

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

**APPLICATION OF MEWBOURNE OIL COMPANY TO REVOKE OR MODIFY
THE INJECTION AUTHORITY GRANTED UNDER ORDER NO. R-10139 FOR
THE STATE MA COM NO. 1 OPERATED BY ENDEAVOR ENERGY
RESOURCES, LP, EDDY COUNTY, NEW MEXICO.**

CASE NO. 23042

APPLICANT'S PRE-HEARING STATEMENT

Mewbourne Oil Company (OGRID No. 14744), the applicant in the above-referenced case, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division and the Prehearing Order issued in this matter

APPEARANCES

APPLICANT

Mewbourne Oil Company

ATTORNEY

Michael H. Feldewert, Esq.
Adam G. Rankin, Esq.
Julia Broggi, 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

OTHER PARTIES

Endeavor Energy Resources, LP

ATTORNEY

Sharon T. Shaheen, Esq.
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
(505) 986-2678

APPLICANT'S STATEMENT OF CASE

Mewbourne seeks an order revoking or modifying the injection authority granted by Order R-10139, issued in June of 1994 in Case No. 10968, for the State MA Com No. 1 (30-015-23709) (the "State MA SWD"). This disposal well is in the SW4NE4 (Unit H) of Section 3, Township 25 South, Range 28 East, N.M.P.N., Eddy County, New Mexico. Endeavor Energy Resources, LP ("Endeavor") is the current operator of record for the State MA SWD.

Order No. R-10139 authorized Siete Oil and Gas Company in 1994 to re-complete the State MA well for disposal in the Bone Spring formation through perforations at "approximately 7,287 feet to approximately 7,740 feet." This approved injection zone is within the 1st Bone Spring Sand interval of the Bone Spring formation. Division records reflect that in 1994 Siete Oil and Gas Company represented to the Division in its application that "water injection will be into a zone not productive of oil and gas".

Mewbourne owns the working interest in the state oil and gas lease covering Section 3 and is in the process of developing the Bone Spring and Wolfcamp formations underlying Section 3. Division records confirm that with the advent of horizontal drilling and modern completion techniques, the 1st Bone Spring Sand interval is now productive of oil. In 2017 the Division issued Order R-14300 revoking the injection authority for the Willow Lake Com Well No. 1 SWD after finding:

(18) Owners of oil and gas within the Bone Spring formation have made argument that this disposal is detrimental and wasteful. The weight of the evidence presented supports that *this general area in Eddy County is a viable target for development of the Bone Spring formation since the advent of horizontal drilling and improved completion practices in the Bone Spring formation.* (emphasis added)

(19) The disposal interval into the Bone Spring formation as approved in Administrative Order SWD-744 is into a producing or productive interval. *Any disposal into the Bone Spring formation through perforations in the subject SWD well is causing waste of oil and associated gas in the surrounding wells and surrounding, undrilled sands.* (emphasis added)

(20) The application of Mewbourne Oil Company to revoke administrative permit SWD-744 should be approved to prevent waste and protect correlative rights.

These same conclusions are applicable to the State MA SWD, which is located only 3-miles south of the Willow Lake SWD: Continued disposal into the Bone Spring formation through State MA SWD is causing waste of oil and associated gas in the surrounding undrilled sands. *See* Order R-14300 at ¶ (19).

Mewbourne believes the following facts are undisputed and material to the issues presented by this matter:

1. Endeavor, the current operator of the State MA SWD, does not own any mineral rights in Section 3 where this disposal well is located.
2. Endeavor recently attempted to sell the State MA SWD as a commercial disposal well.
3. The injection perforations for the State MA SWD are within the 1st Bone Spring Sand interval of the Bone Spring formation.
4. The State MA SWD is located 3-miles south of the Willow Lake SWD that was required to cease injection operations under Order R-14300.
5. There are numerous horizontal wells successfully completed in and producing from the 1st Bone Spring interval “in the general area in Eddy County” where the State MA SWD and Willow Lake SWD (shut-in by Order R-14300) are located. *See* Order R-14300 at ¶ (2) and ¶ (18).
6. Four of the existing horizontal wells completed in the 1st Bone Spring Sand interval in this general area of Eddy County are located within three and a half (3.5) miles of the State MA SWD: The Myox 16 State Com 7H (30-015-37033) and Myox 21 State Com 9H (30-015-37416) operated by COG Operating, and the Paul 25 24S 28E RB 111H

(30-015-46269) and Garrett State Com 111H (30-015-45819) operated by Matador Production Company.

7. The 1st Bone Spring Sand interval targeted by the existing horizontal wells in this area is the same interval currently used for injection by the State MA SWD.

APPLICANT'S PROPOSED EVIDENCE

Pursuant to the Prehearing Order issued in this matter, Mewbourne has filed with this prehearing statement a narrative of the direct testimony of Tim Harrington, a petroleum engineer, and the exhibits that he references. Mr. Harrington's work background and qualifications are provided in his statement.

PROCEDURAL MATTERS

Mr. Harrington will be available for examination by video at the hearing scheduled in this matter.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert
Adam G. Rankin
Julia Broggi
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
jbroggi@hollandhart.com
pmvance@hollandhart.com

ATTORNEYS FOR MEWBOURNE OIL COMPANY

CERTIFICATE OF SERVICE

I hereby certify that on December 8, 2022 I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Sharon T. Shaheen, Esq.
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
[sshhaheen@montand.com](mailto:sshaheen@montand.com)

A handwritten signature in blue ink, appearing to read "Michael H. Feldewert", is written over a horizontal line.

Michael H. Feldewert

**STATE OF NEW MEXICO
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CASE NO. 23042

SELF AFFIRMED STATEMENT OF TIM HARRINGTON

1. My name is Tim Harrington and I am employed by Mewbourne Oil Company (“Mewbourne”). My responsibilities include the Permian Basin of New Mexico. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum engineering.

2. I have over 40 years of experience as a petroleum geologist and petroleum engineer. I have a BS in geologic sciences from Southern Methodist University and a petroleum engineering degree from University of Tulsa.

3. I was initially employed as a petroleum geologist for eleven years before I went back to school to obtain a degree in petroleum engineering. I was subsequently employed by ConocoPhillips as a petroleum engineer for twenty-five years and I have spent the last seven years as a petroleum engineer for Mewbourne.

4. Mewbourne seeks an order revoking or modifying the injection authority granted by Order R-10139, issued in June of 1994 in Case No. 10968, for the State MA Com No. 1 (30-015-23709) (the “State MA SWD”). This disposal well is located in the SW4NE4 (Unit H) of Section 3, Township 25 South, Range 28 East, N.M.P.N., Eddy County, New Mexico.

