone Spring formation in a 240-acre standard horizontal spacing unit comprised of the N/2 S/2 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.

Mewbourne proposes to dedicate the horizontal spacing unit to the Sapphire 11/12 B3LK State Com #2H well, which will be horizontally drilled from a surface location in Unit L in Section 11 to a last take point in Unit K in Section 12, Township 19 South, Range 29 East. Mewbourne will drill the well to a depth sufficient to test the Third Bone Spring Sand interval of the Bone Spring formation. The completed interval for the well will be orthodox.

PROPOSED EVIDENCE

<u>WITNESS</u>	ESTIMATED TIME	<u>EXHIBITS</u>
Paul Haden (Landman)	10 minutes	Approx. 6
Charles Crosby (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

uson)

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