

**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. 20496**

**PRE-HEARING STATEMENT**

Jeffrey M. Johnston and wife, Sandra K. Johnston, Sand Dollar Petroleum, Inc. and Michael A. Short., by Candace Callahan of Beatty & Wozniak, P.C., provides this Pre-Hearing Statement as required by the rules of the Division.

**APPEARANCES**

**APPLICANT**

Mewbourne Oil Company  
Suite 1020  
500 West Texas  
Midland, Texas 79701  
Attn: Corey Mitchell  
(432) 682-3715

**APPLICANT'S ATTORNEY**

James Bruce  
P. O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

**OTHER PARTY OR OPPONENT**

Jeffrey M. Johnston  
Sandra K. Johnston  
Sand Dollar Petroleum, Inc.  
Michael A. Short

**ATTORNEY**

Candace Callahan  
500 Don Gaspar Avenue  
Santa Fe, NM 87505  
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COG Operating LLC	Ocean Munds-Dry William F. Carr Elizabeth A. Ryan 1048 Paseo de Peralta Santa Fe, New Mexico 87501 (505) 780-8000 omundsdry@concho.com wcarr@concho.com eryan@concho.com
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### **STATEMENT OF THE CASE**

Applicant, Mewbourne Oil Company (“Mewbourne”), seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 9 and the S/2S/2 of Section 10, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to the Perazzi 9-10 B2MP Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4SW/4 of Section 9, and a final take point in the SE/4SE/4 of Section 10. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

To date, Applicant has been non-responsive to communications initiated by Jeffrey M. Johnston and wife, Sandra K. Johnston, Sand Dollar Petroleum, Inc. and Michael A. Short (“Johnston et al”). Requests for supporting documentation of Applicant’s proposal have gone unanswered. Although Johnston et al are interested in committing their respective interests to the proposed well, they require the additional requested documentation to enable them to effectively evaluate Mewbourne’s well proposal in this case.

**PROPOSED EVIDENCE**

**APPLICANT**

**WITNESSES**

**ESTIMATED TIME**

**EXHIBITS**

Tyler Jolly  
(landman)

15 minutes

Approx. 5

Charlie Crosby  
(geologist)

10 minutes

Approx. 5

**JEFFREY M. JOHNSTON, SANDRA K. JOHNSON, SAND DOLLAR PETROLEUM, INC. AND MICHAEL A. SHORT**

**WITNESSES**

**ESTIMATED TIME**

**EXHIBITS**

Jeffrey M. Johnston  
(WI Owner)

10 minutes

Approx. 1

**COG OPERATING LLC**

**WITNESSES**

**ESTIMATED TIME**

**EXHIBITS**

Unknown

**PROCEDURAL MATTERS**

If the documentation requested by Johnston et al, as recently specifically delineated in an email between counsel for Applicant and Johnston et al, is received by Johnston's counsel on or before 12:00 p.m., noon, on Monday, July 22, 2019, opposition to this application and to Applicant's presentation of this case by affidavit will be withdrawn.

BEATTY & WOZNIAK, P.C.

By:



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ATTORNEYS FOR JEFFREY M. JOHNSTON, SANDRA K. JOHNSTON, SAND DOLLAR PETROLEUM, INCL. AND MICHAEL A. SHORT

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on July 18, 2019.

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Candace Callahan