Submitted to the OCD on 1/7/25; Hearing Examiner verbally DENIED motion to continue on 1/8/25; uploaded to Imaging manually for record-purposes [fkt]

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

APPLICATIONS OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO CASE NOS. 24798, 24800, 24803-24804

APPLICATIONS OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO CASE NOS. 25079-25080

APPLICATIONS OF ALPHA ENERGY PARTNERS II, LLC, FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO CASE NOS. 25086-25090 and 25101

MEWBOURNE OIL COMPANY'S MOTION FOR CONTINUANCE

Mewbourne Oil Company ("Mewbourne") requests that the New Mexico Oil Conservation Division ("Division") vacate the January 14, 2025 contested hearing in these matters and set the cases for a status conference on the next available docket. As grounds therefore, Mewbourne states:

1. Permian Resources Operating, LLC ("Permian Resources") filed its applications in Case Nos. 24798, 24800, 24803, 24804, 24805, and 24806 for the Outlaw 14 Fed Com wells (hereinafter referred to as the "Outlaw Cases") on August 14, 2024.

2. Alpha Energy Partners II, LLC ("Alpha") entered its appearance in the Outlaw Cases on September 5, 2024.

On December 10, 2024, Permian Resources filed a notice of dismissal, dismissing
Case Nos. 24805 – 24806. Permian Resources also filed two replacement applications, Case Nos.
25079 and 25080.

That same day, Alpha filed competing applications in Case Nos. 25086, 25087,
25088, 25089, 25090, and 25101 for its Dude Abides 14-13 Fed Com wells (hereinafter referred

to as the "Dude Abides Cases").

5. Permian Resources' and Alpha's Outlaw and Dude Abides Cases seek to pool all of Sections 13 and 14, Township 22 South, Range 26 East, Eddy County, New Mexico.

6. Mewbourne owns a working interest in this acreage and has determined that the acreage would be best developed with its own development plan. *See* Self-Affirmed Statement of T. Jolly, attached hereto as Exhibit A. Mewbourne was able to make this determination after reviewing all of the competing applications, many of which were filed less than one month ago.

Mewbourne sent out well proposal letters for its Buffalo Bayou wells on December
27, 2024, which cover all of Sections 13 and 14, Township 22 South, Range 26 East, Eddy County,
New Mexico. *See* Exhibit A at ¶ 9; Exhibit 1 to Exhibit A.

8. Mewbourne intends to file applications for its Buffalo Bayou wells for the Division's February 13, 2025 docket. *See* Exhibit A at \P 10.

9. To allow the Division to consider all of the competing development plans and identify the plan that will best protect correlative rights and prevent waste in accordance with the Oil and Gas Act, Mewbourne requests that the Division issue an order vacating the January 14th contested hearing and set these matters for a status conference on the next available docket.

10. In addition, due to the numerous parties with competing development plans, the requested continuance would allow more time for the parties to negotiate and attempt to reach a resolution.

11. It is Mewbourne's understanding that Red River Energy Partners LLC and RREP Royalties, LLC planned to request a continuance to allow additional time for a resolution but were unable to do so due to their counsel's unavailability.

12. Counsel for Permian Resources, Alpha, COG Operating LLC, Concho Oil and Gas,

LLC, ConocoPhillips, Red River Energy Partners LLC and RREP Royalties, LLC, Bill Taylor Jr., Harvey Taylor, Marilyn Taylor, Storme Dorenkamp, Tracy Wise, and Stacy Patrick concur in this motion.

WHEREFORE, Mewbourne respectfully requests that the Division vacate the contested hearing currently set for January 14, 2025, and set these cases for a status conference on the Division's January 23, 2025 docket.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy Dana S. Hardy Jaclyn McLean Dylan M. Villescas Post Office Box 2068 Santa Fe, NM 87504 (505) 982-4554 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com dvillescas@hinklelawfirm.com Attorneys for Mewbourne Oil Company

CERTIFICATE OF SERVICE

I hereby certify that on January 7, 2024, I caused a true and correct copy of the foregoing motion to be served upon:

Michael H. Feldewert Adam G. Rankin Paula M. Vance Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421 mfeldewert@hollandhart.com agrankin@hollandhart.com pmvance@hollandhart.com Attorneys for Permian Resources Operating, LLC

Earl E. DeBrine, Jr. Deana Bennett Yarithza Pena Modrall, Sperling, Roehl, Harris & Sisk, P.A. Post Office Box 2168 Albuquerque, New Mexico 87103-2168 (505) 848-1800 <u>earl.debrine@modrall.com</u> <u>deana.bennett@modrall.com</u> <u>yarithza.pena@modrall.com</u> *Attorneys for Alpha Energy Partners II LLC*

