

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

**APPLICATION OF SIANA OIL & GAS CO.
TO AMEND ORDER NOS. R-21804 AND R-21805
TO EXTEND TIME FOR PAYING ESTIMATED COSTS,
LEA COUNTY, NEW MEXICO**

**CASE NO. 22439
ORDER NO. R-22147**

ORDER ON MOTION TO DISMISS

This matter comes before the Director of the New Mexico Oil Conservation Division (“Division”) on a Motion to Dismiss filed by Mewbourne Oil Company (“Mewbourne”). Siana Oil & Gas Co. (“Siana”) filed a response and the parties presented arguments before a Division Hearing Examiner. The Director enters the following findings and order.

FINDINGS

1. Siana filed an application (“Application”) in Case No. 22439 requesting that the Division amend Order Nos. R-21804 and R-21805 (“Orders”), which were issued in Case Nos. 22035 and 22036, to extend the time for paying estimated costs for the wells associated with the Orders (“Unit Wells”).
2. The Orders pooled uncommitted interests in horizontal spacing units and designated Mewbourne as the operator of the units and the Unit Wells. The Orders were both issued on August 26, 2021. No applications for de novo review before the Oil Conservation Commission were filed.
3. In Case No. 22378, Siana requested that the Division order Mewbourne to provide an accounting for the drilling and operation of the wells (“Previous Wells”) drilled and operated pursuant to Order Nos. R-21292 and R-21293, which were issued in Case Nos. 21156 and 21157.
4. The Application in Case No. 22439 seeks to extend the deadline for paying estimated costs for the Unit Wells until “thirty (30) days after the accounting issues raised in Case No. 22378 have been resolved, Mewbourne has paid Siana for the improper charges on the Previous Wells, and Mewbourne has provided Siana with its share of production from the Previous Wells”.

5. Mewbourne filed a Motion to Dismiss (“Motion”) on March 21, 2022. Siana filed a response to the Motion on April 4, 2022, and the parties presented arguments before a Division Hearing Examiner on April 21, 2022.

6. In the Motion, Mewbourne argues that Siana has failed to state a claim for relief in the Application. The Application only alleges violations associated with Case No. 22378 and no violations of the Orders are asserted. Mewbourne states: “Siana wants money it claims is under Case No. 22378 to pay for wells under Case Nos. 22035 and 22036”.

7. In response, Siana claims that Mewbourne has committed wrongful acts under the Orders but does not specify any actions other than Mewbourne offering Siana the opportunity to participate and make estimated payments for additional wells under the Orders.

8. The allegations of violations in the Application pertain solely to actions, or inactions, of Mewbourne pertaining to the drilling and operation of the Previous Wells which were authorized under Orders R-21292 and R-21293. These alleged violations include the failure to properly account for costs, the failure the difference between estimated and actual costs and the withholding of revenues. (Application, ¶¶10-12).

9. No allegations of violations of the Orders are found in the Application.

CONCLUSIONS

10. The Director concludes that the Application fails to specify any violations of the Orders that could justify the reopening and amending of the Orders. Therefore, the Application fails to state a claim on which relief can be granted.

ORDER

IT IS HEREBY ORDERED THAT the Motion is granted and the Application is dismissed.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**


ADRIENNE SANDOVAL
DIRECTOR
AES/bb

Date: 5/19/2022