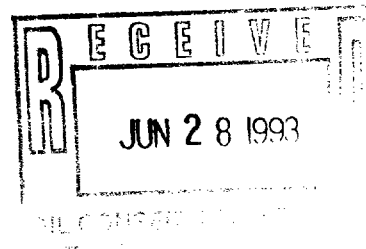


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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



APPLICATION OF MEWBOURNE OIL
COMPANY FOR STATUTORY UNITIZATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 10,761

APPLICATION OF MEWBOURNE OIL
COMPANY FOR APPROVAL OF A WATER-
FLOOD PROJECT AND QUALIFICATION
OF THE PROJECT FOR THE RECOVERED
OIL TAX RATE, LEA COUNTY, NEW MEXICO.

CASE NO. 10,762

CONSOLIDATED PRE-HEARING STATEMENT

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

APPEARANCE OF PARTIES

APPLICANT

Mewbourne Oil Company
Suite 1020
550 West Texas
Midland, Texas 79701
(915) 682-3715
Attention: Steven Cobb

ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

OPPOSITION OR OTHER PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

Applicant seeks to statutorily unitize that part of the Querecho Plains - Upper Bone Spring Pool underlying all or parts of Sections 13, 14, 22, 23, 24, 26, 27 and 28 of Township 18 South - Range 32 East, and to institute a secondary recovery waterflood project for the unit. Although the requisite percentages of working and royalty interests have approved the unit, there are uncommitted interests at this time. Applicant further requests rules for the waterflood which allow the drilling or recompletion of additional injection or producing wells without the necessity of further hearings. Applicant also seeks to qualify the project for the Recovered Oil Tax Rate.

OPPOSITION

PROPOSED EVIDENCE

APPLICANT

| | WITNESSES | EST. TIME | | EXHIBITS |
|----|---------------------------|------------|-----|---|
| 1. | Steven Cobb (Landman) | 30 minutes | (a) | Land plat. |
| | | | (b) | Unit Agreement/ Unit Operating Agreement. |
| | | | (c) | Ownership summaries. |
| | | | (d) | BLM letter of prelim- inary approval. |
| | | | (e) | Summaries of contents with parties. |
| | | | (f) | Affidavit of Notice. |
| 2. | Kevin Mayes (Engineer) | 45 minutes | (a) | Type log. |
| | | | (b) | Cross-section. |
| | | | (c) | Isopachs. |
| | | | (d) | Production data. |

- (e) Feasibility study.
- (f) Injectivity test results.
- (g) Economic summaries.
- (h) C-108.
- (i) Pressure gradient data.
- (j) Affidavit of Notice.

3. K. M. Calvert Possible witness
(Engineer)

OPPOSITION

WITNESSES

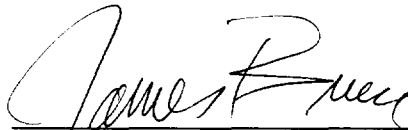
EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY



James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Mewbourne Oil Company