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

APPLICATIONS OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO. **Case Nos. 22427-22428 and 22721-22722**

APPLICATIONS OF COLGATE OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO. **Case Nos. 22702-22705**

RESPONSE IN OPPOSITION TO MOTION FOR CONTINUANCE, *ETC.*

Mewbourne Oil Company ("Mewbourne"), for its response to the motion for a continuance, *etc.* filed by Colgate Operating, LLC ("Colgate"), states:

1. In its cases Mewbourne seeks orders pooling all uncommitted mineral interest owners in the Bone Spring formation underlying four horizontal spacing units collectively covering all of Sections 25 and 26, Township 18 South, Range 30 East, N.M.P.M. Colgate has filed applications identical (except for well names) to those of Mewbourne.

2. Colgate makes several arguments about why the hearing should be continued. They lack merit. Mewbourne will address them one at a time.

(a) Colgate has had insufficient time to prepare for hearing: Colgate has been involved in these cases since December 2021. It has had almost nine months to prepare for hearing. During that period Mewbourne voluntarily agreed to several continuances. Also, the September 15th contested hearing date was agreed to by Colgate at the August 4th hearing. On these factors alone Colgate has had sufficient time to prepare.

Moreover, the applications are identical, and this is a routine pooling dispute. This is not rocket science. A few days are enough time to prepare.

(b) The Division *must* give a party a full opportunity to present evidence: Again, Colgate has had nine months to prepare for hearing, which is plenty of time. Under Colgate's theory, it can dawdle away its time and then the Division must continue the hearing over any objection. If this matter is continued, it would probably be to December, with no guarantee that the parties will resolve their differences. Such a delay is not warranted. The prior continuances in these matters have given Colgate the *chance* to have a full opportunity to present evidence. It did not take advantage of that opportunity. The Lord helps those who help themselves.

(c) Negotiations between the parties: Colgate liberally throws around the term "bad faith negotiations" when mentioning Mewbourne. As shown on the exhibits which Mewbourne timely filed, it can be seen that:

> (i) Mewbourne has been working on this prospect for over sixteen months, predating Colgate owning any interest in the lands. It has had approximately three dozen contacts with Colgate and its predecessor-in-interest.
>
> (ii) Mewbourne has roughly 70% of the working interest in the well units signed up on its JOA. Colgate owns roughly 25% of the working interest. To Mewbourne's knowledge Colgate doesn't have anyone signed up to a JOA. Obviously, Mewbourne's negotiations have been successful and in good faith with a number of working interest owners.

See Mewbourne Exhibits 3-B and 3-D. Mewbourne has acted in good faith.

Colgate asserts that Mewbourne's actions have resulted in substantial prejudice to its ability to plan and prepare for the September 15th hearing. Again, lack of preparation is the result of Colgate's own actions. In fact, the party who is prejudiced is Mewbourne: It timely filed its exhibits, which Colgate has in its possession, and can peruse them at will. If an appeal *de novo* is filed by Colgate (which it essentially guaranteed)

Mewbourne would not have information on Colgate's evidence until then. It is willing to accept that risk.

Mewbourne is more than willing to continue discussions with Colgate after the hearing, but it is time to move these cases along.

Finally, I don't appreciate throwing around accusations of bad faith. I don't operate in bad faith to my opponents, and I would not tolerate or condone my clients acting in bad faith.

(d) Lack of harm to Mewbourne if a continuance is granted: Colgate mentions several times that Mewbourne will suffer no harm if a continuance is granted, and cannot show any prejudice. In fact a further delay *is* the harm. Mewbourne files pooling applications to get wells drilled, and has been doing so for over 45 years. It is not in the business of endless continuances. This hearing is not a "waste of time;" it is aiding the ability to drill and develop resources.

WHEREFORE, Mewbourne requests that Colgate's motion be denied by the Division, and let these cases proceed to hearing on September 15th.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 9th day of September, 2022 by e-mail:

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