5. In 1992, MW Production recompleted the State MA from the Atoka formation to the 1st Bone Spring through perforations 7,287 feet to 7,418 feet. Division records reflect that this

recompleted well produced a total of 71 bbls of oil and 230 bbls of water. It is significant that the production from this well is reported at a 100% oil cut for thirteen months (August 1992 – August 1993), and that the OCD records indicate the well was never sand fracture stimulated.

6. Order No. R-10139 authorized Siete Oil and Gas Company in 1994 to re-complete the State MA well for disposal in the Bone Spring formation through perforations at “approximately 7,287 feet to approximately 7,740 feet.” **MOC Exhibit 1** demonstrates that at the time R-10139 was issued, Siete Oil and Gas Company represented to the Division that “water injection will be into a zone not productive of oil and gas”.

7. **MOC Exhibit 2** is an open hole log for this disposal well identifying in blue the permitted injection zone, and in red the reported injection perforations. It demonstrates that the approved injection zone and known injection perforations are within the 1st Bone Spring Sand interval of the Bone Spring formation.

8. **MOC Exhibit 3** is a wellbore schematic of the State MA SWD based on the information in the Division’s well files. Endeavor Energy Resources, LP (“Endeavor”) is the current operator of record for the State MA SWD

9. Mewbourne owns the working interest in the state oil and gas lease covering Section 3. Mewbourne has completed four (4) wells in the Wolfcamp formation underlying the W/2 of Section 3 and four (4) wells in the Wolfcamp formation in the E/2 of Section 3 where the State MA SWD is located. Mewbourne is now in the process of developing the Bone Spring formation underlying the E/2 of Section 3.

10. The 1st Bone Spring Sand interval has proven to be productive in this area since the advent of horizontal drilling. **MOC Exhibit 4** (a subsea structure map) shows there are three horizontal wells currently producing from the 1st Bone Spring Sands within three miles of the

State MA SWD: The Myox 16 State Com 7H (30-015-37033) and Myox 21 State Com 9H (30-015-37416), operated by COG Operating, and the Paul 25 24S 28E RB 111H (30-015-46269), operated by Matador Production Company. This exhibit further shows that there are twenty-five additional horizontal wells producing from the 1st Bone Spring Sand interval to the North, Northeast, and East of the State MA SWD. The production records from these wells on the second page of MOC Exhibit 4 demonstrate the success of these twenty-eight existing horizontal wells, having produced almost 3.0 million bbls of oil and over 20 bcf of gas.

11. **MOC Exhibit 5** is a graph showing the normalized 1st Bone Spring horizontal well production from six representative wells over time. The dashed lines show the production from three wells completed in 2006-2007 utilizing proppant volume around 0.4 MM# / mile of lateral. The solid lines show the productivity of three wells completed in 2019 using proppant volume around 13 MM# / mile of lateral. This graph demonstrates that the productivity of the 1st Bone Spring Sand in this area was significantly enhanced in 2019 when modern fracture stimulation techniques were applied.

12. **MOC Exhibit 6** shows the two closet horizontal wells to the State MA SWD producing from the 1st Bone Spring Sand interval: Matador's Paul 25 24S 28E RB 111H (30-015-46269), located 2.6 miles to the north in the N2N2 of Section 25, Township 24 South, Range 28 East, and Matador's Garrett State Com #111H (30-015-45819), located 3.5 miles to the northeast in the N2N2 of Section 32, Township 24 South, Range 29 East. The second page of this exhibit reflects the production information for these wells pulled from the Division records. It demonstrates that these horizontal wells have been very successful, producing 233.8 thousand bbls of oil and 1.424 bcf of gas, and 271.6 thousand bbls of oil and 1.69 bcf of gas respectively since their completions in 2019.

13. The subsea structure map marked as MOC Exhibit 4 shows not only the existing wells in the 1st Bone Spring interval, but also contains a line of cross section from A to A.’ Mewbourne chose the logs from these wells to create a cross section because they penetrate the 1st Bone Spring Sand interval, are of good quality, have been subjected to petrophysical analysis, and are at or near the location of the three closest horizontal wells producing from the 1st Bone Spring Sand interval. In my opinion, these well logs are representative of the geology in the subject area.

14. **MOC Exhibit 7** is a stratigraphic cross-section Mewbourne has prepared using the logs from the representative wells shown on MOC Exhibit 4. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The 1st Bone Spring Sand producing interval of the three horizontal wells is shown with a red line and the current injection interval of the State MA SWD is shown with hashed blue boxes. This cross-section demonstrates that the productive 1st Bone Spring Sand interval is continuous from A to A’ and includes the interval currently used for injection by the State MA SWD.

15. In my opinion, the success of the horizontal wells shown on MOC Exhibit 4 indicate the 1st Bone Spring Sand interval underlying Section 3 is productive with horizontal wells.

16. In my opinion, the continued operation of the State MA SWD is negatively impacting the ability of Mewbourne in Section 3, and the ability of mineral owners in acreage offsetting Section 3, to recover reserves from the 1st Bone Spring Sand interval with horizontal wells. This is due to the completion and production risks presented by the increasing water saturation and associated negative impact on relative permeability resulting from the continued operation of the State MA SWD, which to date in injected over 4.37 million bbls of produced water.

17. Revocation or modification of the injection authority granted by Order R-10139 is necessary to prevent the waste of recoverable hydrocarbons and to protect the correlative rights of Mewboure and other working interest owners in the Bone Spring formation underlying Section 3 and adjacent acreage.

18. MOC Exhibits 1 through 7 were either prepared by me or compiled under my direction and supervision.

19. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.


Tim Harrington

11/16/22
Date

20201458_v2

SIETE OIL AND GAS CORPORATION C-108 APPLICATION (5/10/1994)

SIETE OIL AND GAS CORPORATION

NMOCD Form C-108 sections VII - XIII

VII. Injection Data

- 1. Injection Rates
 - a. Proposed average daily water injection is 700 BWPD/Well.
 - b. Maximum rate of daily water injection is 1000 BWPD/Well.
- 2. The injection station for the gathering and processing injection water will be a closed system.
- 3. Injection Pressures
 - a. Proposed average daily injection pressure is 700 PSI.
 - b. Maximum daily injection pressure is 1400 PSI*.
 - * Note: Maximum injection pressure abides by .2 PSI/FT maximum injection pressure imposed by the NMOCD.
- 4. Proposed Injection fluid will be produced Delaware water from the Siete operated Willow Lake Delaware Field 2 miles to the east. If at a later date we find we have substantial excess capacity we may open this for commercial disposal. A compatibility analysis for Delaware and Bone Spring waters is attached
- 5. Water injection will be into a zone not productive of oil and gas. Analysis of Bone Spring water is attached.