Elizabeth A. Ryan Keri L. Hatley ConocoPhillips 1048 Paseo de Peralta Santa Fe, New Mexico 87501 (505) 780-8000 beth.ryan@conocophillips.com keri.hatley@conocophillips.com Attorneys for COG Operating LLC & Concho Oil & Gas LLC

Derek V. Larson Larson Law LLC 3705 Ellison Rd., NW, Ste. B-402 Albuquerque, NM 87114 <u>Derek@LarsonLaw.LLC</u> Attorney for Bill Taylor, Jr., Harvey Taylor, Marilyn Taylor, Storme Dorenkamp, Tracy Wise, and Stacy Patrick James Bruce Post Office Box 1056 Santa Fe, New Mexico 87504 505-982-2043 <u>jamesbruc@aol.com</u> Attorney for Red River Energy Partners LLC and RREP Royalties, LLC

/s/ Dana S. Hardy

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SELF-AFFIRMED STATEMENT OF TYLER JOLLY

1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.

2. I am a landman for Mewbourne Oil Company ("Mewbourne"). I have had direct involvement with the acreage that is the subject of Permian Resources Operating, LLC's and Alpha Energy Partners II, LLC's applications in Case Nos. 24798, 24800, 24803, 24804, 25079, 25080, 25086-25090, and 25101.

3. I have previously testified before the Division and my qualifications as an expert in petroleum land matters were accepted.

4. Permian Resources Operating, LLC ("Permian Resources") filed its applications in Case Nos. 24798, 24800, 24803, 24804, 24805, and 24806 for the Outlaw 14 Fed Com wells (hereinafter referred to as the "Outlaw Cases") on August 14, 2024.

5. On December 10, 2024, Permian Resources filed a notice of dismissal, dismissing Case Nos. 24805 – 24806. Permian Resources also filed two (2) replacement applications (Case

EXHIBIT A

Nos. 25079 and 25080) for its Outlaw Cases.

That same day, Alpha filed competing applications in Case Nos. 25086, 25087,
25088, 25089, 25090, and 25101 for its Dude Abides 14-13 Fed Com wells (hereinafter referred to as the "Dude Abides Cases").

7. Permian Resources' and Alpha's Outlaw and Dude Abides Cases seek to pool all of Sections 13 and 14, Township 22 South, Range 26 East, Eddy County, New Mexico.

8. Mewbourne owns a working interest in this acreage and has determined that the acreage would be best developed with its own development plan. As a result, Mewbourne sent out well proposal letters for its Buffalo Bayou wells on December 27, 2024, which cover all of Sections 13 and 14, Township 22 South, Range 26 East, Eddy County, New Mexico. *See* 12/27/24 Well Proposal, attached hereto as Exhibit 1.

9. Mewbourne intends to file applications for its Buffalo Bayou wells for the Division's February 13, 2025 docket. *See* Exhibit A at ¶ 10.

10. To allow the Division to consider all of the competing development plans and identify the plan that will best protect correlative rights and prevent waste, Mewbourne requests that the Division issue an order vacating the January 14th contested hearing and set these matters for a status conference on the next available docket.

11. In addition, due to the numerous parties with competing development plans, the requested continuance would allow more time for the parties to negotiate and attempt to reach a resolution.

12. I understand that this Self-Affirmed Statement will be used as written testimony in this

case. I affirm that my testimony above is true and correct and is made under penalty of

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perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Toler Joshy

1/7/2025 Date

MEWBOURNE OIL COMPANY

500 West Texas, Suite 1020 Midland, Texas 79701 Phone (432) 682-3715

December 27, 2024

Certified Mail

Permian Resources Operating LLC 300 N. Marienfeld Street, Suite 1000 Midland, Texas 79701 Attn: New Mexico Land Manager

Re: Buffalo Bayou 14/13 Working Interest Unit All of Section 14 and All of Section 13 T22S, R26E, Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("MOC"), as Operator, hereby proposes creating a working interest unit and nonstandard spacing unit comprising All of Section 14 and All of Section 13, T22S, R26E, Eddy County, New Mexico. As part of the initial development, MOC also proposes drilling the following wells:

