

**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 DIAMONDBACK RESOURCES  
LLC FOR A NON-STANDARD OIL SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**Case No. 14,909**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Diamondback Resources LLC  
Suite 1100  
303 Veterans Airpark Lane  
Midland, Texas 79705

Attention: Charles D. Ray  
(432) 685-6120

**APPLICANT'S ATTORNEY**

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

**OPPONENT**

**OPPONENT'S ATTORNEY**

**STATEMENT OF THE CASE**

**APPLICANT**

Diamondback Resources LLC seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2S/2 of Section 1, Township 19 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the N/2S/2 of Section 1 to form a non-standard 160 acre oil spacing and proration unit (project area) for all pools or formations developed on 40 or 80 acre spacing within that vertical extent. The unit will be dedicated to the Mongoose Fee Well No. 1, a horizontal well with a surface location in the NW/4SW/4, and a terminus in the

NE/4SE/4, of Section 1. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Randy Watts (landman)	15 min.	Approx. 6
APPLICANT INTENDS TO PRESENT MR. WATTS' TESTIMONY BY AFFIDAVIT.		
Charles D. Ray (landman)	10 min.	Approx. 4
Jack Erwin (geologist)	15 min.	Approx. 4

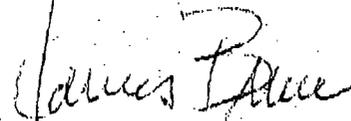
OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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**PROCEDURAL MATTERS**

-None-

Respectfully submitted,



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

Attorney for Diamondback Resources LLC