

**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 TOM M. RAGSDALE TO REVOKE  
ORDER NOS. R-20924 AND R-20924-A OR, IN THE  
ALTERNATIVE, TO DECLARE UNREASONABLE  
CERTAIN COSTS IMPOSED BY MEWBOURNE OIL  
COMPANY**

**Case No. 21324**

**PRE-HEARING STATEMENT**

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

**APPEARANCES**

**APPLICANT**

Tom M. Ragsdale

**APPLICANT'S ATTORNEY**

Sharon Shaheen

**OPPONENT**

Mewbourne Oil Company  
Suite 1020  
500 West Texas  
Midland, Texas 79701

**OPPONENT'S ATTORNEY**

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attention: Corey Mitchell  
(432) 682-3715

**STATEMENT OF THE CASE**

**APPLICANT**

I

**OPPONENT**

1. Order Nos. R-20294 (entered in Case No. 20580) and R-20904-A (entered in Case No. 20890) pool the Bone Spring formation underlying the E/2E/2 of Section 15 and the E/2E/2 of Section 10, Township 23 South, Range 34 East, N.M.P.M., in Lea County, and cover four wells. Mr. Ragsdale is a working interest owner in the well unit.

2. Mr. Ragsdale did not enter an appearance in either Case No. 20580 or Case No. 20809, despite receiving notice for each case by certified mail.

3. Mr. Ragsdale's application challenges certain well costs incurred by Mewbourne, and seeks an order revoking or modifying Order Nos. R-20294 and R-20904-A, or declaring certain well costs covered by the orders unreasonable.

4. Mr. Ragsdale received an election letter and a copy of Order R-20924-A from Mewbourne on March 10, 2020. His election to participate in the Ibex 15/10 B1PA Fed. Com. Well No. 2H, pursuant to the terms of the pooling order, was due on April 10, 2020. He did not timely make an election to join in the wells within 30 days.

5. Because Mr. Ragsdale did not enter an appearance in either Case No. 20580 or Case No. 20809, his application is a collateral attack on final Division orders which were never contested nor appealed.

6. Mr. Ragsdale's interest in the Ibex 15/10 B1PA Fed. Com. Well No. 2H is a non-consenting interest for failure to timely respond to Mewbourne's election letters. Thus, a challenge to well costs is improper. He has waived any right to object to the well costs.

7. The well costs at issue are for a replacement well, and under the JOA to which many interest owners are subject, they paid the well costs that Mr. Ragsdale objected to. A compulsory pooling order is equivalent to a JOA, and Mr. Ragsdale should be held to the same standard, and must pay the junked well costs.

## **PROPOSED EVIDENCE**

### APPLICANT

#### WITNESSES

#### EST. TIME

#### EXHIBITS

### OPPONENTS

#### WITNESSES

#### EST. TIME

#### EXHIBITS

Mitch Robb  
(landman)

15 min.

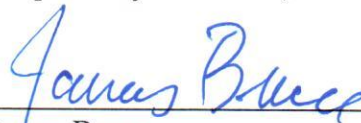
Approx. 8

Travis Cude  
(engineer)

15 min.

## **PROCEDURAL MATTERS**

Respectfully submitted,



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

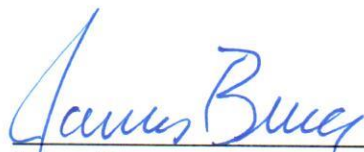
Attorney for Mewbourne Oil Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 4th day of September, 2020 via e-mail:

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James Bruce