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 ONEENERGY PARTNERS OPERATING, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 15,758

APPLICATION OF ONEENERGY PARTNERS OPERATING, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 15,759

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by V-F Petroleum Inc., Fuel Products, Inc., Gahr Energy Company, Ameristate Partners LLC, Ameristate Energy LLC, HFLP E&P LLC, Thomas M. Beall, Jerry M. Gahr, Marcus Wayne Luna, Sandra K. Lawlis, Clifford N. Hair, and Mark K. Nearburg (collectively, "V-F") as required by the Oil Conservation Division.

APPEARANCES

<u>APPLICANT</u>

APPLICANT'S ATTORNEY

OPPONENTS' ATTORNEY

OneEnergy Partners Operating, LLC

Jordan L. Kessler

OPPONENTS

V-F

James Bruce P.O. Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

STATEMENT OF THE CASE

APPLICANT

Case No. 15,758: Applicant seeks an order approving a 322.42-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2W/2 of Section 1

and the W/2W/2 of Section 12, Township 22 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the unit.

Case No. 15,759: Applicant seeks an order approving a 322.42-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2W/2 of Section 1 and the E/2W/2 of Section 12, Township 22 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the unit.

OPPONENTS

V-F owns 100% of the working interest in the W/2 of Section 1, and has plans to develop its property with one mile laterals. Applicant can develop its acreage in the W/2 of Section 12 on one mile laterals. V-F opposes the granting of applicant's applications.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
<u>OPPONENTS</u>		
WITNESSES	EST. TIME	EXHIBITS
Scott Germann	20 min.	Approx. 4
Tom Beall	20 min.	Approx. 4
Jerry Gahr	20 min.	Approx. 4

PROCEDURAL MATTERS

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

jamesbruc@aol.com

Attorney for V-F Petroleum Inc., Fuel Products, Inc., Gahr Energy Company,

Ameristate Partners LLC, Ameristate Energy LLC, HFLP E&P LLC, Thomas M. Beall, Jerry M. Gahr, Marcus Wayne Luna, Sandra K. Lawlis, Clifford N. Hair, and Mark K. Nearburg

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this day of August, 2017 via e-mail:

Jordan L. Kessler jlkessler@hollandhart.com

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