

**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 A NON-STANDARD SPACING AND PRORATION
UNIT, AND COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

CASE NO. 14516

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PRE- HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Mewbourne Oil Co.
Attn: Mr. D. Paul Haden
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(432) 686-4170

ATTORNEY

Ocean Munds-Dry
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7/26/10 mtm

STATEMENT OF CASE

APPLICANT

Applicant seeks an order (1) creating a 169.64-acre non-standard spacing unit comprised of the N/2 N/2 equivalent of Section 4, Township 20 South, Range 29 East, NMPM, and (2) pooling all mineral interests in the Bone Spring formation, Parkway-Bone Spring Pool, in this non-standard spacing and proration unit which spacing unit will be the project area for its Burton "4" Federal Well No. 3H (API No. 30-015-37816) to be drilled from a non-standard surface location 810 feet from the North line and 200 feet from the East line (Unit A) to a true vertical depth of approximately 7,909 feet (estimated measured depth of approximately 12,442 feet) and then in a westerly direction

approximately 4172.56 feet in the Bone Spring formation to a terminus 660 feet from the North line and 330 feet from the West line (Unit D) of said Section 4. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Mewbourne Oil Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 8 miles South of Loco Hills, New Mexico.

PROPOSED EVIDENCE

WITNESSES

Paul Haden,
Petroleum Landman

David Rawlins,
Petroleum Geologist

ESTIMATED TIME

By Affidavit

By Affidavit

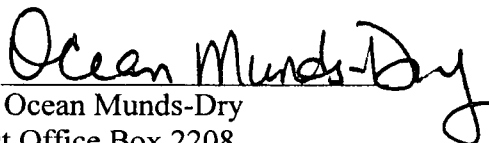
EXHIBITS

PROCEDURAL MATTERS

Mewbourne has none at this time.

Respectfully submitted,

HOLLAND & HART LLP

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**ATTORNEY FOR
MEWBOURNE OIL COMPANY**