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Via Fax

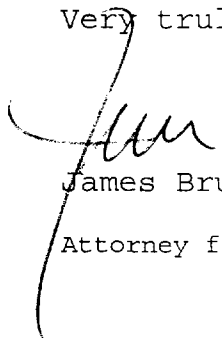
David Catanach
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case No. 12987; application of Mewbourne Oil Company for
compulsory pooling, Lea County, New Mexico

Dear Dave:

Enclosed is my pre-hearing statement in the above case (**right on time, as always**), and my notice affidavit in case I am unable to attend the hearing. I ask that the matter be taken under advisement.

Very truly yours,



James Bruce

Attorney for Mewbourne Oil Company

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 AND AN
UNORTHODOX OIL WELL LOCATION, EDDY
COUNTY, NEW MEXICO.

Case No. 12,987

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Mewbourne Oil Company
Suite 1020
500 West Texas
Midland, Texas 79701
Attention: Larry Cunningham
(505) 682-3715

APPLICANT'S ATTORNEY

James Bruce
Post Office 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 Atoka formation underlying the S½ of Section 35, Township 23 South, Range 28 East, NMPM. The units being pooled are as follows:

- (1) the S½ of Section 35 for 320-acre gas spacing and proration units (Undesignated South Culebra Bluff-Wolfcamp Gas Pool, Undesignated South Culebra Bluff-Strawn Gas Pool, and South Culebra Bluff-Atoka Gas Pool;
- (2) the SE¼ of Section 35 for 160-acre gas spacing and proration units;
- (3) the N½SE¼ of Section 35 for 80-acre oil spacing and proration units (Undesignated South Culebra Bluff-Bone Spring Pool); and

(4) the NE¼SE¼ of Section 35 for 40-acre oil spacing and proration units (Undesignated Malaga-Bone Spring Pool).

The units will be dedicated to applicant's Layla "35" Fee Com. Well No. 1, to be drilled at an unorthodox oil well location/orthodox gas well location 1650 feet from the south line and 1241 feet from the east line (Unit I) of Section 35. THE WELL LOCATION IS BASED ON THE OPTIMUM ATOKA LOCATION, WHICH PLACES THE WELL AT AN UNORTHODOX OIL WELL LOCATION.

The parties being pooled are owners of small, unleased mineral interests, who have not responded to lease offers. Therefore, applicant requests that **IN THE ABSENCE OF OBJECTION THIS MATTER BE TAKEN UNDER ADVISEMENT.**

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

No witnesses will be presented. Applicant tenders the verified application and the enclosed notice 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