

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

**APPLICATION OF FED OPERATING,
LLC FOR APPROVAL OF A NON-STANDARD
HORIZONTAL WELL SPACING UNIT
AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 26131-26132

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by the FED Operating, LLC ("FED") (OGRID No. 333904), the applicant in Case Nos. 26131-26132, as required by Division rules.

APPEARANCES

APPLICANT

FED Operating, LLC

Mewbourne Oil Company

Permian Resources Operating, LLC

ATTORNEY

Kaitlyn A. Luck
P.O. Box 483
Taos, NM 87571
(361) 648-1973
(505) 542-2241
kaitlyn@kaitlynluck.com

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
A. Raylee Starnes
215 Lincoln Avenue, Suite 100
Santa Fe, New Mexico 87501
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com
astarnes@hollandhart.com

Hardy McLean
Dana S. Hardy

Jaclyn M. McLean
Yarithza Peña
125 Lincoln Ave., Suite 223
Santa Fe, NM 87501
505-230-4410
dhardy@hardymclean.com
jmclean@hardymclean.com
ypena@hardymclean.com

Hunt Cimarron

Ernest L. Padilla
P.O. Box
Santa Fe, NM 87501
(505) 988-7577
padillalawnm@outlook.com

J.R. Oil, Ltd. Co

Jennifer L. Bradfute
Matthia Sayer
David Kirmse
Bradfute Sayer P.C.
P.O. Box 90233
Albuquerque, NM 87199
505-264-8740
jennifer@bradfutelaw.com
matthias@bradfutelaw.com
david@bradfutelaw.com

STATEMENT OF THE CASE

In Case No. 26131, FED requests an order from the Division: (1) approving a 1,920-acre, more or less, non-standard horizontal well spacing unit in the Bone Spring formation (Pool: MESCALERO ESCARPE;BONE SPRING [Pool Code: 45793]), underlying all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico (the “Unit”).

FED seeks to dedicate the Unit to the following wells, to be horizontally drilled:

- the Chancer 5-17 State #111H well, the Chancer 5-17 State #121H well, and the Chancer 5-17 State #131H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 5; and
- the Chancer 5-17 State #112H well, the Chancer 5-17 State #122H well, and the Chancer 5-17 State #132H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 NE/4 NW/4 (Unit C) of Section 5;
- the Chancer 5-17 State #113H well, the Chancer 5-17 State #123H well, and the Chancer 5-17 State #133H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 5; and
- the Chancer 5-17 State #114H well, the Chancer 5-17 State #124H well, and the Chancer 5-17 State #134H well with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 20, and proposed last take points in the NW/4 NW/4 NE/4 NW/4 (Unit C) of Section 5.

The wells will be horizontally drilled, and the producing areas for the wells are expected to be orthodox.

The wells are expected to be producing within the MESCALERO ESCARPE;BONE SPRING [Pool Code: 45793].

In Case No. 26132, FED seeks an order from the Division (1) approving a non-standard 1,920-acre, more or less, horizontal well spacing unit in the Wolfcamp formation (Pool: E-K;WOLFCAMP [Pool Code: 21670]), underlying all of Sections 5, 8, and 17, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico (the "Unit").

- the Chancer 5-17 State #211H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NW/4 NW/4 (Unit D) of Section 5;
- the Chancer 5-17 State #212H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NE/4 NW/4 (Unit C) of Section 5;
- the Chancer 5-17 State #213H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NW/4 NE/4 (Unit B) of Section 5; and
- the Chancer 5-17 State #214H well, with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 20, and a proposed last take point in the NE/4 NE/4 (Unit A) of Section 5.

The wells will be horizontally drilled, and the producing areas for the wells are expected to be orthodox. The wells are expected to be producing within the E-K;WOLFCAMP [Pool Code: 21670].

FED's development plan is superior, has less waste, reduced surface impacts, and will benefit more interest owners across the three-section development plan. FED further asks that the Division deny the requested pooling by Mewbourne in Case Nos. 26446-26447 because each of the five competing pooling factors weighs in FED's favor. Most important to this proceeding, Mewbourne's development underdevelops the proposed formation, thereby causing waste. Mewbourne's development plan is not appropriate for this area and Mewbourne has never drilled a u-turn well before, upon information and belief. Correlative rights are also an issue due to disputed ownership in Section 17. Mewbourne failed to timely propose and develop the wells in its cases and the poolings requested by Mewbourne should be denied.

PROPOSED EVIDENCE

WITNESSES

EST. TIME

EXHIBITS

Paul Venincasa, Land

Affidavit

7

Joseph Dishron, Geology

Affidavit

6

Kayleigh Landry, Engineer

Affidavit

1

Josh Sperry, Drilling
Engineer

Affidavit

1

PROCEDURAL MATTERS

FED requests that the Division issue orders granting the pooling applications to FED in Case Nos. 26131-26132.

Respectfully,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", is written over a horizontal line.

Kaitlyn A. Luck

P.O. Box 483

Taos, New Mexico 87571

(361) 648-1973

kaitlyn.luck@outlook.com

Attorney for FED Operating, LLC

CERTIFICATE OF SERVICE

I certify that on this September 9, 2026, the foregoing pleading was electronically filed with the New Mexico Oil Conservation Division Clerk and served on all parties of record through counsel as follows:

Freya Tschantz
Freya.Tschantz@emnrd.nm.gov
OCD.Hearings@emnrd.nm.gov

EMNRD-Oil Conservation Division, Law Clerk

Ernest L. Padilla
Post Office Box 2523
Santa Fe, New Mexico 87504
(505) 988-7577
padillalawnm@outlook.com

Attorney for Rockwood Energy LP

Dana S. Hardy
Jaclyn M. McLean
Yarithza Peña
125 Lincoln Ave., Suite 223
Santa Fe, NM 87501
505-230-4410
dhardy@hardymclean.com
jmclean@hardymclean.com
ypena@hardymclean.com

Attorneys for Permian Resources Operating LLC

Jordan L. Kessler
EOG RESOURCES, INC.
125 Lincoln Avenue, Suite 213
Santa Fe, New Mexico 87501
(432) 488-6108
Jordan_kessler@eogresources.com

Attorney for EOG Resources, Inc.

Jennifer L. Bradfute
Matthia Sayer
David Kirmse
Bradfute Sayer P.C.
P.O. Box 90233
Albuquerque, NM 87199
505-264-8740
jennifer@bradfutelaw.com
matthias@bradfutelaw.com
david@bradfutelaw.com

Attorneys for J.R. Oil, Ltd. Co.

Michael H. Feldewert
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Paula M. Vance
A. Raylee Starnes
215 Lincoln Avenue, Suite 100
Santa Fe, New Mexico 87501
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrankin@hollandhart.com
pmvance@hollandhart.com
astarnes@hollandhart.com

Attorneys for Mewbourne Oil Company

/s/ Kaitlyn A. Luck

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

QUESTIONS

Action 622950

QUESTIONS

Operator: FED Operating LLC 1208 W Wall St. Midland, TX 79701	OGRID: 333904
	Action Number: 622950
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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