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. 20502

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 400-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Section 3, the S/2 N/2 of Section 4, and the S/2 NE/4 of Section 5, Township 20 South, Range 30 East in Eddy County, New Mexico.

Mewbourne proposes to dedicate the horizontal spacing unit to the Caballo Loco 5/3 B2GH Fed Com #4H well, which will be horizontally drilled from a surface location in Unit B in Section 5 to a bottom hole location in Unit H in Section 3, Township 20 South, Range 30 East. The completed interval for the well will be orthodox.

PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Mitch Robb (Landman)	10 minutes	Approx. 6
Charles Crosby (Geologist)	10 minutes	Approx. 5

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.

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