

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

**APPLICATION OF AVANT OPERATING, LLC
FOR APPROVAL OF A NON-STANDARD UNIT,
COMPULSORY POOLING AND, TO THE
EXTENT NECESSARY, APPROVAL OF AN
OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24774

**APPLICATIONS OF MEWBOURNE OIL COMPANY
FOR APPROVAL OF AN OVERLAPPING HORIZONTAL
WELL SPACING UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 24892 & 24893

MEWBOURNE'S CONSOLIDATED PRE-HEARING STATEMENT

Mewbourne Oil Company (OGRID No. 14744) submits this Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division and the Pre-Hearing Order issued for these matters.

APPEARANCES

APPLICANT

Mewbourne Oil Company

ATTORNEY

Michael H. Feldewert, Esq.
Adam G. Rankin, Esq.
Paula M. Vance, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com

OTHER PARTIES

Avant Operating, LLC

ATTORNEY

Deana Bennett
Earl E. DeBrine, Jr.
Yarithza Peña
Modrall, Sperling, Roehl, Harris & Sisk, P.A.
Post Office Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800
deana.bennett@modrall.com
earl.debrine@modrall.com
yarithza.pena@modrall.com

STATEMENT OF CASE

In these consolidated cases, Mewbourne seeks orders pooling all uncommitted interests in in proposed overlapping horizontal well spacing units in the Bone Spring formation underlying the S2 of Sections 29 and 30, Township 18 South, Range 32 East, NMPM, Lea County New Mexico as follows:

- Under Case 24892, Mewbourne seeks to pool a standard 161.13-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation limited to the Second Bone Spring interval underlying Lot 4, the SE4SW4 and the S2SE4 of irregular Section 30. This standard unit will be initially dedicated to the proposed **Choctaw Bingo 30 Fed Com 528H** well to be horizontally drilled in the Second Bone Spring Sand interval from a surface location in the SW4 of Section 30, with a first take point in SW4SW4 equivalent (Lot 4) and a last take point in SE4SE4 (Unit P) of Section 30.
- Under Case 24893, Mewbourne seeks to pool a standard 642.24-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the S2 of Section 29 and Lots 3-4, E2SW4 and the SE4 of irregular Section 30. This standard unit will be initially dedicated to the following proposed wells:

- **Choctaw Bingo 30/29 Fed Com 467H** with a first take point in the SW4SW4 equivalent (Lot 4) of Section 30 and a last take point in SE4SE4 (Unit P) of Section 29;
- **Choctaw Bingo 30/29 Fed Com 526H** with a first take point in the NW4SW4 equivalent (Lot 3) of Section 30 and a last take point in NE4SE4 (Unit I) of Section 29;
- **Choctaw Bingo 30/29 Fed Com 625H** with a first take point in the NW4SW4 equivalent (Lot 3) of Section 30 and a last take point in NE4SE4 (Unit I) of Section 29; and
- **Choctaw Bingo 30/29 Fed Com 627H** with a first take point in the SW4SW4 equivalent (Lot 4) of Section 30 and a last take point in SE4SE4 (Unit P) of Section 29.

The completed intervals of the Choctaw Bingo 30/29 Fed Com 467H and 526H wells are expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include this acreage in a standard horizontal well spacing unit.

Avant Operating Case 24774 seeks to similarly create a 642.24-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the S2 of Section 29 and irregular Section 30 for eight proposed wells.

Mewbourne owns or controls over 73% of the working interest in the S2 of Sections 29 and 30. Mewbourne operates existing vertical wells in the S2 of Sections 29 and 30, and operates existing horizontal wells in the N2 of Sections 29 and 30, and in adjacent Section 28. Mewbourne has tailored its development plans to account for this existing development. In contrast, Avant seeks to drill eight additional wells in the S2 of Sections 29 and 30 that do not properly account for existing drainage and where Avant owns only a small working interest with no existing operations. Since Mewbourne controls a majority of the working interest and is currently operating

in the affected acreage, Mewbourne must be awarded operatorship unless Avant demonstrates with convincing evidence that Mewbourne's continued development of Sections 29 and 30 will cause waste or otherwise negatively impact correlative rights. See Applications of COG Operating and WPX Energy, Order R-21826 at ¶21 (8/31/21) ("OCD concludes that the conflicting evidence over well and overall development proposals do not clearly favor one proposal, while the evidence on working interest control strongly favors the COG proposal. In the absence of other compelling factors, 'working interest control...should be the controlling factor in awarding operations.'")\

Mewbourne believes the following facts are undisputed and material to the issues presented in these consolidated cases:

1. The competing pooling applications filed by Mewbourne and Avant overlap in the S2 of Sections 29 and 30 where Mewbourne controls over 73% of the working interest.
2. Mewbourne currently operates vertical wells in the Bone Spring formation underlying Sections 29 and 30, and existing horizontal wells in the N2 of Sections 29 and 30 and adjacent Section 28.
3. There are no faults, pinch outs, or other geologic impediments preventing MRC from efficiently and effectively developing the Bone Spring formations under the subject acreage with horizontal wells.

FILED EVIDENCE

Pursuant to the Prehearing Order entered for these consolidated matters, Mewbourne has filed the following with this prehearing statement:

The Applications filed in Mewbourne Cases 24892 & 24893;

Compulsory Pooling Checklists for Mewbourne 24892 & 24893;

Mewbourne Exhibit A: Self-affirmed Statement of Thomas Sloan, Landman

Mewbourne Exhibit B: Self-affirmed Statement of Charles Crosby, Petroleum Geologist

Mewbourne Exhibit C: Notice Affidavits for Mewbourne Cases 24892 & 24893

The qualifications for each witness and the narrative of their direct testimony are contained in the self-affirmed statements filed with this prehearing statement.

PROCEDURAL MATTERS

Mewbourne reserves the right to call these or other witnesses to address issues that arise with the filing of additional information.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com

ATTORNEYS FOR MEWBOURNE OIL COMPANY

CERTIFICATE OF SERVICE

I hereby certify that on February 12, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Deana Bennett
Earl E. DeBrine, Jr.
Yarithza Peña
Modrall, Sperling, Roehl, Harris & Sisk, P.A.
Post Office Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800
deana.bennett@modrall.com
earl.debrine@modrall.com
yarithza.pena@modrall.com

Attorneys for Avant Operating, LLC



Michael H. Feldewert

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 431075

QUESTIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 431075
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.