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.

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

OPPONENT'S ATTORNEY

[. <

Attention: Corey Mitchell (432) 682-3715

OPPONENT

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Yeso formation underlying the SE/4NW/4 of Section 22, Township 20 South, Range 25 East, NMPM, to form a standard 40-acre oil spacing and proration unit for all pools or formations developed on 40-acre spacing within that vertical extent, including the North Seven Rivers Glorieta-Yeso Pool. The unit is to be dedicated to the proposed Quick Draw "22" F Well No. 1, to be drilled at an orthodox location in the SE/4NW/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.

Case No. 14,397

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Corey Mitchell (landman) 15 min.

Approx. 5

IF THIS MATTER IS UNOPPOSED IT MAY BE SUBMITTED BY AFFIDAVIT.

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,

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

Attorney for Mewbourne Oil Company