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DARREN L. BROOKS
CHRISTINE E. LALE
PAUL C. NASON
DARLA M. SILVA

*NOT LICENSED IN NEW MEXICO

February 22, 1993

Michael E. Stogner
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503


Re: Case No. 10,635 (Mewbourne Oil Company
Compulsory Pooling Application)

Dear Mr. Stogner:

Enclosed is an Affidavit Regarding Notice pertaining to the Amended Application herein. This matter was taken under advisement at the February 18 hearing.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY


James Bruce

JB:frs
Enclosure

JGB5\93392.c

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING
AND AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

Case No. 10,635

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

James Bruce, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18 and have personal knowledge of the matters stated herein.

2. I am an attorney for Applicant herein.

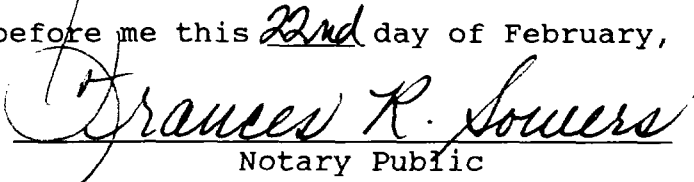
3. Applicant has conducted a good faith, diligent effort to find the correct addresses of interest owners entitled to receive notice of the Amended Application herein.

4. Notice of the Amended Application was provided to the interest owners at their correct addresses by mailing them, by certified mail, a copy of the Amended Application. Copies of the notice letters and certified return receipts are attached hereto.

5. The notice provisions of Rule 1207 have been complied with.


JAMES BRUCE

SUBSCRIBED AND SWORN TO before me this 22nd day of February, 1993, by James Bruce.


Notary Public

My commission expires:
September 25, 1994.

1/5/93

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

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W THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

January 5, 1993

VIA FACSIMILE

(505) 827-5741

Mr. David R. Catanach
Hearing Examiner
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504

Robert G. Stovall, Esq.
Attorney
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504

Re: **MOTION FOR CONTINUANCE**
NMOCD Case 10635
Application of Mewbourne Oil Company
for Compulsory Pooling and an Unorthodox Gas
Well Location, Eddy County, New Mexico

Gentlemen:

On behalf of Marathon Oil Company I hereby request that the referenced case be continued from January 7, 1993 to the Examiner hearing set for January 21, 1993 for the following reasons:

(1) On December 16, 1992, I filed a Motion to Dismiss NMOCD Case 10635 and Case 10636 on the grounds that Mewbourne had filed its compulsory pooling case prior to proposing the subject wells to Marathon (See copy attached).

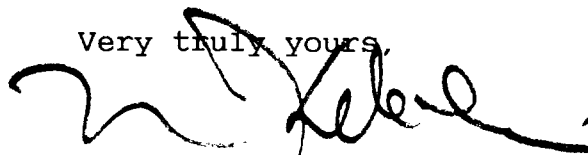
(2) On December 17, 1992, Mewbourne continued both cases until January 7, 1993 in order for the parties to discuss a settlement.

(3) Marathon has not been able to reach a voluntary settlement with Mewbourne at this time.

(4) In order to have time to adequately prepare to oppose this case, Marathon requests that the case be continued until the hearing set for January 21, 1993.

(5) Attempts to reach opposing counsel by telephone this afternoon have been unsuccessful and it is unknown if the Motion is contested.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over the typed name.

W. Thomas Kellahin

cc: Via facsimile to Jim Bruce, Esq.

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December 18, 1992

*NOT LICENSED IN NEW MEXICO

CERTIFIED MAIL NO. P 690 034 906
RETURN RECEIPT REQUESTED

Marathon Oil Company
Post Office Box 552
Midland, Texas 79702

Attention: Randal P. Wilson

Re: Oil Conservation Division Case No. 10,635, The Application of Mewbourne Oil Company for Compulsory Pooling and an Unorthodox Gas Well Location, E $\frac{1}{2}$ of Section 15, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico

Gentlemen:

The above case was scheduled to be heard by the Oil Conservation Division on December 17, 1992, in Santa Fe, New Mexico; a copy of the application was previously sent to you. The case has been continued to the hearing docket scheduled for 8:15 a.m. on January 7, 1993, at the Oil Conservation Division's office located at 310 Old Santa Fe Trail, Santa Fe, New Mexico 87501. Failure to appear at that time will preclude you from contesting the matter at a later date.

Mewbourne Oil Company would like to obtain your commitment to the well, or obtain a farmout of your interest in the proposed well

JGB5\92820.c

- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece next to the article number.

