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

FEB 15 2018 PM02:52 Case No. 15971

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Prime Rock Resources, LLC

OPPONENT

Mewbourne Oil Company

Suite 1020

500 West Texas

Midland, Texas 79701

APPLICANT'S ATTORNEY

Michael Feldewert

OPPONENT'S ATTORNEY

James Bruce

P.O. Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attention:

Lee Scarborough

(432) 682-3715

STATEMENT OF THE CASE

APPLICANT

Prime Rock Resources, LLC seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2W/2 of Section 20 and the E/2W/2 of Section 29, Township 21 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2W/2 of Section 20 and the E/2W/2 of Section 29

OPPONENT

Mewbourne Oil Company has a competing application in Case No. R-15926, and opposes Prime Rock's application.

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u> <u>EST. TIME</u> <u>EXHIBITS</u>

OPPONENTS

(engineer)

WITNESSES

EST. TIME

Lee Scarborough (landman)

Nate Cless (geologist)

Travis Cude

EXHIBITS

Approx. 6

Approx. 4

PROCEDURAL MATTERS

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Mewbourne Oil Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 15 m day of February, 2018 via e-mail:

Michael Feldewert mfeldewert@hollandhart.com

James Bruce