

**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. 21403 & 21721

**APPLICATIONS OF MARATHON OIL PERMIAN
LLC FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case Nos. 21426 - 21429

CONSOLIDATED PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Mewbourne Oil Company ("Mewbourne") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

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

Attention: Brad Dunn
(432) 682-3715

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

Marathon Oil Permian LLC

OPPONENT'S ATTORNEY

Deana M. Bennett

STATEMENT OF THE CASE

APPLICANT

Case No. 21403: Mewbourne Oil Company seeks an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 19 and the W/2W/2 of Section 18, Township 19 South, Range 35 East, NMPM. The unit will be dedicated to the Santa Vaca 19/18 B2MD State Com. Well No. 1H and the Santa Vaca 19/18 B3MD State Com. Well No. 2H, which will be drilled to depths sufficient to test the Bone Spring formation. The wells are horizontal wells, with first take points in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 19 and last take points in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 18.

Case No. 21721: Mewbourne Oil Company seeks an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 19 and the E/2W/2 of Section 18, Township 19 South, Range 35 East, NMPM. The unit will be dedicated to the Santa Vaca 19/18 B2NC State Com. Well No. 1H and the Santa Vaca 19/18 B3NC State Com. Well No. 2H, which will be drilled to depths sufficient to test the Bone Spring formation. The wells are horizontal wells, with first take points in the SE/4SW/4 of Section 19 and last take points in the NE/4NW/4 of Section 18.

Also to be considered will be the cost of drilling, completing, 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, and equipping the wells.

The parties have been in settlement negotiations, and Mewbourne Oil Company will continue to negotiate with Marathon Oil Permian LLC. However, Mewbourne has lease obligations upcoming and must commence its wells or lose the benefit of its current leasehold situation.

OPPONENT

In Case Nos. 21426 -21429 Marathon Oil Permian LLC proposes to drill Bone Spring and Wolfcamp wells with units comprising (i) the E/2SW/4 of Section 19 and the E/2W/2 of Section 30, and (ii) the W/2SW/4 of Section 19 and the W/2W/2 of Section 30, in the same township and range.

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBIT</u>
Brad Dunn (landman)	20 min.	Approx. 8
Nate Cless (geologist)	15 min.	Approx. 12

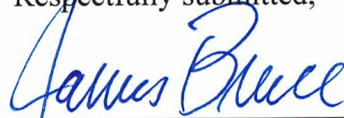
OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBIT</u>
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PROCEDURAL MATTERS

These cases should be consolidated for hearing. They will be submitted by affidavit if there is no opposition.

Respectfully submitted,



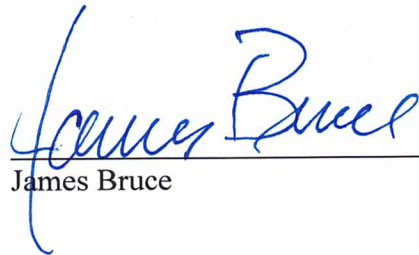
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Attorney for Mewbourne Oil Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 11th day of March, 2021 by e-mail:

Deana Bennett
dmb@modrall.com



James Bruce