

**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. 23708 & 23709

**RESPONSE TO MEWBOURNE OIL COMPANY'S MOTION TO RESCIND
OR DISMISS OBJECTION TO PRESENTATION OF CASE BY AFFIDAVIT**

Coterra Energy Inc. and its subsidiaries, including Cimarex Energy Co. (collectively referred to as "Cimarex"), submits its Response to Mewbourne Oil Company's ("Mewbourne") Motion to Rescind or Dismiss [Cimarex's] Objection to Presentation by Affidavit, and in support thereof states:

1. The policy of the Oil Conservation Division ("Division") is clear regarding continuances pursuant to objections: if "a party does not consent to the case be taken by affidavit, the case will be continued." *See* Notice: OCD Hearings Scheduled for April 16, 2020 and After, issued April 21, 2020. Cimarex, as a working interest owner in the above-referenced cases, entered an objection to the case going forward by affidavit pursuant to the Division's policy.

2. Cimarex did not receive a notice of the hearing until very recently on Friday, August 25, 2023. Operators will often send out well proposals far in advance of a planned hearing, a number of which are never acted upon, and owners will not become aware that an operator is serious about a well proposal until notice of a pooling is received. Once it had received the notice for a compulsory pooling, Cimarex began communicating in good faith with Mewbourne in an effort to try to reach certain agreements; however, the parties have not been able to reach satisfactory agreements.

3. First, Mewbourne has been holding a substantial portion of Cimarex's working interest in the units under a term assignment that has expired by its own terms, and Cimarex has repeatedly asked Mewbourne for a release of that term assignment. Mewbourne has not provided a release, and Cimarex wants the release in place before the hearing is held so that there is no confusion regarding the extent and nature of Cimarex's and Mewbourne's working interest in the proposed unit.

4. Second, Cimarex has asked for certain edits and changes in Mewbourne's Operating Agreement ("JOA"), and it is Cimarex's experience that Mewbourne has not handled these requests in a timely manner.

5. As a result, Cimarex respectfully requests from the Division additional time to make final efforts to reach satisfactory agreements in these cases prior to the hearing so that matters are in order, and therefore, requests that the hearing be continued to October 5, 2023, if that docket is available for the hearing, and if not, then continued to October 19, 2023.

Respectfully Submitted,

ABADIE & SCHILL, PC

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***Attorneys for Coterra Energy Inc. and its
subsidiaries, including Cimarex Energy Co.***

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record, on the party itself if not represented by counsel, via electronic mail on September 5, 2023:

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