

Ross, Stephen

From: Bailey, Jami
Sent: Tuesday, November 06, 2001 7:51 AM
To: Ross, Stephen
Subject: RE: Mewbourne Case; proposed order

It's always good to refresh my memory for what the statutes say! Maybe I should have been a lawyer too. I'm OK with the order as it is now, and I'd be willing to sign this morning.

-----Original Message-----

From: Ross, Stephen
Sent: Monday, November 05, 2001 6:24 PM
To: Bailey, Jami
Subject: RE: Mewbourne Case; proposed order

Jami, thanks a lot --- these suggestions were all very necessary. I made all the changes except for the 1/6 interest. Take a look at 70-2-17(C). It provides for a statutory 1/8 for unleased acreage. Maybe the statute needs to be changed.

Is there state acreage involved here?

Lori and I made a few more minor changes. Here's the latest draft.

SAPIENT HAS BEEN CONTINUED!

<< File: Mewbourne-Order-10-31.doc >>

Stephen C. Ross
Assistant General Counsel
NM Energy, Minerals and Natural Resources Department
Oil Conservation Commission
1220 S. Saint Francis
Santa Fe, New Mexico 87505
Office: (505) 476-3451
Fax: (505) 476-3462

-----Original Message-----

From: Bailey, Jami
Sent: Monday, November 05, 2001 1:38 PM
To: Ross, Stephen; Wrotenbery, Lori; 'lee@nmt.edu'
Subject: RE: Mewbourne Case; proposed order

You made it easy. We didn't even talk this one over, but the order is what I was going to recommend anyway! I do have a few suggestions though:

Page 2, # 5. The first 2 sentences are contradictory. The Wolfcamp is stratigraphically above the Morrow, so the first sentence can't have "do not oppose" with the second sentence "oppose pooling formations above the Morrow".

Page 3, # 11. It's not clear what "producing formations that are at issue in this case" are referenced, since the Wolfcamp is above the Morrow.

Page 5, #'s 26, 27, 28. I believe Avalon does not have an "e" at the end.

Page 5, #1, 2nd para. Would you mind reversing the order of the formations? You're going from the bottom up here, and conventionally we go from the top down.

Page 7, #15. We need to change the fractions from 1/8 to 1/6. The older leases in this section were issued at 1/8 royalty, but the newer one went for 1/6. Any unleased acreage would be put back up for a minimum 1/6 royalty.

Page 8, #17. Avalon is misspelled.

Page 4, #23 and page 7, #14. The blanks need to be filled in.

Thank you, Steve.

-----Original Message-----

From: Ross, Stephen
Sent: Monday, November 05, 2001 10:43 AM
To: Bailey, Jami; Wrotenbery, Lori; 'lee@nmt.edu'
Subject: Mewbourne Case; proposed order

Commissioners,

Lori asked me to forward a copy of an order I drafted in this case, for your consideration. Lori has reviewed the order and her recommendations are included in the draft. The proposed order grants Mewbourne's application, but conditions approval of the formations where an NSL (non standard location) has not been obtained on approval of NSLs in the relevant pools.

<< File: Mewbourne-Order-10-31.doc >>

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Assistant General Counsel
NM Energy, Minerals and Natural Resources Department
Oil Conservation Commission
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Santa Fe, New Mexico 87505
Office: (505) 476-3451
Fax:(505) 476-3462



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

September 5, 2001

James Bruce
Attorney at Law
P.O. Box 1056
Santa Fe, New Mexico 87504

Michael H. Feldewert
Holland & Hart and Campbell & Carr
P.O. Box 2208
Santa Fe, New Mexico 87504

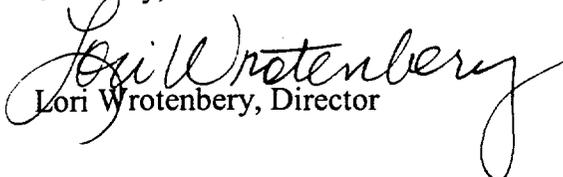
Re: Case No. 12698, *de novo*
In the Matter of the Application of Mewbourne Oil Company for Compulsory
Pooling, Eddy County, New Mexico

Dear Counsel,

After my letter of August 30, 2001, Mr. Feldewert informed me by letter dated August 31, 2001 that he has depositions scheduled on the 12th through the 14th of September, and we are all aware that Mr. Carr will be unavailable to assist Mr. Feldewert due to his recent surgery. Mr. Feldewert also raises a question whether his witnesses will be available on short notice for the September hearing. He also points out that the only issue on appeal is the formations subject to the pooling order, not whether a well should be drilled at this time.

While I recognize that the issue of the formations pooled may have a bearing on Mewbourne's decision whether to drill the wells, the information provided by Mr. Feldewert concerning the serious practical problems inherent in hearing this matter on September 14 has lead me to reconsider my earlier letter directing this matter to the September docket. Accordingly, this matter will be heard by the Commission during its regularly scheduled meeting of October 12.

Sincerely,


Lori Wrotenbery, Director



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

September ⁵/~~7~~, 2001

James Bruce
Attorney at Law
P.O. Box 1056
Santa Fe, New Mexico 87504

Michael H. Feldewert
Holland & Hart and Campbell & Carr
P.O. Box 2208
Santa Fe, New Mexico 87504

Re: Case No. 12698, *de novo*
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by letter dated August 31, 2001,

While I recognize that ~~the issue of drilling the well may well be related to the issue of the formations pooled, the question of rig availability may be of less urgency given the information provided by Mr. Feldewert concerning the serious practical problems inherent in hearing this matter on September 14~~

may have a bearing on Mewbourne's decision whether to drill the well,

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Sincerely,

Lori Wrotenbery, Director

HOLLAND & HART LLP
and
CAMPBELL & CARR
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE • CASPER
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208
110 NORTH GUADALUPE, SUITE 1
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043

Michael H. Feldewert

mfeldewert@westofpecos.com

August 31, 2001

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South St. Francis Drive
Santa Fe, NM 87505

01 AUG 31 PM 3:18
OIL CONSERVATION DIV.

**RE: Case No. 12698, de novo
In the Matter of the Application of Mewbourne Oil Company for
Compulsory Pooling, Eddy County, New Mexico**

Dear Ms. Wrotenbery,

I am in receipt of your August 30th letter. While I appreciate the Commission's desire to decide cases promptly, I respectfully request that the Commission follow its normal scheduling practices and hear the above referenced matter in October.

