

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

**APPLICATION OF MEWBOURNE OIL FOR AN
ORDER APPROVING A CHANGE OF OPERATOR
AND ALLOWING TWO OPERATORS IN THE
MORROW FORMATION IN THE SAME WELL
UNIT, EDDY COUNTY, NEW MEXICO.**

Case No. 22041

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Mewbourne Oil Company
Suite 1020
500 West Texas
Midland, Texas 79701

Attention: Corey Mitchell
(432) 682-3715

APPLICANT'S ATTORNEY

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

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Mewbourne Oil Company applies for an order (a) approving a change of operator for one well, and (b) allowing two operators in the same well unit in the same formation. Applicant is the operator of record for the following wells, all of which have the S/2 of Section 9, Township 22 South, Range 27 East, N.M.P.M., Eddy County dedicated to them in the Morrow formation:

- (i) The Calvani Com. Well No. 1 (API No. 30-015-20784), located in the NE/4SW/4 of Section 9;
- (ii) The Pecos River "9" Well No. 1 (API No. 30-015-33534), located in the NE/4SE/4 of Section 9; and
- (iii) The Pecos River "9" Well No. 2 (API No. 30-015-335912), located in the SW/4SW/4 of Section 9.

The Calvani well was drilled by Union Oil Company of California from December 1972 – March 1973. Royalty Resources, LLC subsequently became operator of the well. In 2004 Applicant desired to drill a Morrow well in the S/2 of Section 9. Due to Division restrictions on two operators in the same formation in the same well unit, applicant agreed to become operator of record of the Calvani well. Royalty Resources, LLC continued to be the physical operator of the well. Applicant subsequently drilled the Pecos River wells. All three wells continue to produce from the Morrow formation. The Calvani well now has environmental issues, for which applicant, as operator of record, is legally responsible, even though it did not cause the issues. Royalty Resources, LLC has refused to become operator of record of the Calvani well. As a result, applicant requests that the Division change the operator of record of the well to Royalty Resources, LLC. If the Division grants this relief, there will be two operators in the Morrow formation in the S/2 of Section 9, and applicant requests approval of same.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBIT

Carson Cullen
(landman)

10 min.

Approx. 6

Gavin Edington
(engineer)

10 min.

Approx. 6

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Applicant will present this case by affidavit if it is unopposed.

Respectfully submitted,



James Bruce
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Attorney for Mewbourne Oil Company

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

QUESTIONS

Action 38792

QUESTIONS

Operator: MEWBOURNE OIL COMPANY 3901 S Broadway Avenue Tyler, TX 75701	OGRID: 275813
	Action Number: 38792
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witness	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>