

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

**APPLICATION TO AMEND ORDER NOS.
R-21804 AND R-21805 TO EXTEND TIME
FOR PAYING ESTIMATED COSTS.**

Case No. 22439

MEWBOURNE OIL COMPANY'S MOTION TO DISMISS

Mewbourne Oil Company ("Mewbourne") moves to dismiss the application filed herein by Siana Oil & Gas Co. ("Siana"). In support thereof, Mewbourne states:

A. FACTS.

The facts in this case are quite simple, as explained below.

1. Order No. R-20804 (entered in Case No. 22035) pooled the Bone Spring formation underlying the W/2W/2 of Section 26 and the W/2SW/4 of Section 23, Township 21 South, Range 34 East, N.M.P.M. The wells covered by the order are the Inland 26/23 B2ML St. Com. Well No. 1H and the Inland 26/23 B3ML St. Com. Well No. 1H (the B2ML and B3ML wells).
2. Order Nos. R-20805 (entered in Case No. 22036) pooled the Bone Spring formation underlying the E/2W/2 of Section 26 and the E/2SW/4 of Section 23, Township 21 South, Range 34 East, N.M.P.M. The wells covered by the order are Inland 26/23 B2NK St. Com. Well No. 1H and the Inland 26/23 B3NK St. Com. Well No. 1H (the B2NK and B3NK wells).
3. Siana is a working interest owner in the subject well units, and entered an appearance in each case.
4. The orders in the cases were issued on August 26, 2021. Mewbourne, pursuant to the express terms of the orders, sent out election letters to Siana for the four wells, and Siana signed and returned the AFEs for each well. But 5-6 months later it has not paid its proportionate share of well costs.
5. Mewbourne has drilled and completed the B2ML, B3ML, and B2NK wells.
6. Mewbourne intends on drilling the B3NK well this spring or summer, and Order No. R-20805 allows until August 26, 2021 to commence the well. Therefore, the election letter sent to Siana on the B3NK well is valid.

7. This statement of facts is supported by the self-affirmed statement of Brad Dum, attached as Exhibit A.

B. ARGUMENT.

1. Siana does not complain about the orders entered in Case Nos. 22035 and 22036. It simply wants more time to pay its proportionate share of well costs, even though the payment deadline expired long ago. However, it has not shown a basis for relief.

2. Siana bases its request in this case on the complaints asserted in Case No. 22378, which requests certain accounting relief. That matter involves two different pooling applications. It is unrelated to Case Nos. 22035 and 22036, and the issues in that case are completely different than in this case.

3. The “wrongful actions” of Mewbourne asserted in paragraphs 5, 8, and 9 in the application herein relate to Case No. 22378, and have nothing to do with this Case No. 22439.

4. Simply put, Siana wants money it claims is due under Case No. 22378 to pay for wells under Case Nos. 22035 and 22036. It does not work that way: You either timely pay your share of well costs or you are deemed non-consent. That is not Mewbourne’s fault.

5. Siana entered an appearance in Case Nos. 22035 and 22036, did not contest the applications, and did not appeal the cases *de novo*. Thus, its application in this case is a collateral attack on final Division orders.

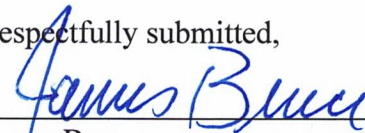
6. Due to the nature of the relief requested by this motion, the undersigned did not request the concurrence of Siana’s counsel.

C. CONCLUSION.

The application does not state a claim for relief and must be dismissed.

WHEREFORE, Mewbourne requests that this case be dismissed.

Respectfully submitted,



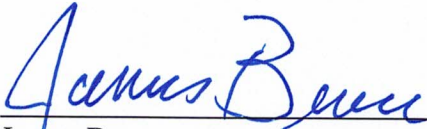
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Attorney for Mewbourne Oil Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 18th day of March, 2022 by e-mail:

Sharon Shaheen
sshaheen@montand.com


James Bruce

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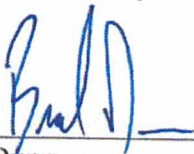
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SELF-AFFIRMED STATEMENT OF BRAD DUNN

Brad Dunn deposes and states:

1. I am a landman for Mewbourne Oil Company ("Mewbourne"), and have personal knowledge of the matters stated herein.
2. I was the landman who testified before the Division in Case Nos. 22035 and 22036 on Mewbourne's behalf.
4. The facts stated in paragraphs 1 – 6 of the Motion to Dismiss Case no, 22439 are true and correct to my knowledge and belief.
4. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 3 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 3/17/2022



Brad Dunn

EXHIBIT A