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

برويانية لأبة المسلافات

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

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APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

DRE-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

<u>OPPONENT</u>

Bass Enterprises Production Co.

<u>OPPONENT'S ATTORNEY</u> J. Scott Hall

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the base of the Wolfcamp formation to 100 feet below the base of the Morrow formation underlying the S% of Section 1, Township 22 South, Range 27 East, NMPM to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated East Carlsbad-Strawn Gas Pool and Undesignated East Carlsbad-Morrow Gas Pool. The unit is to be dedicated to applicant's Otis "1" Well No. 1, to be drilled at an orthodox location in the SW%SE% (Unit O) 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 charge for the risk involved in drilling and completing the well.

OPPONENT

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Case No. 13,021

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PROPOSED EVIDENCE

APPLICANT

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WITNESSES	EST. TIME	EXHIBITS
Larry Cunningham (landman)	15 min.	Approx. 4
Bruce Insalaco (geologist)	10 min.	Approx. 4
Bryan Montgomery (engineer)	15 min.	Approx. 3
<u>OPPONENT</u>		

<u>WITNESSES</u>

<u>EST. TIME</u>

EXHIBITS

PROCEDURAL MATTERS

-None-

ectfully submitted,

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

Attorney for Mewbourne Oil Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Pre-Hearing Statement was served via facsimile transmission upon the following counsel of record this ///L day of March, 2003:

> J. Scott Hall Miller, Stratvert P.A. Post Office Box 1986 Santa Fe, New Mexico 87504 (505) 989-9857 Aunes Bruce