- BUFFALO BAYOU 14/13 FED COM #521H API #pending Surface Location: 2220' FNL & 300' FEL (Section 15, T22S, R26E) Bottom Hole Location: 660' FNL & 100' FEL (Section 13, T22S, R26E) Proposed Total Vertical Depth: 6980' Proposed Total Measured Depth: 17185' Target: 2nd Bone Spring Sand
- BUFFALO BAYOU 14/13 FED COM #523H API #pending Surface Location: 2280' FNL & 300' FEL (Section 15, T22S, R26E) Bottom Hole Location: 1980' FNL & 100' FEL (Section 13, T22S, R26E) Proposed Total Vertical Depth: 6980' Proposed Total Measured Depth: 17185' Target: 2nd Bone Spring Sand
- BUFFALO BAYOU 14/13 FED COM #526H API #pending Surface Location: 2470' FNL & 300' FEL (Section 15, T22S, R26E) Bottom Hole Location: 1980' FSL & 100' FEL (Section 13, T22S, R26E) Proposed Total Vertical Depth: 6980' Proposed Total Measured Depth: 17185' Target: 2nd Bone Spring Sand

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- BUFFALO BAYOU 14/13 FED COM #528H API #pending Surface Location: 2530' FNL & 300' FEL (Section 15, T22S, R26E) Bottom Hole Location: 660' FSL & 100' FEL (Section 13, T22S, R26E) Proposed Total Vertical Depth: 6980' Proposed Total Measured Depth: 17185' Target: 2nd Bone Spring Sand
- 5) BUFFALO BAYOU 14/13 FED COM #711H API #pending Surface Location: 2200' FNL & 300' FEL (Section 15, T22S, R26E) Bottom Hole Location: 495' FNL & 100' FEL (Section 13, T22S, R26E) Proposed Total Vertical Depth: 8820' Proposed Total Measured Depth: 18950' Target: Wolfcamp Sand
- BUFFALO BAYOU 14/13 FED COM #713H API #pending Surface Location: 2260' FNL & 300' FEL (Section 15, T22S, R26E) Bottom Hole Location: 1815' FNL & 100' FEL (Section 13, T22S, R26E) Proposed Total Vertical Depth: 8820' Proposed Total Measured Depth: 18950' Target: Wolfcamp Sand
- BUFFALO BAYOU 14/13 FED COM #715H API #pending Surface Location: 2450' FNL & 300' FEL (Section 15, T22S, R26E) Bottom Hole Location: 2145' FSL & 100' FEL (Section 13, T22S, R26E) Proposed Total Vertical Depth: 8820' Proposed Total Measured Depth: 18950' Target: Wolfcamp Sand
- 8) BUFFALO BAYOU 14/13 FED COM #717H API #pending Surface Location: 2510' FNL & 300' FEL (Section 15, T22S, R26E) Bottom Hole Location: 825' FSL & 100' FEL (Section 13, T22S, R26E) Proposed Total Vertical Depth: 8820' Proposed Total Measured Depth: 18950' Target: Wolfcamp Sand
- BUFFALO BAYOU 14/13 FED COM #822H API #pending Surface Location: 2240' FNL & 300' FEL (Section 15, T22S, R26E) Bottom Hole Location: 825' FNL & 100' FEL (Section 13, T22S, R26E) Proposed Total Vertical Depth: 9400' Proposed Total Measured Depth: 19540' Target: Wolfcamp Shale

- BUFFALO BAYOU 14/13 FED COM #824H API #pending Surface Location: 2300' FNL & 300' FEL (Section 15, T22S, R26E) Bottom Hole Location: 2145' FNL & 100' FEL (Section 13, T22S, R26E) Proposed Total Vertical Depth: 9400' Proposed Total Measured Depth: 19540' Target: Wolfcamp Shale
- BUFFALO BAYOU 14/13 FED COM #826H API #pending Surface Location: 2490' FNL & 300' FEL (Section 15, T22S, R26E) Bottom Hole Location: 1815' FSL & 100' FEL (Section 13, T22S, R26E) Proposed Total Vertical Depth: 9400' Proposed Total Measured Depth: 19540' Target: Wolfcamp Shale
- BUFFALO BAYOU 14/13 FED COM #828H API #pending Surface Location: 2550' FNL & 300' FEL (Section 15, T22S, R26E) Bottom Hole Location: 495' FSL & 100' FEL (Section 13, T22S, R26E)) Proposed Total Vertical Depth: 9400' Proposed Total Measured Depth: 19540' Target: Wolfcamp Shale

The wells are planned to be pad drilled with the first well tentatively planned to spud 2nd quarter of 2024 depending on rig availability and commodity prices. In the event you elect to participate in the above referenced wells, please execute the enclosed AFEs before returning them to the undersigned within thirty (30) days. After receipt of the executed AFEs, our Operating Agreement will be sent naming MOC as Operator providing a drilling well rate of \$12,000 per month and a producing well rate of \$1200 per month. Please enclose your most current well information requirements so that we may supply well data when available.

Please contact me at (432) 682-3715 or via email at <u>tjolly@mewbourne.com</u> if you have any questions.

Very truly yours,

MEWBOURNE OIL COMPANY

Tyler Jolly Landman

Enclosures