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April 5, 1994

10961 **Ad** OIL CONSERVATION DA

HAND-DELIVERED

William J. LeMay, Director Oil Conservation Division

New Mexico Department of Energy,

Minerals and Natural Resources State Land Office Building Santa Fe, New Mexico 87503

Re: Application of Mewbourne Oil Company for Compulsory Pooling and an Unorthodox Gas Well Location, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Mewbourne Oil Company in the abovereferenced matter. Also enclosed is a legal advertisement for this case. Mewbourne Oil Company requests that this case be set for hearing before a Division Examiner on April 28, 1994.

Your attention to this request is appreciated.

Very truly yours. WILLIAM FL CARR

WFC:mlh Enclosure cc: Mr. D. Paul Haden (w/enclosure)

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:

CASE NO. 10961



APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING AND UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Mewbourne Oil Company_____ c/o Steve Cobb______ 500 W. Texas, Suite 1020_____ Midland, TX 79701_____ (915) 682-3715_____

name, address, phone and contact person

OPPOSITION OR OTHER PARTY

William F. Carr, Esq.____ Campbell, Carr, Berge & Sheridan, P.A. Post Office Box 2208_____ Santa Fe, New Mexico 87504_____ (505) 988-4421_____

ATTORNEY

ATTORNEY

name, address, phone and contact person

Pre-hearing Statement NMOCD Case No. 10961 Page 2

STATEMENT OF CASE

<u>APPLICANT</u>

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Mewbourne Oil Company, applicant in the above-captioned cause, seeks an order pooling all mineral interests from 500 feet below the top of the San Andres formation to the base of the Morrow formation underlying the S/2 for all formations developed on 320-acre spacing, the SE/4 for all formations developed on 160-acre spacing, the E/2 SE/4 for all formations developed on 80-acre spacing and the NE/4 SE/4 for all formations developed on 40-acre spacing within Section 20, Township 18 South, Range 28 East. Applicant proposes to dedicate this pooled unit to its Chalk Bluff Draw Prospect Illinois Camp "20" State Well No. 2 to be drilled at an unorthodox gas well location 1650 feet from the South line and 990 feet from the East line (Unit I) of Section 20 to test any and all formations in the pooled interval to the base of the Morrow formation, North Illinois Camp-Morrow Gas Pool. 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 applicant as the operator of the well and a charge for risk involved in drilling and completing said well.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Pre-hearing Statement NMOCD Case No. 10961 Page 3

PROPOSED EVIDENCE

<u>APPLICANT</u>

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Paul Hayden, Landman	10 Min.	Approximately 4
David Shatzer, Geologist	10 Min.	Approximately 5

OPPOSITION

WITNESSES (Name and expertise) EST. TIME

EXHIBITS

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)

t. San Signature

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

May 27, 1994

CAMBELL, CARR, BERGE & SHERIDAN Attorneys at Law P. O. Box 2208 Santa Fe, New Mexico 87504

RE: CASE NO. 10961 ORDER NO. R-10121

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Administrative Secretary

cc: BLM - Carlsbad Tom Kellahin Taxation & Revenue

