

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

APPLICATION OF OPAL RESOURCES OPERATING CO., LLC AND OPAL RESOURCES II, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT, A NON-STANDARD PROJECT AREA, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 15621

MOTION TO CONTINUE

ConocoPhillips Company ("Conoco") moves the Division to continue this application to the February 16, 2017, Examiner Hearing Docket on the grounds that Opal has failed to satisfy the fundamental requirements for engaging in good faith efforts to reach a voluntary agreement with Conoco. In support of this motion, Conoco states as follows:

1. Conoco is an unleased mineral interest owner in the area that is the subject of this application.
2. Opal Resources Operating Co., LLC and Opal Resources II, LLC ("Opal") seeks to create a 200-acre non-standard spacing and proration unit and non-standard project area comprised of the W/2 W/2 of Section 29 and the NW/4 NW/4 of Section 32, Township 19 South, Range 39 East, Lea County, New Mexico, for the purpose of drilling the Jade 19S-39E-S29 No. 1H Well. Opal also seeks to compulsory pool uncommitted interest owners in the proposed spacing unit.
3. Opal's application was sent to the Division on December 16, 2016. *See* Application, p.1.

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4. Opal's application states that "Opal has sought in good faith to obtain the voluntary joinder of all mineral interest owners in the subject spacing unit." *See* Application, ¶ 5.

5. Conoco received lease terms by letter on December 12, four days before the pooling application was sent to the Division. No lease form accompanied the proposed terms.

6. Conoco did not receive an AFE for the subject well until January 6, 2017, weeks after the pooling application was filed. Yet, the AFE was not accompanied by any well proposal letter and Conoco has not yet received a well proposal letter.

7. A lease form was finally sent to Conoco on January 10, 2017.

8. The Division requires an applicant for compulsory pooling to furnish all interest owners a well proposal letter and an AFE thirty days prior to filing a pooling application. *See* R-13165, ¶ 5(a); *see also* R-14199, ¶ 10-11.

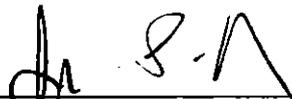
9. Opal has failed to meet the fundamental requirements for engaging in good faith efforts to reach an agreement with Conoco prior to filing its pooling application. Accordingly, this matter should be continued until at least the February 16th docket.

10. Counsel for Opal does not agree to a continuance.

WHEREFORE, ConocoPhillips Company respectfully requests that the Division continue the hearing in this matter until the February 16, 2017, Examiner Hearing Docket.

Respectfully submitted,

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ATTORNEYS FOR CONOCOPHILLIPS COMPANY

CERTIFICATE OF SERVICE

I hereby certify that on January 11, 2017, I served a copy of the foregoing document to the following via electronic mail to:

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**ATTORNEY FOR OPAL RESOURCES OPERATING CO., LLC
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