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

APPLICATION OF BROWNING OIL COMPANY, INC. FOR AN ORDER ACKNOWLEDGING THE MESCALERO EAST UNIT, LEA COUNTY, NEW MEXICO.

Case NO. 23036

BROWNING'S PRE-HEARING STATEMENT

Browning Oil Company, Inc. (Browning) (OGRID No. 142316) submits this Pre-Hearing Statement, pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

AGENT

Browning Oil Company, Inc.

Terence G. O'Hare Emerald Energy, LLC 8140 Walnut Hill Lane Suite 230 Dallas, Texas 75218 (214) 691-2399 tgo@emeraldenergyllc.com

APPLICANT'S STATEMENT OF CASES

Browning seeks an order acknowledging the Mescalero East Unit. The Mescalero East Unit will consist of approximately 6963.15 acres of the following lands situated in Lea County, New Mexico:

Township 10 South, Range 33 East, Lea County, New Mexico

E/2 Section 7

W2 Section 9

W2 Section 16

W2 Section 17

E/2 Section 17

W/2 Section 7

N2 Section 8

N2 Section 10

S2 Section 8

S2 Section 10

E/2 Section 20

W/2 Section 20

E/2NW/4 and SW/4, Section 21

E/2 Section 9

E/2 Section 16

Lots 3 and 4, Section 19

E/2SW/4 and SE/4, Section 19

E/2 Section 21

W/2 Section 15 E/2 Section 15 E/2 of Section 22 W/2 of Section 11 W/2 of Section 14

The unitized interval is all formations below the top of the San Andres Pi Marker, which is found at 4,258 feet measured depth and the top of the Mississippian, which is found at 11,193 feet measured depth in the Van Dyke BGU State 001 (30-025-37438) well located in Section 17, Township 8 South, Range 33 East, Lea County, New Mexico. Browning is the designated operator under the Unit Agreement, which contains 100% state lands. Browning has submitted the Unit Agreement to the State of New Mexico Commissioner of Public Lands and received a letter of preliminary approval. The Unit Agreement, and the unitized operation and management of the Unit Area, are in the best interests of conservation, the prevention of waste and the protection of correlative rights.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Terence G. O'Hare, Geologist	Affidavit	Approx. 2
Calvin K. Nix, Geologist	Affidavit	Approx. 4

PROCUDURAL MATTERS

Browning intends to present this case by affidavit, if unopposed.

Respectfully Submitted,

Emerald Energy, LLC

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Agent for Browning Oil Company, Inc.