

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

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

Case No. 21382

**MEWBOURNE OIL COMPANY'S
PRE-HEARING STATEMENT**

Mewbourne Oil Company ("Mewbourne") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

Mewbourne is the applicant in this case. Its business address is 500 West Texas Ave., Suite 1020, Midland, Texas 79701. Mewbourne is represented by the undersigned counsel.

STATEMENT OF THE CASE

Mewbourne seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation in a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Section 21 and the E/2 of Section 16, Township 24 South, Range 28 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the following wells: (a) Creedence 21-16 W1OB Fed Com #1H well, which will be horizontally drilled from a surface location in Unit P in Section 21 to a bottom hole location in Unit B in Section 16, Township 24 South, Range 28 East; (b) Creedence 21-16 W0OB Fed Com #2H well, which will be horizontally drilled from a surface location in Unit P in Section 21 to a bottom hole location in Unit B in Section 16, Township 24 South, Range 28 East; (c) Creedence 21-16 W0PA Fed Com #1H well, which will be horizontally drilled from a surface location in Unit P in Section 21 to a bottom hole location in Unit A in Section 16, Township 24 South, Range 28 East; and (d) Creedence 21-16 W1PA Fed Com #2H well, which

will be horizontally drilled from a surface location in Unit P in Section 21 to a bottom hole location in Unit A in Section 16, Township 24 South, Range 28 East.

The completed intervals for the wells will be orthodox. Also to be considered will be the costs of drilling and completing the wells and the allocation of the costs, the designation of Mewbourne as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The granting of Mewbourne's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

PROPOSED EVIDENCE

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Tyler Jolly (Landman)	10 minutes	Approx. 12
Tyler Hill (Geologist)	10 minutes	Approx. 6

Mewbourne reserves the right to call a rebuttal witness(es) if appropriate.

PROCEDURAL MATTERS

Mewbourne is not aware of any procedural matters to be resolved prior to the hearing. If there is no opposition to its application, Mewbourne will present its case by affidavit.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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