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2011 NOV -8 P 4:07

November 8, 2011

Ms. Jami Bailey, Director
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87501

Hand-Delivered

**Re: NMOCD Case No. 14736: In The Matter of the Amended Application of
Mewbourne Oil Company for A Non-Standard Oil Spacing And Proration
Unit And Compulsory Pooling, Eddy County, New Mexico**

Dear Ms. Bailey:

On behalf of Mewbourne Oil Company, enclosed for filing is an original and one copy of Mewbourne's Motion for Continuance in the above case.

Thank you.

Very truly yours,

J. Scott Hall

cc: David Brooks, Esq.
Earl E. DeBrine Jr., Esq.
Patrick A. Fort, Esq.

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

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**IN THE MATTER OF THE AMENDED
APPLICATION OF MEWBOURNE OIL
COMPANY FOR A NON-STANDARD OIL
SPACING AND PRORATION UNIT AND
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO**

CASE NO. 14736

MOTION FOR CONTINUANCE

Mewbourne Oil Company, (Mewbourne), through its undersigned counsel, moves the Division enter its order continuing the hearing on the Amended Application in this matter from the November 10, 2011 examiner hearing docket to the January 5, 2012 docket. In support, Mewbourne states:

By its Amended Application, Mewbourne seeks the designation of a non-standard spacing and proration unit comprised of the N/2 N/2 of Section 11, T18S, R31E in Eddy County, New Mexico, for the drilling and operation of its proposed Tamano 11 Fed. Com Well No. 1-H. Mewbourne also seeks the consolidation of un-joined interests from the base of the Second Bone Spring Carbonate to the base of the Bone Spring formation. Mewbourne's Amended Application is opposed by The Harvey E. Yates Company, Explorers Petroleum Corporation, Spiral, Inc., Jalapeno Corporation and Walking X Partnership V (the HEYCO entities).

Mewbourne's Amended Application presents no novel issues or any unprecedented requests for relief, but on November 3, 2011 the HEYCO entities filed a Motion To Dismiss asserting (1) that the Division is without the authority to consolidate contiguous spacing units, (2) acreage under earlier JOA's are immune from compulsory pooling, and (3) the recovery of a charge for risk is not justified. Mewbourne respectfully disagrees with all of these contentions


and the Division's Examiners would be well-served by a thoughtful and well-considered response to the Motion to Dismiss before proceeding further. However, there is not adequate time remaining before the hearing on November 10th to allow Mewbourne to deliver such a response. A continuance will also allow Mewbourne to engage the HEYCO entities in further discussions to reach an appropriate business solution.

Mewbourne's Application was filed on August 30, 2011 and the matter first set for hearing on September 29, 2011. HEYCO has since requested several continuances and Mewbourne has agreed to them all. On information and belief,¹ Mewbourne has not previously sought a hearing continuance.

The HEYCO entities have been asked to agree to the continuance, but their counsel have not responded.

WHEREFORE, Mewbourne Oil Company requests that the hearing in this matter be continued to January 5, 2012.

Respectfully submitted,
MONTGOMERY & ANDREWS, P.A.

By: 

J. Scott Hall, Esq.
Post Office Box 2307
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Attorneys for Mewbourne Oil Company

¹ Montgomery & Andrews is not Mewbourne's original counsel in this matter.

Certificate of Service

I hereby certify that on November 8, 2011, a true and correct copy of the foregoing was delivered to the following parties by electronic mail:

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