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

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

> CASE NO. 16313 ORDER NO. R-20312

APPLICATION OF MEWBOURNE OIL COMPANY FOR A NON-STANDARD GAS SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

> CASE NO 16234 ORDER NO. R-20295

APPLICATION OF MEWBOURNE OIL COMPANY FOR A NON-STANDARD GAS SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

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

> CASE NO. 16386 ORDER NO. R-20313

CASE NO 16235 ORDER NO. R-20296

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

APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO CASE NO. 16387 ORDER NO. R-20314

CASE NO. 16388 ORDER NO. R-20315

ORDER GRANTING STAY OF ORDERS NOS. R-20312, R-20295, R-20296, R-20313, R-20314, and R-20515

This matter came before the Director of the New Mexico Oil and Gas Division ("Director")

on Marathon Oil Permian, LLC's ("Marathon") Motion to Stay (Marathon's Motion) filed January

22, 2019, requesting the Director stay the following orders:

- Order No. R-20312, issued January 16, 2019 in Case No 16313;
- Order No. R-20295, issued on December 31, 2018 in Case No. 16234;
- Order No. R-20296, issued on December 31, 2018 in Case No. 16235;
- Order No. R-20313, issued January 16, 2019 in Case No. 16386;
- Order No. R-20314, issued January 16, 2019 in Case No. 16387; and
- Order No. R-20515, issued January 16, 2019 in Case No. 16388.

Marathon simultaneously filed an application requesting a de novo hearing before the Oil Conservation Commission. Mewbourne responded to Marathon's Motion on January 24, 2019. After the filing of Marathon's Motion, Marathon informed the Director that Mewbourne is moving a drilling rig onto the sites at issue in the above Orders, and intends to commence drilling. Mewbourne's response confirms Mewbourne's intent to spud a well within 30 days. Under these circumstances, the Director finds that granting of the stay is necessary to protect the status quo, prevent waste, and to protect correlative rights.

WHEREFORE, the Director orders that that Division Order Nos. R-20312, R-20295, R-20296, R-20313, R-20314, and R-20515 are stayed pending the outcome of Marathon's application for a de novo hearing before the Oil Conservation Commission. In addition, the Director orders that any and all drilling activities in the units created by the Orders is stayed.

2-1-19

Gabriel Wade Deputy Director, Oil Conservation Division