

**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 RSC RESOURCES LIMITED
PARTNERSHIP FOR A NON-STANDARD OIL
SPACING AND PRORATION UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 14,316

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

RSC Resources LP
6824 Island Cr.
Midland, Texas 79707
Attention: Randy S. Cate

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

Applicant seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of Lot 1, NE/4NW/4, and N/2NE/4 (the N/2N/2 equivalent) of Section 31, Township 16 South, Range 28 East, NMPM, to form a non-standard 162.68-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing within that vertical extent, and pooling all mineral interests in the Wolfcamp formation (Dog Canyon-Wolfcamp Pool) underlying the non-standard unit. The unit is to be dedicated to the Lucky Wolf "31" Fed. Com. Well No. 1, a horizontal well to be drilled at a surface location 330 feet from the north line and 150 feet from the west line of Section 30. The well will penetrate the Wolfcamp formation at an orthodox location 330 feet from the north line and approximately 330 feet from the west line, and have a terminus 330 feet from the north line and 330 feet from the east line, of Section 31. 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>
Kirk Smith (landman)	10 min.	Approx. 6
Randy Cate (engineer)	10 min.	Approx. 6

IF THIS MATTER IS UNOPPOSED IT WILL BE PRESENTED BY AFFIDAVIT.

OPPONENT

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

Respectfully submitted,



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

Attorney for RSC Resources Limited
Partnership