VIII. Geologic Description

Formation Name: Bone Spring

Depth: Between 7285'- 7740' from surface.

Formation Thickness: 455'

Lithologic Description: Primarily fine to very fine grained sandstone, subangular, consolidated limey in part. Porosities range from 10% to 15%. Some very fine grained limestone stringers may be present.

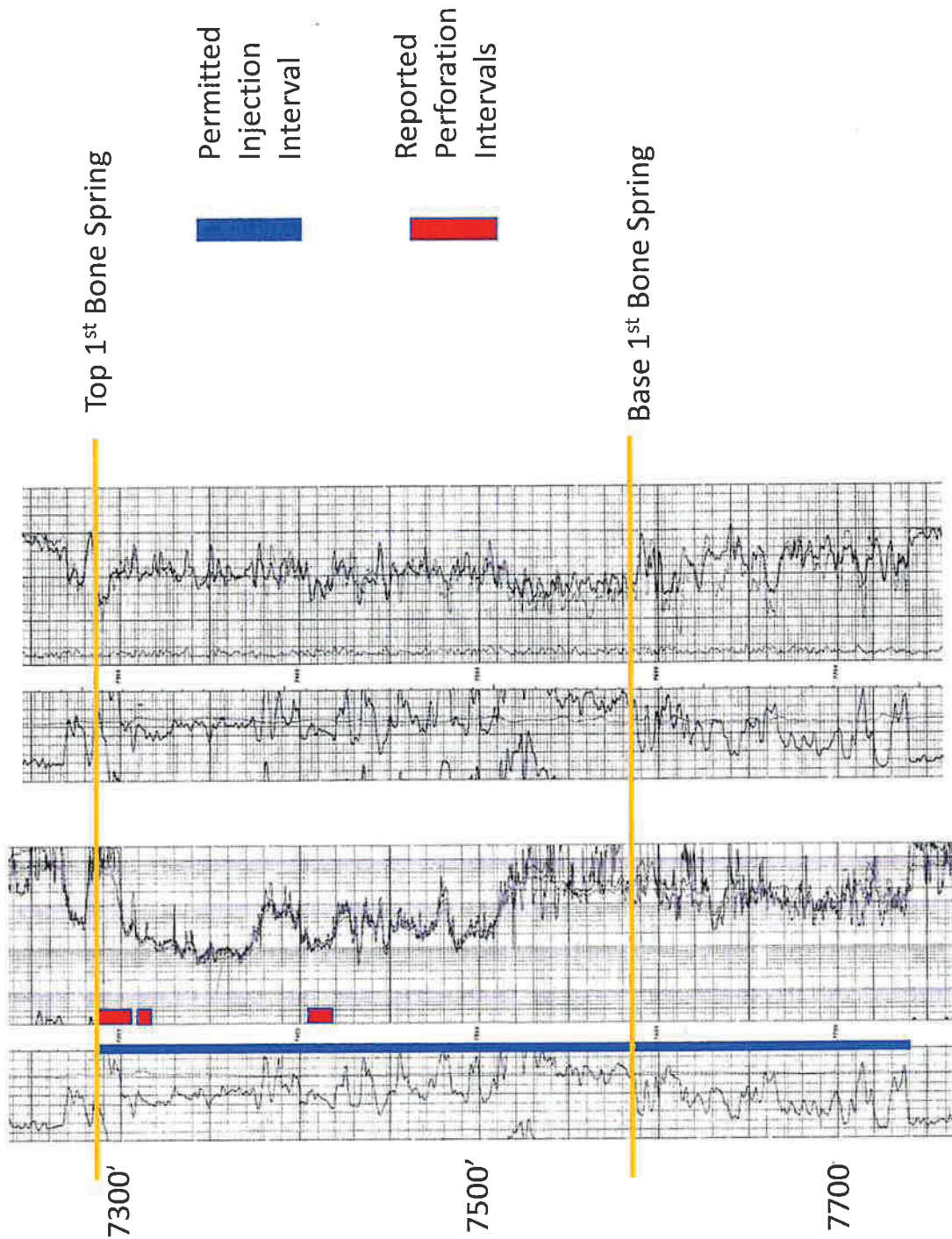
Fresh Water Aquifers: Rustler Formation

Sec. 3 34' Water Level

Sec. 4 68' Water Level

- IX. The Bone Spring zones to be completed will be perforated, acidized and fracture stimulated with 50,000 gal x-linked gel and 100,000# 16/30 sand.

SOURCE OF DATA: OCD case file 10968



STATE MA COM
 30-015-23709
 R-10139
 3, 25S, 28E
 EDDY COUNTY, NM

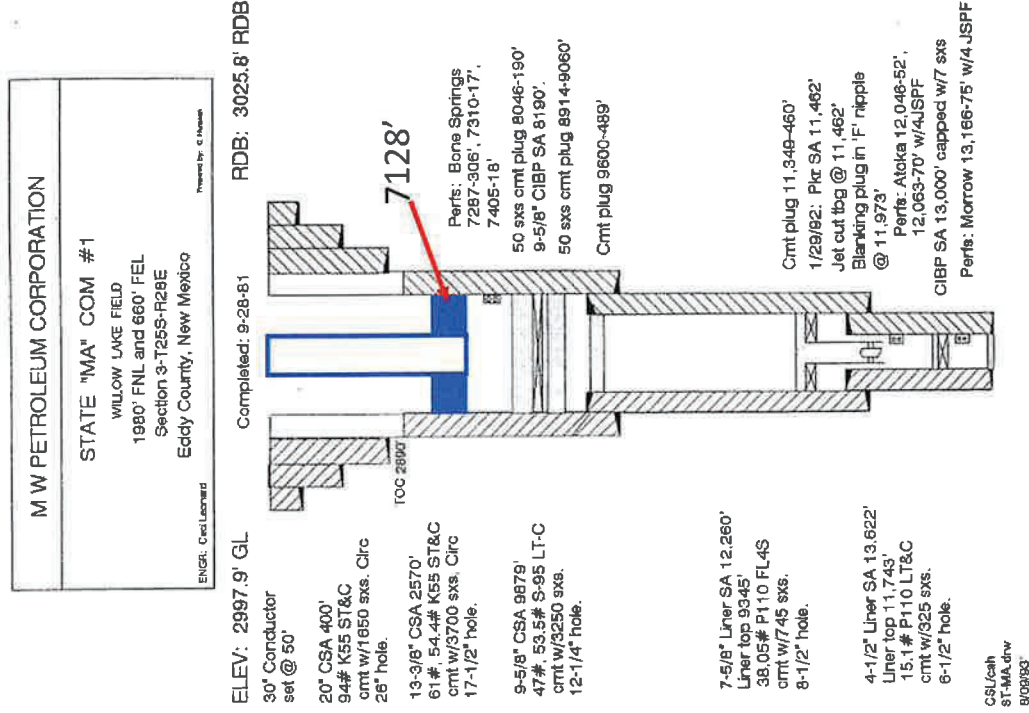
PERMITTED ZONE
 7287 – 7740'

