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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY MEWBOURNE OIL COMPANY

> CASE NO. 21494 ORDER NO. R-21536

MOTION TO SET ASIDE ORDER R-21536 AS TO JETTA X-2 L.P.

Jetta X-2 L.P., by and through its undersigned attorney, moves to the Oil Conservation Division for an order setting aside the captioned order issued by the Division on November 13, 2020 as to Jetta Operating Company, Inc. As grounds for this motion, Jetta X-2 L.P. ("Jetta") states:

- 1. On November 5, 2020, this case was presented to the Division by affidavit by Mewbourne Oil Company ("Mewbourne") through its attorney, James Bruce.
- 2. Attached as Exhibit A is Mr. Bruce's notice letter dated October 13, to working interest owners giving notice of the hearing, including Jetta X-2 L.P., at 777 Taylor Street, Fort Worth, TX 76102. This address has not been used by Jetta for over two years.
- 3. Also attached as Exhibit B is the Certified Mail Receipt, presented at the affidavit hearing, with no green card return or other form of notification of delivery to Jetta, and which Jetta never received.
- 4. Attached as Exhibit C is a copy of Mewbourne's proposal letter to Jetta which was also sent to Jetta's old address, and therefore, Jetta was unable to evaluate the drilling prospect.
- 5. For the past approximate two years, Jetta has been receiving oil and gas production proceeds from Mewbourne at its (and its affiliated entities) current address, which is:

Frost Tower Fort Worth 640 Taylor Street, Suite 2400 Fort Worth, TX 76102

- 6. Mewbourne's lack of diligence in attempting to discover the whereabouts of Jetta, which had a working interest in Mewbourne's drilling prospect, and its notice by publication, did not satisfy due process requirements. See, Campbell v. Doherty, 1949-NMSC-030 ¶¶ 30-31, 53 N.M. 280 P.2d 240,248 stating "[t]o meet the fundamental requirements of due process, a plaintiff must undertake a diligent and good faith effort to locate defendants and serve them personally with notice." Clearly, location of Jetta was feasible and should have been done once Mewbourne's well proposal was ineffective.
 - 7. Because of the nature of this motion concurrence from Mr. Bruce was not sought. WHEREFORE, Jetta requests that:
 - A. Order R-21536 be set aside as to Jetta X-2 L.P.
- B. Alternatively, that Jetta be given an opportunity, to evaluate and/or negotiate Mewbourne's well proposals for at least fifty (50) days (i.e. 30 days for proposal evaluation and 20 days for hearing notice) which would have been the approximate minimum time required by the Division for compulsory pooling applications.
 - C. For such other and proper relief as the Division deems appropriate.

Respectfully submitted,

PADILLA LAW FIRM, P.A.

By: /s/Ernest L. Padilla

Ernest L. Padilla P.O. Box 2523 Santa Fe, NM 87504-2523

(505) 988-7577

Fax: (505) 988-7592

E: padillalawnm@outlook.com

CERTIFICATE OF SERVICE

I hereby certify that the foregoing was electronically transmitted on this 23rd day of November, 2020 to the following:

James Bruce <u>jamesbruc@aol.com</u>

/s/ Ernest L. Padilla Ernest L. Padilla JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone) (505) 660-6612 (Cell) (505) 982-2151 (Fax)

jamesbruc@aol.com

October 13, 2020

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling, filed with the New Mexico Oil Conservation Division by Mewbourne Oil Company, regarding Wolfcamp wells in the W/2 of Section 35, Township 24 South, Range 28 East, NMPM and the W/2 of Section 2, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, November 5, 2020. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to <u>emard state nm.us/OCD hearings</u> or see the instructions posted on the Division's website, <u>http://emard.state.nm.us/OCD/announcements.html</u>.

You are not required to attend this hearing, but as an owner of an interest who may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, October 29, 2020. This statement may be filed online with the Division at <u>ocd.hearings@state.nm.us</u>, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.



