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. 14435

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the rules of the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Mewbourne Oil Company Attn: Mr. D. Paul Haden 500 West Texas, Suite 1020 Midland, Texas 79701 (432) 682-3715 ATTORNEY

RECEIVED OCD

William F. Carr, Esq. Ocean Munds-Dry, Esq. Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

STATEMENT OF CASE

APPLICANT:

~ 5

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the top of the Bone Spring formation in all formations and pools in the NW/4 SW/4 of Section 24, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the pooled units to its Wyatt Draw "24" L Well No. 1 to be drilled as a wildcat oil well at a standard location 2310 feet from the South line and 3330 feet from the West

line (Unit L) of said Section 24. The top of the Bone Spring Lime is identified at a depth of 4,170 feet beneath the surface in the Density Neutron Electric Log run in the Nearburg Exploration Company Fairchild "24" Well No. 1 located 2100 feet from the North Line and 900 feet from the West Line of Section 24, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. Also to be considered will be the cost of drilling and completing said well as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise) ESTIMATED TIME

EXHIBITS

Mewbourne Oil Company will present this case by affidavit.

PROCEDURAL MATTERS

Mewbourne Oil Company has none at this time.

Ocean Munds-Dry Attorney for Mewbourne Oil Company