Following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: Marathon Oil Company Post Office Box 552 Midland, TX 79702	4a. Article Number P 690 034 906
	4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
	7. Date of Delivery DEC 21 1990
5. Signature (Addressee)	8. Addressee's Address (Only if requested and fee is paid)
6. Signature (Agent) <i>Alvin D. ...</i>	

S Form 3811, October 1990

☆U.S. GPO: 1990-273-861

DOMESTIC RETURN RECEIPT

United States Postal Service

Official Business: **SEASON'S GREETINGS** 757 12-21-90



PENALTY FOR PRIVATE USE, \$300

Print your name, address and ZIP Code here

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- Post Office Box 2068
Santa Fe, NM 87504-2068



P 690 034 906



Certified Mail Receipt

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse) 10,635

Sent to Marathon Oil Company	
Street & No. Post Office Box 552	
P.O. State & ZIP Code Midland, TX 79702	
Postage	XXX \$
Certified Fee	XXX
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	XXX
Return Receipt Showing to Whom Date & Address of Delivery	
TOTAL Postage & Fees	XXX \$
Postmark or Date	DEC 21 1990

PS Form 3800, June 1990

Marathon Oil Company
December 18, 1992
Page Two

unit. If you are interested, please contact Paul Haden at
Mewbourne Oil Company, (915) 682-3715.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce
Attorneys for Mewbourne Oil
Company

JB:frs

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

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JASON KELLAHIN (RETIRED 1991)

OIL CONSERVATION DIVISION
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'92 DEC 21 AM 9 41
TELEPHONE (505) 982-4285
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December 16, 1992

VIA FACSIMILE

(505) 827-5741

Mr. Michael E. Stogner
Hearing Examiner
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Post Office Box 2088
Santa Fe, New Mexico 87504

m.e.
**RE: MOTION TO DISMISS
NMOCD Cases 10635 and 10636
Applications of Mewbourne Oil Company
for Compulsory Pooling and Unorthodox
Gas Well Locations, Eddy County,
New Mexico**

*Both cases were
submitted to
January 7, 1993
m.s.*

Dear Mr. Stogner:

Our firm was retained this morning by Marathon Oil Company ("Marathon") concerning the two referenced pooling cases now on the docket for hearing on December 17, 1992. Those cases were filed by Mewbourne Oil Company ("Mewbourne") which is represented by Mr. James Bruce, Esq.

On behalf of Marathon Oil Company, we hereby move that the Division dismiss Case 10635 and Case 10636 and in support state:

(1) By letter dated October 8, 1992, Mewbourne requested a multi-tract farmout of Marathon's interests in some 1200 acres located in various tracts in T17S, R28E and T18S, R28E, Eddy County, New Mexico;

(2) By letter dated November 5, 1992, Marathon informed Mewbourne it was not interested in the proposed Mewbourne farmout;

Mr. Michael E. Stogner
Hearing Examiner
December 16, 1992
Page 2

(3) On November 16, 1992, Mewbourne filed its compulsory pooling application with the Oil Conservation Division seeking to have Marathon's interest pooled.

(4) On December 14, 1992, Marathon received notification of the proposed pooling of its interest and the scheduled hearing to be held three days later on December 17, 1992.

(5) Mewbourne has not yet submitted to Marathon an AFE for either well;

(6) Mewbourne has not yet afforded to Marathon an opportunity to form on a voluntary basis a spacing unit for either of the two subject wells;

(7) Mewbourne has not sought Marathon's concurrence for drilling of either well at the proposed unorthodox well locations described in the Division docket;

(8) Mewbourne has not submitted to Marathon a proposed Joint Operating Agreement for either well or its corresponding spacing unit;

(9) Mewbourne has not provided Marathon with any geologic or engineering data to support the drilling of this well or to justify its location.

(10) Contrary to the custom and practice of the Division and in violation of Section 70-2-17 (c) NMSA (1978), Mewbourne prematurely instituted compulsory pooling action against Marathon without first undertaking a good faith and reasonable effort to form a spacing unit on a voluntarily basis for the drilling of the subject wells at their proposed locations;

(11) Mewbourne seeks to use the compulsory pooling statute as a negotiation strategy against Marathon rather than as a remedy of last resort when all efforts for obtaining a voluntary agreement have failed.

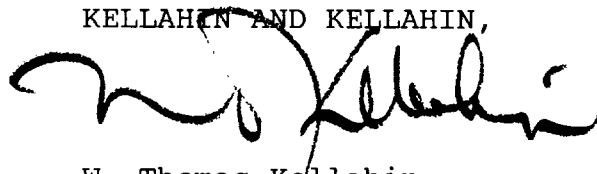
Mr. Michael E. Stogner
Hearing Examiner
December 16, 1992
Page 3

(12) The Mewbourne applications are premature and must be dismissed.

WHEREFORE, Marathon requests that the Division Hearing Examiner grant this Motion and dismiss Oil Conservation Division Cases 10635 and 10636.

Respectfully submitted,

KELLAHIN AND KELLAHIN,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over the printed name.

W. Thomas Kellahin
Attorneys for Marathon
Oil Company

WTK/jcl
cc: Via Facsimile
James Bruce, Esq. (505/982-8623)
Marathon Oil Company