ORIGINAL PERFS
 (PROD)
 7287 – 7306
 7310 – 7317
 7405 – 7418

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit – A-2
 Submitted by: Mewbourne Oil Company
 Hearing Date: December 15, 2022
 Case Nos. 23042

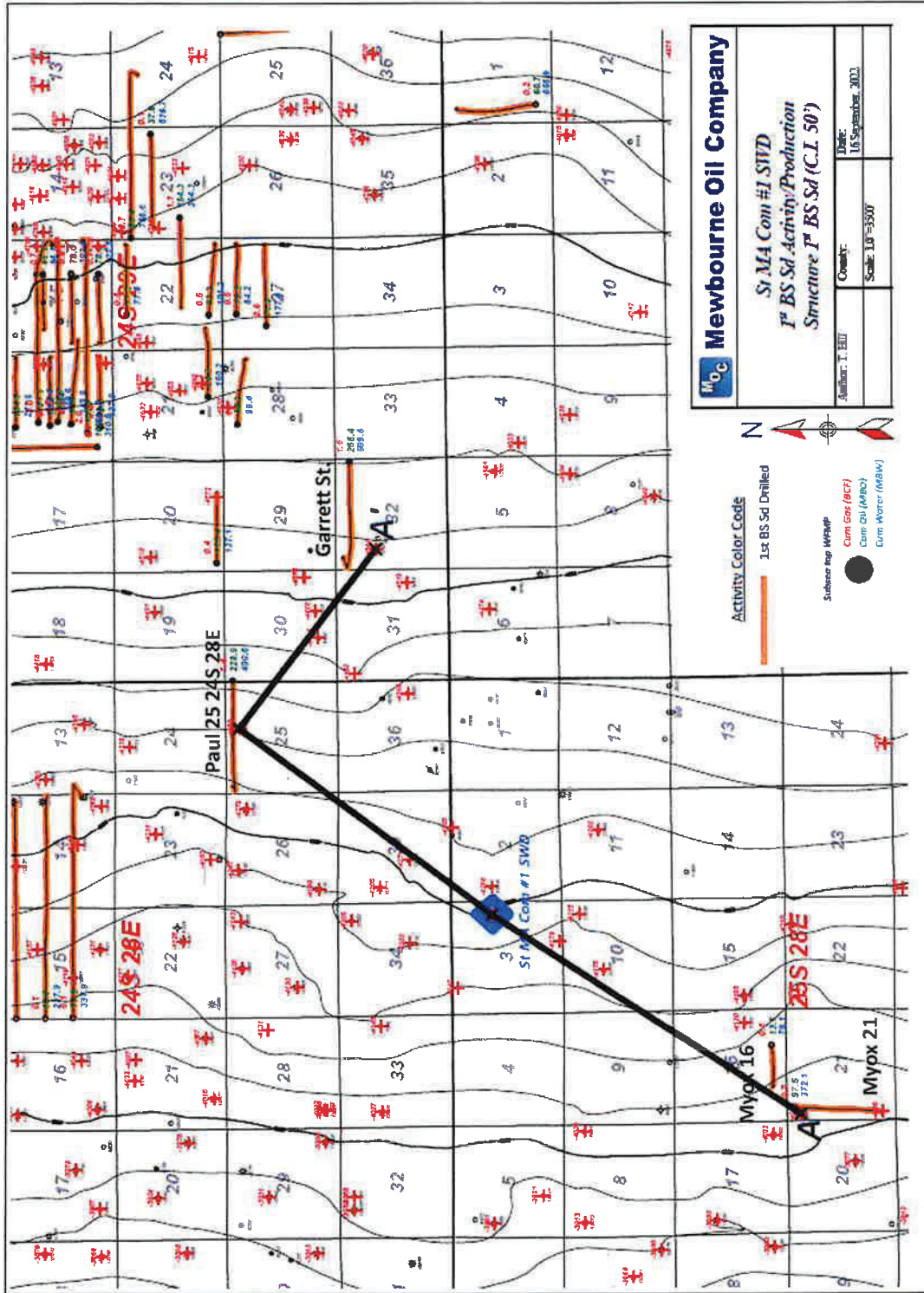
CURRENT WELLBORE SCHEMATIC

Oct 2015: repair tubing leak.
Run 7,128' 2 7/8" tubing (C-105)

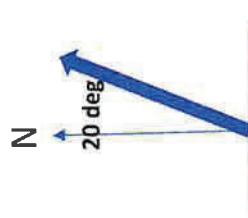


Source of wellbore
diagram (dated 8/09/93):
OCD well files

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit - A-3
Submitted by: Mewbourne Oil Company
Hearing Date: December 15, 2022
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BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit - A-4
 Submitted by: Mewbourne Oil Company
 Hearing Date: December 15, 2022
 Case Nos. 23042



Estimated
 Strike of
 Maximum HZ
 Stress
 (Snee &
 Zoback, 2018)

