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

APPLICATION OF MCELVAIN ENERGY, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

OCT 25 2018 PH04:17

CASE NO. 16469

APPLICANT'S PRE-HEARING STATEMENT

Applicant hereby submits this Pre-Hearing Statement pursuant to the rules of the Oil

Conservation Division.

APPEARANCES

APPLICANT

McElvain Energy, Inc.

OPPONENT

Cimarex Energy Co.

OTHER PARTIES

ConocoPhillips Company

AZL Resources, Inc.

ATTORNEY

Michael H. Feldewert, Esq. Jordan L. Kessler, Esq. Julia Broggi, Esq. Holland & Hart, LLP Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421 (505) 983-6043 Facsimile

ATTORNEY

Earl E. DeBrine, Jr. Jennifer L. Bradfute P.O. Box 2168 Bank of America Centre 500 Fourth Street NW, Suite 1000 Albuquerque, New Mexico 87103-2168 (505) 848-1800 Attorneys for Cimarex Energy Co.

ATTORNEY

James Bruce P.O. Box 1056 Santa Fe, New Mexico 87508 (505) 982-2043

APPLICANT'S STATEMENT OF CASE

McElvain Energy, Inc. ("McElvain") seeks an order pooling all uncommitted interest in the Bone Spring formation (E-K Bone Spring Pool (Pool Code 21650)) in the 240-acre, more or less, horizontal spacing unit comprised of the W/2 NW/4 of Section 6, Township 19 South, Range 34 East, and the W/2 W/2 of Section 31, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. The above-referenced horizontal spacing unit will be dedicated to the proposed **EK 31 BS2 Federal Com No. 4H Well**, which will be drilled horizontally from a surface location in the NW/4 NW/4 (Lot 1) of Section 31, Township 18 South to a bottom hole location in the SW/4NW/4 (Lot 5) of Section 6, Township 19 South. The completed interval for the proposed well will comply with the Statewide rules for oil wells.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Rick Harris, Land Manager	Approx. 10 minutes	Approx. 7
Kyle Shefte, Geologist	Approx. 10 minutes	Approx. 4

PROCEDURAL MATTERS

None at this time.

10.00

Respectfully submitted,

HOLLAND & HART LLP

By:

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ATTORNEYS FOR MCELVAIN ENERGY, INC.

CERTIFICATE OF SERVICE

I hereby certify that on October 25, 2018, I served a copy of the foregoing document to the following counsel via electronic mail:

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Counsel for AZL Resources, Inc. and ConocoPhillips Company

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