

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

2006 MAY 23 PM 12 53

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

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

Case No. 13731

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Mewbourne Oil Company
Suite 1020
500 West Texas
Midland, Texas 79701

Attention: D. Paul Haden

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the W/2 of Section 10, Township 20 South, Range 25 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the East Dagger Draw-Strawn Gas Pool and Cemetery-Morrow Gas Pool. The unit is to be dedicated to the proposed Long Draw "10" Fed. Com. Well No. 1, to be drilled at an orthodox location in the NW/4SW/4 of Section 10. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3 miles west-southwest of Seven Rivers,

New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

This application will be submitted by affidavit under Rule 1207.

OPPONENT

WITNESSES

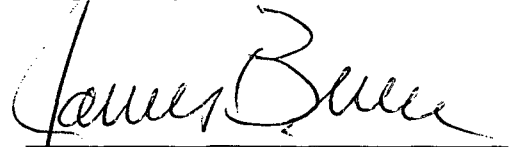
EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", written over a horizontal line.

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Mewbourne Oil Company

CASE NO. 13731: *Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the W/2 of Section 10, Township 20 South, Range 25 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the East Dagger Draw-Strawn Gas Pool and Cemetery-Morrow Gas Pool. The unit is to be dedicated to the proposed Long Draw "10" Fed. Com. Well No. 1, to be drilled at an orthodox location in the NW/4 SW/4 of Section 10. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3 miles west-southwest of Seven Rivers, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE NO. 13704: *Continued from June 8, 2006 Examiner Hearing*

Application of Latigo Petroleum, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 9, Township 16 South, Range 32 East, NMPM, Lea County, New Mexico, and in the following manner: The N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Anderson Ranch-Morrow Gas Pool; and the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent. The units are to be designated to the Anderson Ranch State "9" Well No. 1, to be drilled at an orthodox gas well location in the NE/4 NE/4 of Section 9. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 6 miles north-northwest of Maljamar, New Mexico.

CASE NO. 13732: *Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico.*

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 22, Township 19 South, Range 31 East, NMPM, and in the following manner: The W/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated West Lusk-Morrow Gas Pool; the SW/4 to form a standard 160-acre oil or gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent, including the Undesignated Lusk-Strawn Gas Pool; and the SE/4 SW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated West Lusk-Yates Pool, Undesignated Hackberry-Delaware Pool, and Undesignated Hackberry-Bone Spring Pool. The units are to be dedicated to the Arenoso "22" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SE/4 SW/4 of Section 22. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 14 miles south-southeast of Loco Hills, New Mexico.

CASE NO. 13725: *Continued from June 8, 2006 Examiner Hearing*

Application of WJP Exploration, LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 16, Township 23 South, Range 24 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated South Bandana Point-Strawn Gas Pool, Undesignated Robina Draw-Atoka Gas Pool, and Undesignated Bandana Point-Strawn Morrow Pool. The unit is to be dedicated to the proposed Renata "16" State Well No. 1, to be drilled at an orthodox location in the NE/4 NE/4 of Section 16. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Preston Exploration, LLC as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 11-1/2 miles northwest of Whites City, New Mexico.

CASE NO. 13726: *Continued from June 8, 2006 Examiner Hearing*

Application of WJP Exploration, LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 25, Township 18 South, Range 26 East, NMPM, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Red Lake-Pennsylvanian Gas Pool and Undesignated Four Mile Draw-Morrow Gas Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the NW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Dayton-Grayburg Pool, Undesignated Dayton-San Andres Pool, Atoka Glorieta-Yeso Pool, and Undesignated Dayton-Abo Pool. The units are to be dedicated to the Orleans "25" Well No. 1, to be drilled at an orthodox location in the NW/4 NE/4 of Section 25. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Preston Exploration, LLC as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 5 miles southeast of Atoka, New Mexico.