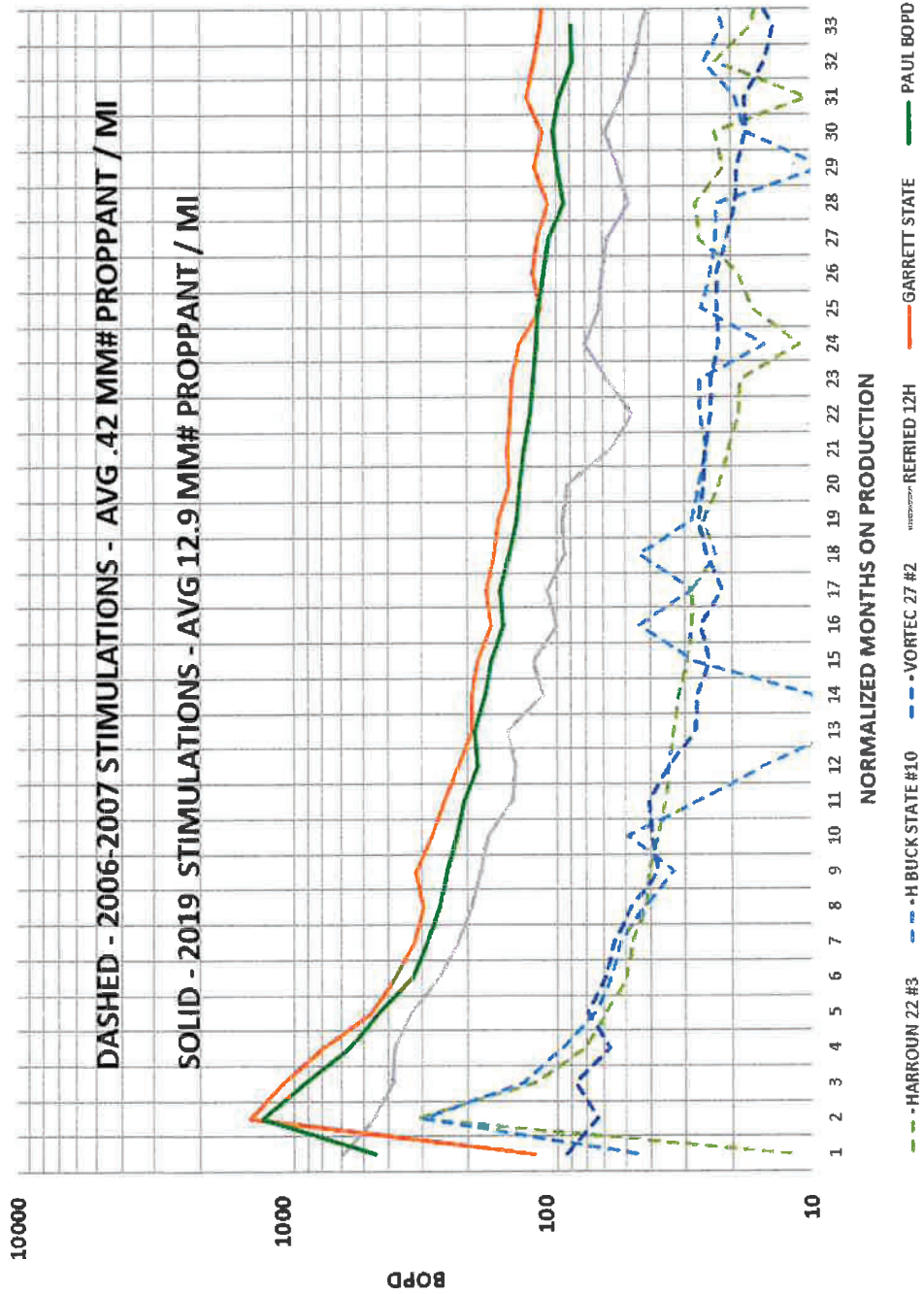
Endeavor St MA 1st Bone Spring Area Production (through August 2022)

Primary API	Dir	Lease Name	Well Num	Operator	Location	Oil Cum	Gas Cum	Wtr Cum	First Prod Date	Oil Cut
30015237090000	V	ST MA COM	1	ENDEAVOR	25S 28E 3H	71	-	230	1992-06-01	23.59%
30015333170000	HZ	HARROUN 15	015	OXY	24S 29E 15E E2 SW NW	66,909	658,466	98,257	2004-10-01	40.51%
30015338200000	HZ	H BUCK STATE	003	OXY	24S 29E 16A	155,449	989,083	251,867	2005-06-01	38.16%
30015338210000	HZ	HARROUN 22	003	OXY	24S 29E 22A	77,255	496,454	78,139	2006-03-01	49.72%
30015338220000	HZ	HARROUN 15	017	OXY	24S 29E 15M W2 SW SW	78,067	710,808	136,209	2006-09-01	36.43%
30015338230000	HZ	HARROUN 15	016A	OXY	24S 29E 15L W2 NW SW	79,189	621,267	105,004	2005-05-01	42.99%
30015344400000	HZ	H BUCK STATE	004H	OXY	24S 29E 16H SE SE NE	74,714	463,007	138,490	2006-02-01	35.04%
30015346950000	HZ	H BUCK STATE	010	OXY	24S 29E 16P E2 SE SE	79,374	422,390	137,198	2006-05-01	36.65%
30015348170000	HZ	VORTEC 22	001	OXY	24S 29E 22P	77,221	523,448	101,210	2006-06-01	43.28%
30015350410000	HZ	VORTEC 27	001	OXY	24S 29E 27A E2 NE NE	78,466	487,078	90,784	2006-12-01	46.36%
30015350420000	HZ	H BUCK STATE	005	OXY	24S 29E 15L SW NW SW	64,597	271,740	153,584	2006-12-01	29.61%
30015351860000	HZ	GAINES 22 FEDERAL	001	OXY	24S 29E 22M SW SW	79,734	267,641	154,830	2007-01-01	33.99%
30015353530000	HZ	GAINES 28 COM	001	OXY	24S 29E 28A NE NE	49,227	129,927	88,428	2007-05-01	35.76%
30015354920000	HZ	VORTEC 27	002	OXY	24S 29E 27H SE NE	79,280	576,633	186,336	2007-11-06	29.85%
30015364440000	HZ	QUEEN LAKE 20 FEDERAL	002H	SMC	24S 29E 20O SE SW SE	98,511	410,798	130,905	2008-11-01	42.94%
30015365350000	HZ	CHALLENGER 1 STATE	001H	OXY	25S 29E 1D NW NW	39,575	217,246	381,068	2009-01-01	9.41%
30015370330000	HZ	MYOX 16 STATE COM	007	COG	25S 28E 16N W2 SE SW	13,713	131,098	79,060	2009-07-01	14.78%
30015374160100	HZ	MYOX 21 STATE COM	009H	COG	25S 28E 21M	98,480	679,527	376,702	2011-06-01	20.72%
30015398560000	HZ	CEDAR CANYON 16	001H	OXY	24S 29E 16D	169,735	697,537	326,237	2012-07-30	34.22%
30015406670000	HZ	CEDAR CANYON 23	001H	OXY	24S 29E 23E SW NW	37,957	135,794	542,372	2013-03-19	6.54%
30015406680000	HZ	CEDAR CANYON 22	001H	OXY	24S 29E 22K NE SW	154,922	1,118,256	388,070	2013-03-14	28.53%
30015452150000	HZ	REFRIED BEANS CC 15 16 STATE COM	012H	OXY	24S 29E 15H	153,728	2,006,998	474,212	2019-06-21	24.48%
30015452160000	HZ	REFRIED BEANS CC 15 16 STATE COM	013H	OXY	24S 29E 15H	134,095	1,740,576	455,696	2019-06-21	22.74%
30015452170000	HZ	REFRIED BEANS CC 15 16 STATE COM	014H	OXY	24S 29E 15I	198,128	2,067,935	655,560	2019-07-01	23.21%
30015458190000	HZ	GARRETT STATE COM	111H	MATADOR	24S 29E 32D	271,559	1,687,436	607,844	2019-07-01	30.88%
30015458700000	HZ	GUACAMOLE CC 24 23 FEDERAL	011H	OXY	24S 29E 24C NE NW	69,660	659,669	840,311	2019-11-25	7.66%
30015462690000	HZ	PAUL 25 24S 28E RB	111H	MATADOR	24S 28E 25D NW	233,823	1,424,187	500,419	2019-11-18	31.85%
30015481030000	HZ	KEN WILSON 14 15	112H	MATADOR	24S 28E 14H	109,471	210,073	401,277	2022-04-01	21.43%
30015486180000	HZ	GEORGE 14 15 24S 28E	113H	MATADOR	24S 28E 14I	171,408	405,913	559,660	2022-04-01	23.45%
TOTALS						2,994,318	20,210,985	8,439,959		26%

