

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

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

**Case Nos. 16234, 16235, 16313, and 16386-16388**

**RESPONSE IN OPPOSITION TO MOTION TO STAY**

Mewbourne Oil Company ("Mewbourne") submits this response in opposition to the Motion to Stay filed by Marathon Oil Permian LLC ("Marathon"). In support of its response, Mewbourne states:

1. In these cases Mewbourne obtained orders approving pooling of well units in the Bone Spring and Wolfcamp formations in the subject acreage. Mewbourne has been working on this prospect since October 2017. It obtained surface locations and APDs, and then submitted well proposals to working interest owners.

2. Marathon does not own a "significant interest" in the well units – it owns anywhere from 2-12.5% working interest in the well units.

3. Marathon has never objected to Mewbourne's plan of development or explained how Mewbourne's "well density proposal will result in waste". Marathon has never reached out to Mewbourne to discuss these items or expressed any concerns prior to its filings. In fact, Marathon executed Mewbourne's JOA for the W2 of Section 28 and SW4 of Section 21 with the same development pattern.

4. All other parties have signed Mewbourne's JOA and agree with the current plan of development. Mewbourne is trying to protect correlative rights and counter offset production.

Delaying development will cause economic waste and adversely affect the correlative rights of all other working interest owners.

5. Mewbourne has already commenced operations on the project (built location, ran gas lines, ran frac & SWD lines, contracted with oil purchasers on laying lines to location, obtained surface use agreements, obtained ROW for powerlines, etc.). It plans to commence spudding the wells in approximately 30 days.

6. Mewbourne is not unresponsive. It is still working on a trade with Marathon and has never communicated that it is not doing so. The difference in acreage that Marathon is alluding to is ~41 net acres on an 800 acre trade. Marathon also had an acreage deficiency in its trade proposal of ~30 net acres that Mewbourne was willing to ignore.

7. Finally, Marathon continues to assert that Mewbourne's counsel is "unresponsive." The undersigned received notice on Tuesday that Marathon intended to file its Motion, and promptly responded that the e-mail was forwarded to Mewbourne for consideration. Counsel for Marathon was aware that I was on standby for my daughter giving birth to my first grandchild. Marathon went ahead and promptly filed its motion, and complained of my unresponsiveness. Give me a break. There is no immediate deadline, since Marathon still has about 30 days to elect to join in the wells or reach agreement with Mewbourne. A decision on the motion can wait a week or two.<sup>1</sup> NOTE: Mewbourne is willing to give Marathon some extra time on its elections in order to facilitate negotiations.

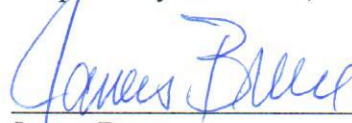
8. In short, allow the parties, if Marathon is so inclined, to negotiate further and possibly negate the need for a decision on the stay request.

WHEREFORE, Mewbourne requests that the Motion to Stay be denied.

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<sup>1</sup> I must return to Roswell this Monday to stay with my daughter. I am available for a phone call (505-660-6612), but again, a decision can wait a week or more.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 24<sup>th</sup> day of January, 2019 via e-mail:

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