

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

**APPLICATIONS OF PRIDE ENERGY
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NOS. 22879-80, 23327-28

**APPLICATIONS OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NOS. 23176 – 23179, 23345

**MEWBOURNE OIL COMPANY’S MOTION TO SUSPEND PRE-HEARING ORDER,
ADD CASE NO. 23345 TO CONTESTED HEARING,
AND SET CASES FOR STATUS CONFERENCE**

Mewbourne Oil Company (“Mewbourne”) requests that the Division: (1) suspend the Amended Pre-Hearing Order, issued on January 25, 2023; (2) add Case No. 23345 to the Amended Pre-Hearing order for inclusion in the contested hearing; and (3) set all of the cases for a status conference on March 2, 2023. In support of this motion, Mewbourne states the following.

1. Pride Energy Company’s (“Pride”) applications in Case Nos. 22879-22880 seek to pool interests in the Bone Spring formation underlying the E/2 of Section 16, Township 19 South, Range 33 East, Lea County, New Mexico, and Mewbourne’s applications in Case Nos. 23176-23179, collectively, seek to pool interests in the Bone Spring formation underlying all of Section 16 and the N/2 of Section 21, Township 19 South, Range 33 East, Lea County, New Mexico.

2. On December 2, 2022, the Division issued an Amended Pre-Hearing Order setting the competing applications for a contested hearing on March 16, 2023.

3. Pride moved to dismiss Mewbourne’s applications in Case Nos. 23176 and 23178. The motions were heard on January 5, 2023 and remain pending.

4. Pride then filed new applications in Case Nos. 23327-23328, seeking to pool interests in the Bone Spring formation underlying a 480-acre standard horizontal spacing unit

comprised of the E/2 of Section 16 and the NE/4 of Section 21, Township 19 South, Range 33 East, Lea County. Thus, Pride now proposes to drill 1.5 mile wells instead of 1 mile wells. Pride's new applications were initially set on the Division's March 2, 2023 docket.

5. On January 25, 2023, Pride filed a motion to include its new applications in the March 16, 2023 hearing, and the Division issued an Amended Pre-Hearing Order granting that request. *See* Motion to Add Amended Application to Pre-Hearing Order and Contested Hearing Set for March 16, 2023 (Jan. 25, 2023); Amended Pre-Hearing Order (Jan. 25, 2023).

6. On January 27, 2023, Mewbourne filed an amended application that seeks to pool uncommitted interests within the Bone Spring Formation underlying a 960-acre, more or less, non-standard horizontal spacing unit comprised of Section 16 and the N/2 of Section 21, Township 19 South, Range 33 East. This application has been assigned Case No. 23345 and is currently set on the Division's March 2, 2023 hearing docket. Because the application incorporates the acreage covered by Mewbourne's four original applications and competes with Pride's applications, Mewbourne requests that the Division amend the Pre-Hearing Order to include Case No. 23345 in the contested hearing.

7. Although Case Nos. 22879-22880, 23327-23328, and 23176-23179 are currently set for hearing on March 16, 2023, Pride's motions to dismiss Case Nos. 23176 and 23178 remain pending, and the Division's ruling on the motions will impact the hearing and the parties' evaluation of Pride's and Mewbourne's competing applications.

8. Because Pride's motions remain pending and the hearing will likely involve a completely new set of applications, the March 16, 2023 hearing date is premature.

9. Affording the parties additional time to evaluate the new competing applications and determine how to proceed once the Division has ruled on Pride's motions will best protect correlative rights and prevent waste.

10. As a result, Mewbourne requests that the Division suspend the Amended Pre-Hearing Order and hold a status conference on March 2, 2023 to set a new contested hearing date after the parties have had a full opportunity to evaluate the competing applications.

11. All interested parties have been contacted regarding this motion and their positions are as follows: Earthstone – does not oppose; Marathon Oil Permian LLC – does not oppose; COG Operating LLC – takes no position; XTO – takes no position; MRC entities – take no position; Yates Energy Corporation – does not oppose; Jalapeno Corporation – does not oppose; Pride – opposes.

For the foregoing reasons, Mewbourne requests that the Division: suspend the Amended Pre-Hearing Order issued on January 25, 2023; add Case No. 23345 to the Amended Pre-Hearing Order for inclusion in the contested hearing; and set the above-referenced matters for a status conference on March 2, 2023.

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CERTIFICATE OF SERVICE

I hereby certify that on February 7, 2023, I served a true and correct copy of the foregoing pleading on the following counsel of record by electronic mail:

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