Very truly yours,

James Bruce

Attorney for Mewbourne Oil Company

EXHIBIT A

Devon Energy Production Company, L.P. 333 West Sheridan Avenue
Oklahoma City, OK 73102
Attn: Land Department

Heirs of Kaye H Gassio 401 E Illinois Ave Suite 200 Midland, TX 79701

Jetta X-2 L.P. 777 Taylor St. Fort Worth, TX 76102

JTD Resources, LLC 415 W Wall St #1620 Midland, TX 79701

LML Working Properties, LLC 1970 Tincup Ct. Boulder, CO 80305

Magnum Hunter Production, Inc. 600 N Marienfeld St # 600 Midland, TX 79701

Robert K Leonard 26 Wilderness Dr Narragansett, RI 02882

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20	Sent To 777 Taylor St. Silver and Apt. No., or PO Bo, Fort Worth, TX 76102	***************************************	
70	City. State. ZIP44*		
	PS Form 3800, April 2015 PSN 7530-02-000-9017	See Reverse for Instructions	



MEWBOURNE OIL COMPANY

FASKEN CENTER 500 WEST TEXAS, SUITE 1020 MIDLAND, TX 79701

TELEPHONE (432) 682-3715

July 20, 2020

Via Certified Mail

Jetta X-2 L.P.
777 Taylor St.
Fort Worth, TX 76102

Re: El Jefe 35/2 W0CN Fed Com #1H 523' FNL & 1307' FWL (35) (SL) 330' FSL & 2310' FWL (2) (BHL)

> El Jefe 35/2 W0DM Fed Com #1H 478' FNL & 1269' FWL (SL) 330' FSL & 990' FWL (BHL)

> El Jefe 35/2 W1CN Fed Com #2H 501' FNL & 1288' FWL (35) (SL) 330' FSL & 1650' FWL (2) (BHL)

El Jefe 35/2 W1DM Fed Com #2H 455' FNL & 1250' FWL (35) (SL) 330' FSL & 330' FWL (2) (BHL)

Section 2, T24S, R28E & Section 35, T24S, R28E Eddy County, New Mexico

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") as Operator hereby proposes to form a 641.09 acre Working Interest Unit ("WIU") covering the W/2 of Section 2 and the W/2 of Section 35 for oil and gas production.

Mewbourne as Operator hereby proposes to drill the captioned El Jefe 35/2 W0CN Fed Com #1H at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 9,663 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 19,809 feet. The W/2 of Section 2 and the W/2 of Section 35 will be dedicated to the well as the proration unit.

In addition, Mewbourne as Operator hereby proposes to drill the captioned El Jefe 35/2 W0DM Fed Com #1H at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 9,634 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 14,314 feet. The W/2 of Section 2 and the W/2 of Section 35 will be dedicated to the well as the proration unit.



In addition, Mewbourne as Operator hereby proposes to drill the captioned El Jefe 35/2 W1CN Fed Com #2H at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 9,848 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 19,954 feet. The W/2 of Section 2 and the W/2 of Section 35 will be dedicated to the well as the proration unit.

Finally, Mewbourne as Operator hereby proposes to drill the captioned El Jefe 35/2 W1DM Fed Com #2H at the above referenced surface location (SL) to the referenced bottom hole location (BHL). The proposed well will be drilled to an approximate true vertical depth (TVD) of 9,547 feet subsurface to evaluate the Wolfcamp Formation. The proposed well will have a measured depth (MD) of approximately 19,714 feet. The W/2 of Section 2 and the W/2 of Section 35 will be dedicated to the well as the proration unit.

Regarding the above, enclosed for your further handling is our Operating Agreement dated July 1, 2019, along with an extra set of signature pages and our AFEs dated July 1, 2020 for the captioned proposed wells. Please sign and return said AFEs and extra set of signature pages at your earliest convenience if you elect to participate in the captioned well and WIU and return to me within thirty (30) days.

Should you have any questions regarding the above, please email me at mrobb@mewbourne.com or call me at (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

Mitch Robb Landman