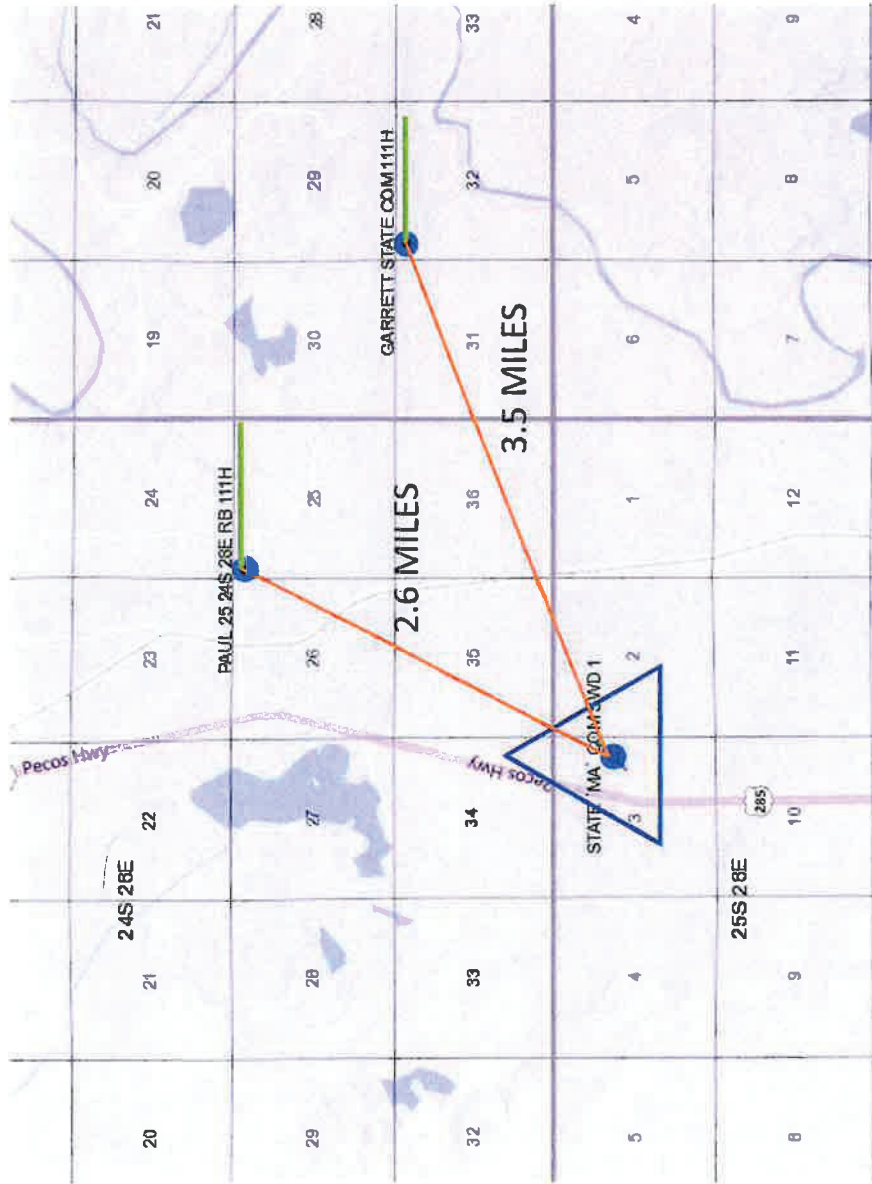
NOTE: SOURCE OF DATA OCD

2 mile laterals

NORMALIZED 1ST BONE SPRING HORIZONTAL WELL OIL PRODUCTION



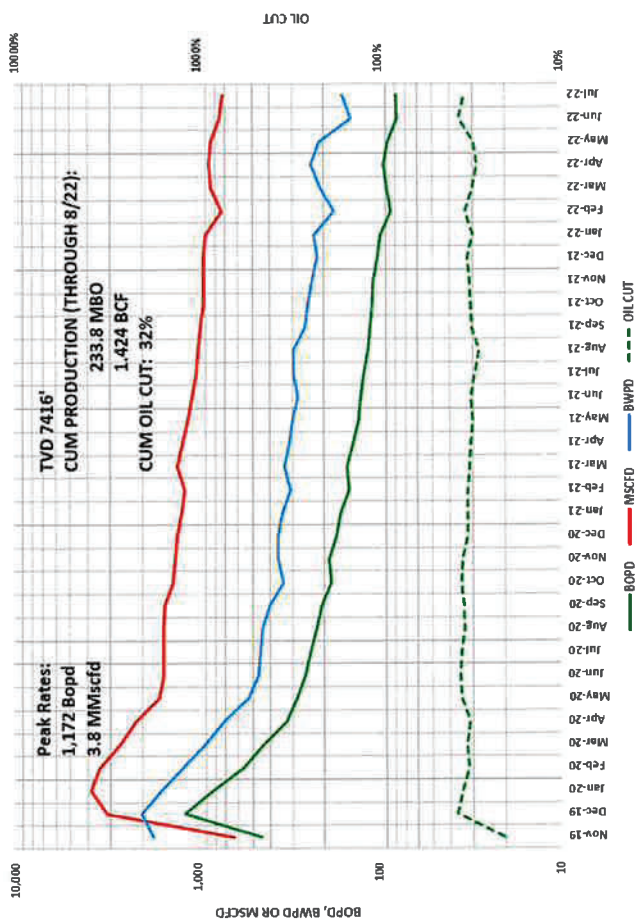
STATE MS COM SWD DISTANCE TO CLOSEST 1ST BONE SPRING HORIZONTAL PRODUCERS



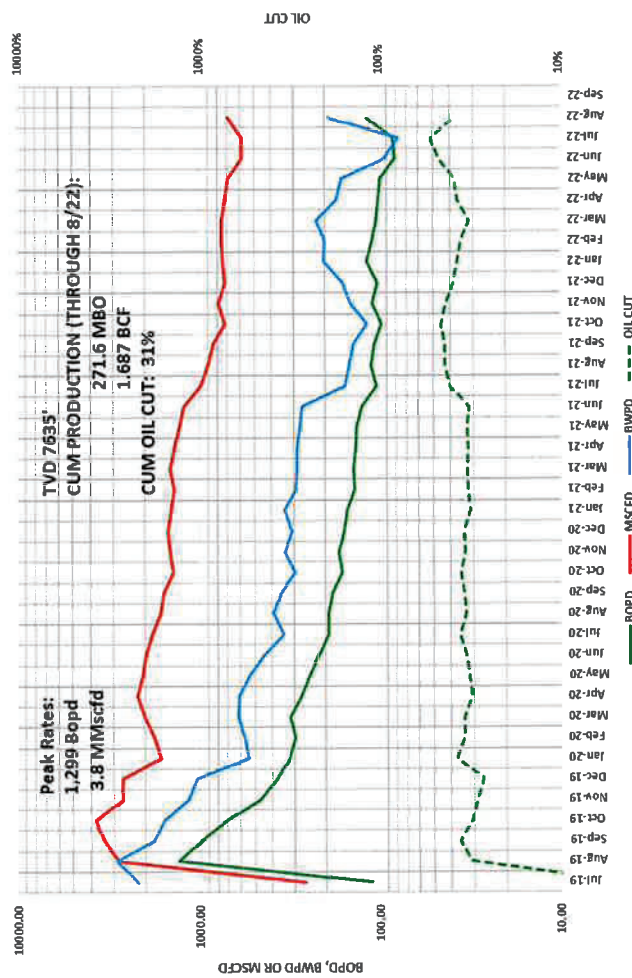
BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit – A-6
 Submitted by: Mewbourne Oil Company
 Hearing Date: December 15, 2022
