

Good afternoon,

Attached please find our *Pre-Hearing Statement* in Case No. 20679.

Thank you,
Karen

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

Case No. 20679

PRE-HEARING STATEMENT

Bill G. Taylor, Jr., Harvey R. Taylor, Marilyn S. Taylor, Carolyn A. (Taylor) Schrock, Wanda Taylor, and Kathy J. Smith ("Taylor Siblings"), by and through their attorneys Butler Snow LLP, hereby submit the following for consideration at the August 22, 2019, hearing of this matter:

APPEARANCES

<u>APPLICANT:</u>	Mewbourne Oil Company
<u>APPLICANT'S ATTORNEY:</u>	James Bruce
<u>OPPONENTS (the "Taylors"):</u>	Bill G. Taylor, Jr., Harvey R. Taylor, Marilyn S. Taylor, Carolyn A. Schrock, Wanda Taylor, Kathy J. Smith
<u>OPPONENTS' ATTORNEY:</u>	Derek V. Larson

STATEMENT OF THE CASE

This matter involves the Wolfcamp wells in a well unit comprised of the S/2 of Section 32, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico (the "Property").

Mewbourne Oil Company ("Mewbourne") has filed an application for compulsory pooling. However, Mewbourne's application is based, at least in part, on questionable title to Malaga Tract 519, consisting of approximately 5 acres, more or less, within the southern half of Section 32, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. Further Mewbourne's communications with the Taylors regarding their interest and Mewbourne's

attempts secure the Taylors' participation in the wells at issue were inconsistent and predatory. In any event two of the Taylors are in the process of leasing their interests to a third party and the three remaining Taylors intend to participate directly in the wells. Wherefore, Mewbourne's application should be denied as moot and unnecessary.

WITNESSES

Bill G. Taylor, Jr., Harvey R. Taylor, and Marilyn Taylor.

Kevin L. Pearson, Independent Professional Landman, Sarah Lee Provisions, Inc., 203 S. Turner, Hobbs, New Mexico, 88240, (505) 933-0688.

EXHIBITS

See list of exhibits attached hereto.

TIME NEEDED TO PRESENT TAYLOR SIBLINGS' CASE:

45 minutes

PROCEDURAL MATTERS THAT NEED TO BE RESOLVED PRIOR TO HEARING:

Title to Malaga Tract 519.

Respectfully submitted this 14th day of August, 2019.



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Marilyn S. Taylor, Carolyn A. (Taylor) Schrock,
Wanda Taylor, Kathy J. Smith*

CERTIFICATE OF SERVICE

The undersigned certifies that on the 14th day of August, 2019, a true and correct copy of the foregoing *Pre-Hearing Statement* was emailed to:

James Bruce
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Derek V. Larson

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EXHIBITS TO AUGUST 22, 2019 HEARING

- A. 3/28/1974 New Mexico Property Appraisal Department Deed to W. H. Taylor
- B. 1/18/1975 W. H. Taylor Warranty Deed to Bill G. Taylor, Sr.
- C. 10/26/1976 Bill G. Taylor, Sr., Quitclaim Deed of Surface to LaVerne Skinner Smith
- D. 4/27/1981 Bill G. Taylor, Sr., Oil & Gas Lease to W. H. and June Taylor
- E. 10/31/2002 Order Admitting Will of Bill G. Taylor, Sr., to Probate
- F. 1/15/2018 Daisy June Taylor Oil & Gas Lease to Mewbourne
- G. 11/20/2018 Excerpt of Mewbourne Oil Company's Division Order Title Opinion
- H. 5/7/2019 Kevin L. Pearson's Report/Limited Chain of Title
- I. 8/__/2019 Stipulation and Quitclaim Deed from June Taylor to Taylor Siblings
- J. 2/6/2018 Mewbourne Pooling Amended Application for Southern half of Section 32 (Case No. 15991)
- K. 3/8/2018 Hearing Exhibit 3 to above Pooling Application (Case No. 15991): Tract Ownership -- List of Property Ownership Interests
- L. 3/8/2018 Exhibit 8 to above Pooling Application (Case No. 15991): Affidavit of Notice
- M. 6/28/2018 Pooling Order No. R-14757 – Case No. 15991
- N. 8/14/2019 Quitclaim Deed from Wanda Taylor to Taylor Siblings
- O. 8/__/2019 Kathy J. Smith Oil and Gas Lease to Ozark Realty
- P. 8/__/2019 Carolyn A. Schrock Oil and Gas Lease to Ozark Realty
- Q. 7/25/2019 Summary of Correspondence between Taylors and Mewbourne
- R. 2/19/2019 Paul Haden Correspondence to Taylors
- S. 2/28/2019 Harvey Taylor E-Mail to Paul Haden

- T. 3/1/2019 Paul Haden E-Mail to Harvey Taylor
- U. 3/12/2019 Cy Shook E-Mail to Harvey Taylor
- V. 3/12/2019 Harvey Taylor E-Mail to Cy Shook
- W. 8/__/2019 Mewbourne Authorization for Expenditures for Zeppelin 32 W0LI State Com #1H and Zeppelin 32 W2LI State Com #2H approved by Bill G. Taylor, Jr.
- X. 8/__/2019 Mewbourne Authorization for Expenditures for Zeppelin 32 W0LI State Com #1H and Zeppelin 32 W2LI State Com #2H approved by Harvey R. Taylor.
- Y. 8/__/2019 Mewbourne Authorization for Expenditures for Zeppelin 32 W0LI State Com #1H and Zeppelin 32 W2LI State Com #2H approved by Marilyn S. Taylor.
- Z. Any Exhibit offered by Applicant.