

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF THE OIL CONSERVATION
DIVISION FOR ORDERS AMENDING APDS
AND TO ORDER TEMPORARY CESSATION
OF DRILLING AND COMLETION ACTIVITIES,
EDDYCOUNTY, NEW MEXICO.**

Case No. 22472

AMENDED PRE-HEARING STATEMENT

This amended pre-hearing statement is submitted by Mewbourne Oil Company ("Mewbourne") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Oil Conservation Division

OTHER PARTIES

Mewbourne Oil Company

Tap Rock Operating, LLC
Matador Production Company
WPX Energy Permian, LLC

APPLICANT'S ATTORNEY

Eric Ames
Jesse Tremaine

OTHER PARTIES' ATTORNEYS

James Bruce
Post Office Box 1056
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Michael Feldewert
Adam Rankin
Julia Broggi

STATEMENT OF THE CASE

APPLICANT

The Division seeks a temporary cessation of drilling and completion activities for certain wells within 5 miles of the Carlsbad Brine Well Cavity.

OTHER PARTIES

Mewbourne is the operator of certain enumerated wells in the application. Mewbourne does not oppose the application and does not intend to present a witness unless the Division has questions for Mewbourne. The Division first raised concerns to Mewbourne regarding the Carlsbad Brine Well Cavity in April 2021, which was after Mewbourne had already drilled four wells. From this conversation, Mewbourne voluntarily delayed the completions of its drilled wells due to the OCD's concerns about the potential impact on the Carlsbad Brine Well remediation efforts. Mewbourne has worked with, and will continue to work with the Division on this matter.

However, the following four Mewbourne wells have been drilled to the point where they can be completed:

- MIGHTY DUCKS 15/16 W0PM STATE COM #1H, API # 30-015-46808
 - APD approved by OCD 3/9/2020, Spud 2/1/2021
- MIGHTY DUCKS 15/16 W0IL STATE COM #1H, API # 30-015-46807
 - APD approved by OCD 3/9/2020, Spud 2/26/2021
- WATERBOY 27/26 W0DA FEE #1H, API # 30-015-47305
 - APD approved by OCD 7/24/2020, Spud 3/25/2021
- CITY SLICKERS 28/29 W0AD FEE #1H, API # 30-015-48087
 - APD approved by OCD 3/5/2021, Spud 4/11/2021

Mewbourne is concerned prolonged completion delay could risk pipe integrity of the aforementioned wells, which could lead to loss of capital investment, but more importantly lead to safety concerns when the wells are eventually completed. It has expended considerable sums of money, which it is not allowed to recover. In addition, the Division has allowed Devon Energy Production Company, L.P. ("Devon") to complete the following wells which offset Mewbourne's wells during the months of July and August of 2021:

- BEAGLE 35 34 22 27 FEE #401H, API # 30-015-45682
 - Section 35, Township 22S, Range 27 East
- BEAGLE 35 34 22 27 FEE #402H, API # 30-015-47278
 - Section 35, Township 22S, Range 27 East
- COLLIE 35 34 22 27 FEE #401H, API # 30-015-45643
 - Section 35, Township 22S, Range 27 East
- COLLIE 35 34 22 27 FEE #402H, API # 30-015-47294
 - Section 35, Township 22S, Range 27 East

This raises correlative rights issues for Mewbourne and its interest owners. Mewbourne owns rights in Sections 25, 26, 27, 28, & 33, all adjacent to Devon's wells.

Mewbourne requests that once remediation is complete, approval of completion activities be approved in an expedited manner.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OTHER PARTIES

WITNESSES

EST. TIME

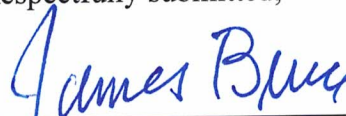
EXHIBITS

Corey Mitchell
(landman)
POSSIBLE WITNESS

10 minutes

PROCEDURAL MATTERS

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 1st day of February, 2022 by e-mail:

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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QUESTIONS

Action 77436

QUESTIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 77436
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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