

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

**APPLICATION OF MEWBOURNE OIL COMPANY FOR APPROVAL
OF A NON-STANDARD, OVERLAPPING 640-ACRE HORIZONTAL
WELL SPACING UNIT AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.**

CASE NO. 24015

APPLICANT'S PRE-HEARING STATEMENT

Mewbourne Oil Company ("Mewbourne" or "Applicant"), the applicant in the above-referenced case, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Mewbourne Oil Company
("Mewbourne")

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OTHER PARTIES

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& Colgate Production, LLC
(collectively "Permian")

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("EOG")

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APPLICANT'S STATEMENT OF THE CASE

Mewbourne seeks an order (a) approving a non-standard, overlapping 640-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the S/2 of Section 1, Township 19 South, Range 30 East, and the S/2 of Section 6, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted interests in this acreage. This spacing unit will be initially dedicated to the proposed **Tin Man 1/6 Fed Com 616H** and the **Tin Man 1/6 Fed Com 618H** wells, both to be horizontally drilled from a common surface location in the NW/4 of Section 12, Township 19 South, Range 30 East, to bottom hole locations in the NE/4 SE/4 (Unit I) and the SE/4 SE/4 (Unit P) of Section 6, Township 19 South, Range 31 East.

Due to the nature and configuration of the federal leases in the subject area, the Bureau of Land Management ("BLM") will not approve the commingling of production at central facilities if the subject area is developed using standard horizontal well spacing units. *See, e.g.*, 43 CFR 3173.14 (addressing authorized commingling). However, if the proposed non-standard spacing unit is approved by the Division, the BLM has stated it will issue a corresponding Communitization Agreement for the federal leases within the subject area to allow commingling and the corresponding reduction of the necessary surface facilities. Mewbourne seeks to minimize cost and surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing unit. To allow the proposed wells to be

dedicated to a federal Communitization Agreement, Mewbourne requires approval of a corresponding non-standard horizontal well spacing unit in the Bone Spring formation.

This proposed horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- A 159.85-acre horizontal well spacing unit comprised of Lot 3, SE4NW4, E2SW4 of Section 6, operated by Colgate Operating, LLC and dedicated to the Hackberry 6 Federal 4H (30-015-4124);
- A 159.63-acre horizontal well spacing unit comprised of Lot 1, SE4NE4, E2SE4 of Section 6, operated by Devon Energy Production Company, L.P. and dedicated to the Helios 6 Federal Com 1H (30-015-38482) and the Helios 6 Federal Com 3H (30-015-41619); and
- A 159.74-acre horizontal spacing unit comprised of Lot 2, SW4NE4, W2SE4 of Section 6, operated by Devon Energy Production Company, L.P. and dedicated to the Helios 6 Federal Com 2H (30-015-38483) and the Helios 6 Federal Com 4H (30-015-42316).

The completed interval for the wells will comply with statewide setbacks for oil wells. Mewbourne has sought but been unable to obtain voluntary agreement for the development of these lands from all mineral interest owners in the subject acreage.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Tyler Jolly, Landman	Self-Affirmed Statement	Approx. 7
Justin Roeder, Geology	Self-Affirmed Statement	Approx. 4

PROCEDURAL MATTERS

Mewbourne intends to present this case by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

By: _____

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CERTIFICATE OF SERVICE

I hereby certify that on January 25, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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State of New Mexico
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QUESTIONS

Action 308018

QUESTIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 308018
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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