

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

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

**APPLICATION OF COLGATE OPERATING LLC
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

Case No. 21379

**APPLICATION OF COLGATE OPERATING LLC
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

Case No. 21380

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Mewbourne Oil Company ("Mewbourne") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Colgate Operating, LLC

APPLICANT'S ATTORNEY

Holland & Hart LLP

OPPONENTS

Mewbourne Oil Company

OPPONENTS' ATTORNEYS

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

STATEMENT OF THE CASE

APPLICANT

In Case No. 21379 Colgate Operating, LLC ("Colgate") seeks an order pooling all mineral interests in the Bone Spring formation underlying the N/2N/2 of Section 35 and the N/2N/2 of Section 36, Township 19 South, Range 29 East, NMPM.

In Case No. 21380 Colgate seeks an order pooling all mineral interests in the Bone Spring formation underlying the S/2N/2 of Section 35 and the S/2N/2 of Section 36, Township 19 South, Range 29 East, NMPM.

OPPONENT

The N/2 of Section 35, Township 19 South, Range 29 East, NMPM is subject to a Joint Operating Agreement, covering the Bone Spring formation, dated June 15, 2011, designating Mewbourne as operator. One hundred (100%) of the working interest owners in the N/2 of Section 35 are subject to the agreement.

The N/2 of Section 36, Township 19 South, Range 29 East, NMPM is subject to a Joint Operating Agreement, covering the Bone Spring formation, dated March 1, 2010, designating Mewbourne as operator. One hundred (100%) of the working interest owners in the N/2 of Section 36 are subject to the agreement.

Mewbourne has proposed the following two mile Bone Spring wells under the JOAs:

The Iron Horse B3DA Fed. Com. Well No. 1H, in the N/2N/2 of Section 35 and the N/2N/2 of Section 36; and

The Iron Horse B3EH Fed. Com. Well No. 1H, in the S/2N/2 of Section 35 and the S/2N/2 of Section 36

Colgate's applications should be denied because there are voluntary agreements covering the N/2 of Section 35 and the N/2 of Section 36. Alternatively, Mewbourne should be operator of the subject acreage because it is the majority interest owner in the subject 640 acres. Colgate owns a small interest.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

Mewbourne

Tyler Jolly
(landman)

30 min.

Approx. 8

Charles Crosby
(geologist)

15 min.

Approx. 6

Travis Cude
(engineer)

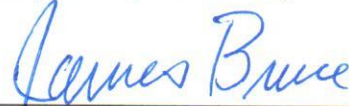
25 min.

Approx. 6

PROCEDURAL MATTERS

Mewbourne objects to presentation of Colgate's cases live or by affidavit on August 6th, and there should be a status conference only on these cases.

Respectfully submitted,



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Attorney for Mewbourne Oil Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 28th day of July, 2020 by e-mail:

Earl DeBrine
edebrine@modrall.com

Lance Hough
ldh@modrall.com



James Bruce