

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

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

**Case No. 21884
Case No. 21885
Case No. 21886
Case No. 21887**

CIMAREX ENERGY CO.'S PREHEARING STATEMENT

Cimarex Energy Co., ("Cimarex") submits this Prehearing Statement in the above-referenced cases in order to address the uncertain status of federal interest in the units proposed by Mewbourne Oil Company ("Mewbourne"), pursuant to requirements of the Oil Conservation Division ("Division").

APPEARANCES

APPLICANT

Mewbourne Oil Company

ATTORNEY

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OPPONENT

Cimarex Energy Co.

ATTORNEY

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STATEMENT OF CASES

APPLICANT:

Case No. 21884: Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2N/2 of Section 18 and the N/2N2 of Section 17, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Local Legend 18/17 B2DA Fed. Com. Well No. 1H, a horizontal well a first take point in the NW/4NW/4 of Section 18 and a last take point in the NE/4NE/4 of Section 17.

Case No. 21885: Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 18 and the S/2N2 of Section 17, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Local Legend 18/17 B2EH Fed. Com. Well No. 1H, a horizontal well a first take point in the SW/4NW/4 of Section 18 and a last take point in the SE/4NE/4 of Section 17.

Case No. 21886: Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 18 and the N/2S2 of Section 17, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Local Legend 18/17 B2LI Fed. Com. Well No. 1H, a horizontal well a first take point in the NW /4SW /4 of Section 18 and a last take point in the NE/4SE/4 of Section 17.

Case No. 21887: Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 18 and the S/2S2 of Section 17, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Local Legend 18/17 B2MP Fed. Com. Well No. 1H, a horizontal well a first take point in the SW /4SW /4 of Section 18 and a last take point in the SE/4SE/4 of Section 17.

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.

OPPONENT:

Cimarex has been listed in the applications filed by Mewbourne as a working interest owner to be pooled. The status and ownership of certain federal leases within the proposed units have come into question, which could affect a determination of which parties should be pooled, as well as the amount of working interest involved. Cimarex is working to resolve the issue and has been in direct correspondence with Mewbourne about the efforts toward a resolution. Cimarex respectfully submits that it would be in the best interest of the parties and the Division if this matter can be resolved prior to the cases being heard for a compulsory pooling.

OPPONENT’S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Riley Morris	5 min	Approx. 2

APPLICANT’S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Mitch Robb	15 min	Approx. 6
Geologist: Tyler Hill	10 min	Approx. 6

PROCEDURAL MATTERS

Cimarex respectfully requests that the Division hold a status conference, for the above-referenced cases, on the May 20, 2021, hearing date in lieu of the hearing in order to ascertain a proper timeline, prior to the hearing, for the resolution of the status of the federal interest and ownership within the proposed units. Cimarex has been working with, and will continue working with, Mewbourne to resolve this issue as expeditiously as possible. If granted, Cimarex would file with the Division the requisite continuance concomitant with the status conference.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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Attorneys for 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 via electronic mail on May 13, 2021:

Jim Bruce
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Attorney for Mewbourne Oil Company

/s/ Darin C. Savage

Darin C. Savage