

**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. 20269

**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 Third Bone Spring Sand interval of the Bone Spring formation in a 240-acre standard horizontal spacing unit comprised of the S/2 S/2 of Section 11 and the S/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 B3MN State Com #2H well, which will be horizontally drilled from a surface location in Unit M in Section 11 to a last take point in Unit N 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

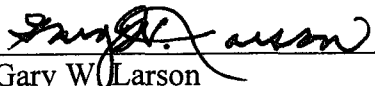
<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Paul Haden (Landman)	10 minutes	Approx. 6
Charles Crosby (Geologist)	10 minutes	Approx. 4

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



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