

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

APPLICATION OF MEWBOURNE OIL COMPANY
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

RECEIVED OGD
2018 JAN - 4 P 4:03
CASE NO. 15926

MOTION FOR CONTINUANCE

Prime Rock Resources, LLC (“Prime Rock”) moves the Division to continue the above-referenced case, currently scheduled for hearing on January 11, 2018, to the February 8, 2018, Examiner hearing docket. Prime Rock has submitted a competing development plan that will be ripe for consideration by the Division on February 8th. Furthermore, the applicant has failed to fulfill its obligation to negotiate in good faith. In support of this motion, Prime Rock states:

1. Mewbourne Oil Company (“Mewbourne”) seeks an order approving 1) a 320-acre non-standard oil spacing and proration unit comprised of the E/2 W/2 of Section 20 and the E/2 W/2 of Section 29, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico; and 2) compulsory pooling mineral interest in the Bone Spring formation.
2. Prime Rock owns 100% of the NW/4 of Section 20. Prime Rock acquired this lease at the BLM lease sale on September 7, 2017.
3. Five days after acquiring the lease, Prime Rock received a well proposal and joint operating agreement for a **two-section** development plan covering all of Sections 20 and 29.
4. Prime Rock formally proposed a competing development plan covering the E/2 W/2 of Sections 20 and 29 on December 13, 2017.

5. Without any further discussion with Prime Rock, Mewbourne filed its compulsory pooling application which was received by Prime Rock on December 14, 2017.

6. To date, Mewbourne has proposed nothing to Prime Rock except a joint operating agreement covering two-sections of land. Mewbourne's "take it or leave it" approach does not constitute a good faith attempt to reach a voluntary agreement.

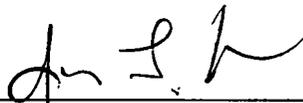
7. Prime Rock's competing development proposal will be ripe for consideration by the Division at the February 8, 2018, docket. These competing development plans address the same acreage, and should be consolidated for administrative efficiency.

8. No harm or prejudice will result if this matter is continued to the February 8, 2018.

9. Mewbourne has been contacted about this motion and opposes it.

Respectfully submitted,

HOLLAND & HART LLP



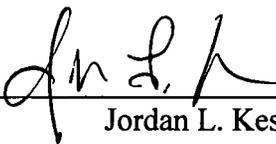
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ATTORNEYS FOR PRIME ROCK RESOURCES, LLC

CERTIFICATE OF SERVICE

I hereby certify that on January 4, 2018, I served a copy of the foregoing document to the following counsel of record via electronic mail to:

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