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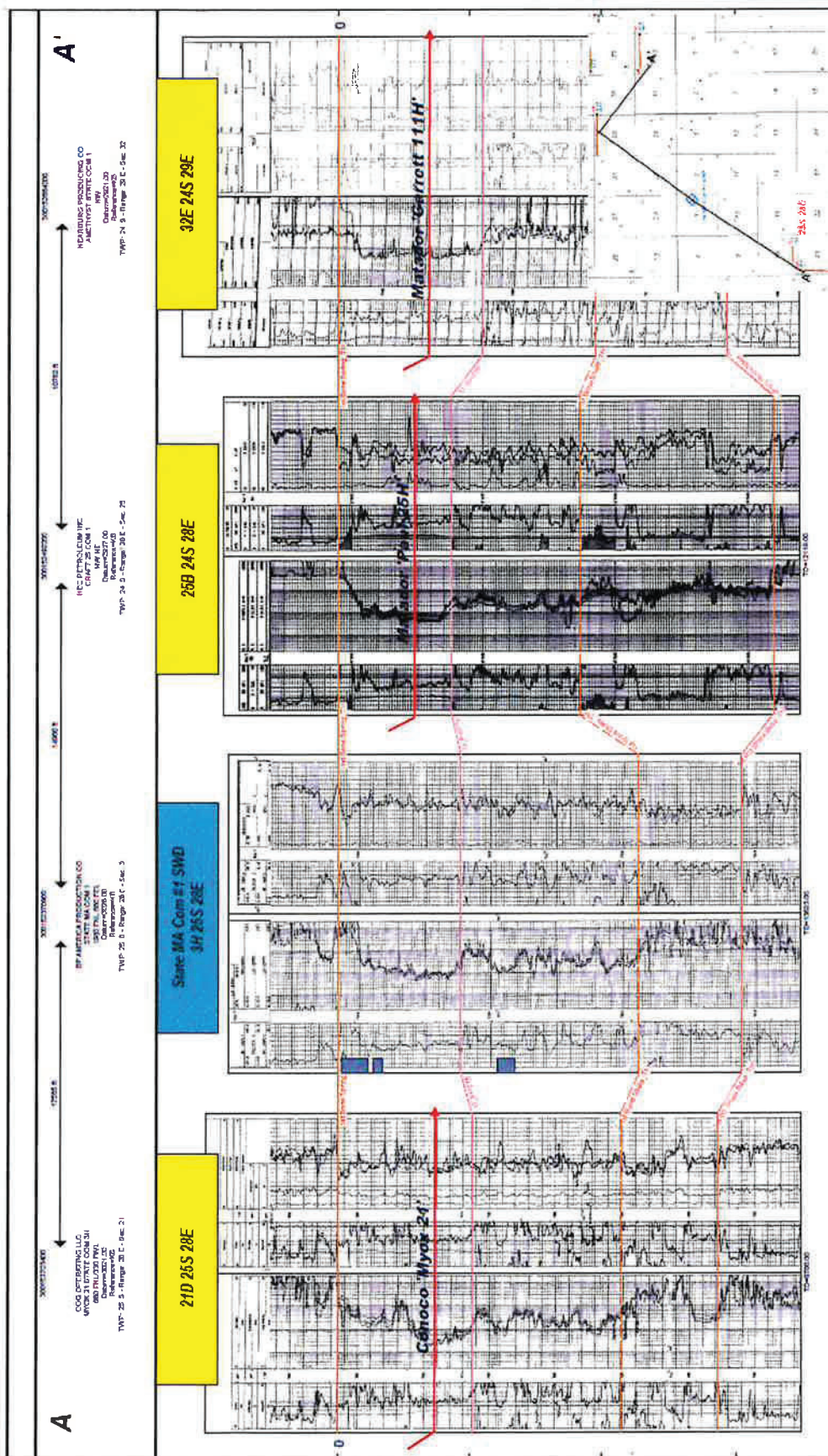
1ST BONE SPRING SAND – PRODUCTION RATE VERSUS TIME GRAPHS

MATADOR PAUL 25 24S 28E RB #111H 30-015-46269



MATADOR GARRETT STATE COM #111H 30-015-45819





BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
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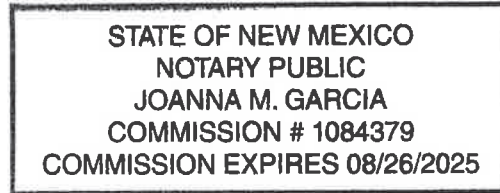
SUBSCRIBED AND SWORN to before me this 8th day of December 2022 by Michael H.

Feldewert.


