

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

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

Case Nos. 23365 & 23366

**APPLICATIONS OF EARTHSTONE
OPERATING, LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

Case Nos. 23475 & 23477

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Mewbourne Oil Company
Suite 1020
500 West Texas
Midland, Texas 79701

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504

Attention: Adriana Salgado

OPPONENT

Earthstone Operating, LLC

OPPONENT'S ATTORNEY

Matthew M. Beck

Northern Oil & Gas, Inc.

Blake C. Jones

MRC Permian Company &
Devon Energy Production Company, L.P.

Holland & Hart LLP

STATEMENT OF THE CASE

APPLICANT

Case No. 23365: Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 18 and the W/2E/2 of Section 7, Township 21 South, Range 35 East, NMPM. The unit will be

dedicated to the North Wilson Deep Unit Well No. 8H, with a first take point in the SW/4SE/4 of Section 18 and a last take point in the NW/4NE/4 of Section 7.

Case No. 23366: Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 18 and the E/2E/2 of Section 7, Township 21 South, Range 35 East, NMPM. The unit will be dedicated to the North Wilson Deep Unit Well No. 9H, with a first take point in the SE/4SE/4 of Section 18 and a last take point in the NE/4NE/4 of Section 7.

Also to be considered will be the cost of drilling, completing, testing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, testing, and equipping the wells.

Mewbourne Oil Company requests that the Division grant its applications and deny those of Earthstone Operating, LLC, based on traditional pooling factors such as working interest ownership or control, drilling experience in the immediate area, and initiating the process of drilling the proposed wells in the area.

In addition, a portion of the lands are in the North Wilson Deep Unit Area, a unit comprised 100% of State lands. Under Both State Land Office and Division rules, the approval of the State Land Office is required in order to drill inside the unit. Mewbourne Oil Company has that approval, but Earthstone Operating, LLC does not.

OPPONENT

Earthstone Operating, LLC's applications seek to pool the Bone Spring formation in the same acreage that is in Mewbourne Oil Company's applications.

PROPOSED EVIDENCE

APPLICANT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBIT</u> |
|-------------------------------|------------------|----------------|
| Adriana Salgado (landman) | 15 min. | Approx. 8 |
| Jordan Carroll (geologist) | 15 min. | Approx.6 |

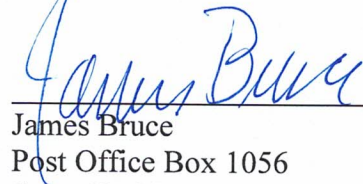
OPPONENT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|------------------|------------------|-----------------|
|------------------|------------------|-----------------|

PROCEDURAL MATTERS

Applicant requests that the cases be consolidated for hearing.

Respectfully submitted,



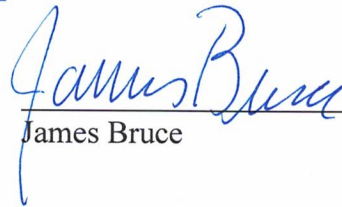
James Bruce
Post Office Box 1056
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(505) 982-2043

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 14th day of September, 2023 by e-mail:

- Michael Feldewert - mfeldewert@hollandhart.com
- Adam Rankin - agrarkin@hollandhart.com
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 265474

QUESTIONS

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| Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241 | OGRID: 14744 |
| | Action Number: 265474 |
| | Action Type: [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

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| 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. |