

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

**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. 14,299

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

APPLICANT'S ATTORNEY

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

Attention: D. Paul Haden
(432) 682-3715
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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 following described acreage in Section 1, Township 22 South, Range 25 East, NMPM, and in the following manner: Lots 5-12 (the N/2) to form a non-standard 344.34-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 Catclaw Draw-Wolfcamp Gas Pool, Undesignated Hackberry Hills-Canyon Gas Pool, Undesignated Catclaw Draw-Strawn Gas Pool, Undesignated Hackberry Hills-Atoka Gas Pool, Undesignated Revelation-Atoka Gas Pool, Undesignated Revelation-Morrow Gas Pool, and Undesignated Happy Valley-Morrow Gas

3 for 69 w/ST

Pool; Lots 7-10 (the NW/4) to form a non-standard 176.05-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and Lot 9 (the SW/4NW/4) to form a non-standard 44.43-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 Happy Valley-Bone Spring Pool. The units are to be dedicated to the proposed Hackberry Hills "1" Fed. Well No. 1, to be drilled at an orthodox location in Lot 9 of Section 1. 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.

OPPONENT**PROPOSED EVIDENCE**APPLICANTWITNESSESEST. TIMEEXHIBITS

D. Paul Haden
(landman)

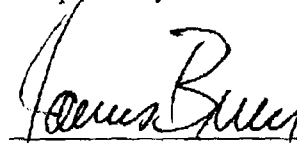
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OPPONENTWITNESSESEST. TIMEEXHIBITS**PROCEDURAL MATTERS**

-None-

Respectfully submitted,



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Attorney for Mewbourne Oil Company