

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

**APPLICATION OF MEWBOURNE OIL COMPANY  
FOR APPROVAL OF EXPANSION OF A UNIT AREA,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 21418**

**JOINT MOTION FOR CONTINUANCE**

Apache Corporation (“Apache”), Chisholm Energy Operating, LLC (“Chisholm”), COG Operating LLC (“COG”), Devon Energy Production Company, L.P., (“Devon”), and Marathon Oil Permian LLC (“Marathon”) (collectively, the “Movants”) hereby jointly move the Division for a continuance in this matter currently scheduled for the December 3, 2020, Examiner Hearing Docket to the February 18, 2021 hearing or a special hearing date in February 2021. In support of this Motion, Movants state:

1. Mewbourne Oil Company (“Mewbourne”) seeks authorization approving a Unit Agreement for a proposed expansion of the North Wilson Deep Unit Area from 2,145.95 acres in Lea County, New Mexico, to 13,272.13 acres—an increase of more than six times the existing unit acreage.
2. The proposed expansion will include development of Bone Spring and Wolfcamp formations.
3. This matter was set for a status conference on October 22, 2020, when counsel for COG and Chisholm notified the Division that they opposed Mewbourne presenting the case by affidavit.
4. At the status conference, the December 3, 2020 was proposed as the hearing date on the premise that presentation of the case would be simple, uncomplicated, and not contested;

however, since the status conference Movants have been unable to reach agreement with Mewbourne on the proposed expansion of the Unit Area and Unit Agreement.

5. Movants have serious objections to the proposed unit expansion that remain unresolved and unaddressed by Mewbourne. Objections range from fundamental and significant inaccuracies in Mewbourne's recitation of ownership interests in Exhibit B and Exhibit C to the proposed Unit Agreement, to Mewbourne's flawed allocation of production across differing ownership interests due to a contractual depth severance between the Bone Spring and Wolfcamp formations. Critically, Mewbourne's proposal, if approved, would significantly impair the ability of certain Movants to develop and operate their own acreage within the expanded Unit Area.

6. Accordingly, Movants collectively oppose the proposed expansion of the North Wilson Deep Unit Area and are unwilling to contribute their interests to the Unit Agreement or the expanded Unit Area as proposed at this time.

7. The objections identified above raise grave concerns about potential impairment to Movants' correlative rights that cannot be cured by simply withholding commitment of their working interests from the voluntary unit. Division approval of the proposed Unit Agreement and expanded Unit Area as proposed will inflict substantial injury to Movants' interests and correlative rights.

8. Movants, individually and collectively, therefore intend to challenge Mewbourne's requested unit expansion and approval of the proposed Unit Agreement through presentation of their own witnesses, exhibits, and cross-examination of Mewbourne's witnesses.

9. Contrary to the premise on which the December 3 hearing date was proposed, presentation of this case will not be simple and uncomplicated. The application will be contested.

10. The December 3 hearing docket is already quite full. Twenty-six cases are scheduled for hearing and nine cases are scheduled for a status conference on the hearing docket.

11. Given the number of parties involved and the complexities of the issues, a full-day hearing will be required. Moreover, because of the Thanksgiving holiday, Movants will require additional time to prepare witnesses and exhibits.

12. Chevron U.S.A. Inc. and ConocoPhillips Company do not oppose a continuance. Mewbourne opposes a continuance.

WHEREFORE, Movants respectfully request that the Division continue the hearing on this case from December 3, 2020 to the February 18, 2021, Examiner Hearing Docket or to a special hearing date in February.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that on November 23, 2020, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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