Notary Public

My Commission Expires:

August 26, 2025





Michael H. Feldewert
Partner
Phone (505) 988-4421
mfeldewert@hollandhart.com

September 16, 2022

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: Endeavor Energy Resources, LP
1700 East County Rd. 115
Midland, TX 79706

Re: Application of Mewbourne Oil Company to Revoke or Modify the Injection Authority Granted Under Order No. R-10139 for the State Ma Com No. 1 Operated by Endeavor Energy Resources, LP, Eddy County, New Mexico: State MA Com No. 1 SWD (30-015-23709).

To Whom It May Concern:

This letter is to advise you that Mewbourne Oil Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on October 6, 2022, and the status of the hearing can be monitored through the Division’s website at <http://www.emnrd.state.nm.us/ocd/>.

Due to the remodeling of the state building where the New Mexico Oil Conservation Division is located, hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Tim Harrington at 903-534-7647 or at tharrington@mewbourne.com.

Michael H. Feldewert

ATTORNEY FOR MEWBOURNE OIL COMPANY

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming



Michael H. Feldewert
Partner
Phone (505) 988-4421
mfeldewert@hollandhart.com

September 16, 2022

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: Ari Biernoff, Esq.
New Mexico State Land Office
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, NM 87504-1148

Re: Application of Mewbourne Oil Company to Revoke or Modify the Injection Authority Granted Under Order No. R-10139 for the State Ma Com No. 1 Operated by Endeavor Energy Resources, LP, Eddy County, New Mexico: State MA Com No. 1 SWD (30-015-23709).

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This letter is to advise you that Mewbourne Oil Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on October 6, 2022, and the status of the hearing can be monitored through the Division’s website at <http://www.emnrd.state.nm.us/ocd/>.

Due to the remodeling of the state building where the New Mexico Oil Conservation Division is located, hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Tim Harrington at 903-534-7647 or at tharrington@mewbourne.com.

Michael H. Feldewert

ATTORNEY FOR MEWBOURNE OIL COMPANY

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

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

APPLICATION OF MEWBOURNE OIL COMPANY TO REVOKE OR MODIFY
THE INJECTION AUTHORITY GRANTED UNDER ORDER NO. R-10139 FOR
THE STATE MA COM NO. 1 OPERATED BY ENDEAVOR ENERGY
RESOURCES, LP, EDDY COUNTY, NEW MEXICO.

CASE NO. 23042

APPLICATION

Mewbourne Oil Company (“Mewbourne”) (OGRID No. 14744), through its undersigned attorneys, hereby files this application with the Oil Conservation Division for an order revoking or modifying the injection authority granted by Order R-10139, issued in June of 1994 in Case No. 10968. In support of its application, Mewbourne states:

1. Mewbourne is a working interest owner in the affected acreage and has the right to drill thereon.

2. Endeavor Energy Resources, LP (“Endeavor”) is the current operator of record for the State MA Com No. 1 (30-015-23709), a produced water disposal well located 1980 feet from the North line and 660 feet from the East line (Unit H) in Section 3, Township 25 South, Range 28 East, N.M.P.N., Eddy County, New Mexico (the “State MA SWD”).

3. On June 22, 1994, the Division issued Order No. R-10139 authorizing Siete Oil and Gas Company to re-complete the State MA well for disposal in the Bone Spring formation through perforations at “approximately 7,287 feet to approximately 7,740 feet.”

4. The State MA was initially drilled and completed by Amoco Production Company in 1981 as a Morrow gas production well and the well was recompleted to the Atoka formation in 1983. In 1992, MW Petroleum Corporation recompleted the well to the Bone Spring, through perforations 7287 feet to 7418 feet. At the time R-10139 was issued, Siete Oil

and Gas Company represented to the Division in the filed Form C-108, dated May 10, 1994, that “water injection will be into a zone not productive of oil and gas”.

5. First injection into the State MA SWD began in 1994 through the existing Bone Spring perforations and new perforations were added between 7290 feet through 7740 feet. The current injection zone includes the First Bone Spring Sand interval of the Bone Spring formation, an interval that has proven to be productive or potentially productive of hydrocarbons since the advent of horizontal drilling.

6. The continued operation of the State MA SWD is negatively affecting the correlative rights of Mewbourne and other offsetting operators to recover reserves from the Bone Spring formation underlying their acreage with horizontal wells.

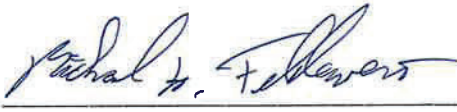
7. Mewbourne has requested that Endeavor voluntarily cease injection of produced water into the State MA SWD, but as of the date of the filing this application the well remains an active injection well.

8. Revocation or modification of the injection authority granted by Order R-10139 will prevent the waste of recoverable hydrocarbons and will protect correlative rights.

WHEREFORE, Mewbourne requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 6, 2022, and, after notice and hearing as required by law, the Division enter an order revoking or modifying the injection authority granted by Order R-10139.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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

**ATTORNEYS FOR MEWBOURNE OIL
COMPANY**

Case No. ____: Application of Mewbourne Oil Company to Revoke or Modify the Injection Authority Granted Under Order No. R-10139 for the State MA Com No. 1 Operated by Endeavor Energy Resources, LP, Eddy County, New Mexico.

Applicant seeks an order revoking or modifying the injection authority granted by Order R-10139, issued in June of 1994 in Case No. 10968, for the State MA Com No. 1 (30-015-23709), located 1980 feet from the North line and 660 feet from the East line (Unit H) in Section 3, Township 25 South, Range 28 East, N.M.P.N., Eddy County, New Mexico. The approved injection zone is from “approximately 7,287 feet to approximately 7,740 feet” and includes the First Bone Spring Sand interval of the Bone Spring formation, an interval which has proven to be productive or potentially productive of hydrocarbons since the advent of horizontal drilling. Said area is located approximately 4.5 miles south of Malaga, New Mexico.

MOC - Rescind Endeavor Injection Order
Case No. 23042 Postal Delivery Report

Tracking Number	Recipient	Status
9214890194038389807179	Endeavor Energy	Delivered Signature
Class: First Class Services:	Resources L P c/o	Received POD
CM RR	Gregg Mrotzek 1700	Viewed
	East County Rd 115	
	Midland TX 79706	

MOC - Rescind Endeavor Injection Order
Case No. 23042 Postal Delivery Report (2)

Tracking Number	Recipient	Status
9214890194038389816492	New Mexico State Land	Delivered
Class: First Class Services: CM RR	Office c/o Ari Biernoff 310 Old Santa Fe Trail Santa Fe NM 87501	Signature Received

9214890194038389816508	New Mexico State Land	Delivered
Class: First Class Services: CM RR	Office c/o Ari Biernoff PO BOX 1148 Santa Fe NM 87504	Signature Received

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

QUESTIONS
 Action 165613

QUESTIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 165613
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	1
Testimony time (in minutes)	<i>Not answered.</i>