The *de novo* appeals were not due to be filed until September 11th. While the appeals were filed early, they were nonetheless filed after the deadline for placing the matter on the September 14th Commission docket because of counsel's schedule and the possibility that witnesses for the applicants could not be available until October. Indeed, I instructed my office to file the appeals after the deadline for the September 14th Commission docket because I have depositions scheduled on the 12th, 13th and 14th of September, and because Mr. Carr is unavailable for a September 14th hearing due to his recent surgery.

I see no prejudice to Mewbourne in following the Commission's regular scheduling practices and hearing this matter in October. The Division's order is not stayed, so Mewbourne is free to drill its well at any time. The only issue Heyco intends to raise at the Commission hearing concerns the formations which should be subject to the pooling order: Mewbourne intends to drill a Morrow well, yet seeks to tie up in its pooling order the shallower formations other working interest owners in the spacing unit desire to develop.

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

Lori Wrotenbery, Director
New Mexico Oil Conservation Division
August 31, 2001
Page 2

For the above reasons, the applicants respectfully request that the Commission follow its normal scheduling practice and hear the *de novo* appeals at its October docket. Thank you for your attention to this request.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael H. Feldewert", written in a cursive style.

Michael H. Feldewert

MHF/ras

cc (via fax): Stephen Ross, Esq., Oil Conservation Division
James Bruce, Esq.

HOLLAND & HART LLP
and
CAMPBELL & CARR

ATTORNEYS AT LAW

P.O. BOX 2208

SANTA FE, NEW MEXICO 87504-2208

110 NORTH GUADALUPE, SUITE 1

SANTA FE, NEW MEXICO 87501-6525

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
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BILLINGS • BOISE • CASPER
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043

Michael H. Feldewert

mfeldewert@westofpecos.com

August 31, 2001

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South St. Francis Drive
Santa Fe, NM 87505

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HOLLAND & HART^{LLP}
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Lori Wrotenbery, Director
New Mexico Oil Conservation Division
August 31, 2001
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Michael H. Feldewert

MHF/ras

cc (via fax): Stephen Ross, Esq., Oil Conservation Division
James Bruce, Esq.



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Lori Wrotenbery
Director
Oil Conservation Division

August 30, 2001

James Bruce
Attorney at Law
P.O. Box 1056
Santa Fe, New Mexico 87504

Michael H. Feldewert
Holland & Hart and Campbell & Carr
P.O. Box 2208
Santa Fe, New Mexico 87504

Re: Case No. 12698, *de novo*
In the Matter of the Application of Mewbourne Oil Company for Compulsory
Pooling, Eddy County, New Mexico

Dear Counsel,

I am in receipt of Mr. Bruce's letter of August 29, 2001 requesting that this matter be docketed for hearing on September 14, 2001. Mr. Bruce points out that his client has rig availability problems and if the case were heard during the October docket his client would be adversely affected.

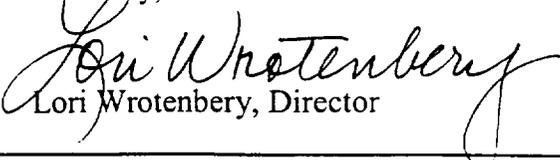
I also understand that Mr. Feldewert objects to the case being heard on that date.

Though the *de novo* case was not filed until after the usual deadline for the September docket, it is nevertheless possible to advertise the case and hear it in September.

While I try to be sensitive to the scheduling needs of litigants and attorneys who appear before this body, in this case the equities seem to weigh in favor of Mewbourne's request --- because of the potential for prejudice. Moreover, the Commission and the Division are mindful that they best serve the interests of the industry and the state by hearing and deciding cases promptly.

I find Mr. Bruce's request supported by good cause. Mr. Bruce's request is granted and this matter will be docketed for hearing before the Commission on September 14, 2001.

Sincerely,


Lori Wrotenbery, Director

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
HYDE PARK ESTATES
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

OIL CONSERVATION DIV.
01 AUG 31 PM 1:35

August 28, 2001

Via Fax and U.S. Mail

Lori Wrotenbery
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case No. 12698 *de novo*; application of Mewbourne Oil Company ("Mewbourne") for compulsory pooling, Eddy County, New Mexico

To be heard *de novo* at the request of Harvey E. Yates Company and Jalapeno Corporation

Dear Ms. Wrotenbery:

The applications for hearing *de novo* in this matter were filed after the deadline to place the cases on the September 14, 2001 Commission docket. The only party affected by the *de novo* applications is Mewbourne. Mewbourne hereby expressly waives the notice period set forth in the Division's rules, and this matter need not wait until the October Commission docket to be heard. In addition, Mewbourne has rig scheduling problems which will impose upon it an undue burden if this matter is not heard until October. Therefore, Mewbourne requests that the above matter be heard at the September 14, 2001 Commission hearing.

Thank you for your consideration of this request.

Very truly yours,


James Bruce
Attorney for Mewbourne Oil Company

cc: Michael H. Feldewert (via fax)