

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

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IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF BC OPERATING, INC., CROWN OIL
PARTNERS V, CRUMP ENERGY PARTNERS, AND
NADEL AND GUSSMAN PERMIAN, LLC FOR A NON-
STANDARD SPACING AND PRORATION UNIT AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 15,594

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Murchison Oil & Gas, Inc. as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

BC Operating, Inc.
Crown Oil Partners V
Crump Energy Partners
Nadel and Gussman Permian, LLC

APPLICANT'S ATTORNEY

Jordan L. Kessler
Michael Feldewert

OPPONENT

Murchison Oil & Gas, Inc.
Legacy Tower One
Suite 1400
7250 Dallas Parkway
Plano, Texas 75024

OPPONENT'S ATTORNEY

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

Attention: Rachel Rushing
(469) 573-6419

STATEMENT OF THE CASE

APPLICANT

Applicants seek an order approving a non-standard spacing and proration unit in the Wolfcamp formation comprised of the SE/4 of Section 25 and the E/2 of Section 36, Township 24 South, Range 28 East, N.M.P.M., and pooling a number of interest owners into the well unit.

OPPONENT

Murchison Oil & Gas, Inc. ("Murchison") owns an interest in the S/2 of Section 25, which includes a portion of the lands in the proposed well unit. The S/2 of Section 25 is subject to an existing JOA, under which Murchison has proposed a Wolfcamp well. Murchison asserts that granting the application could strand a portion of Murchison's acreage. Thus, the application should be denied.

In addition, Murchison asserts that applicants have not made a good faith effort to obtain the voluntary joinder of the working interest owners in the well unit, and again the application should be denied.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

Rachel Rushing
(landman)

20 min.

Approx. 4

Charles Ward
(geologist)

15 Min.

Approx. 4

Luke Pumphrey
(engineer)

15 Min.

Approx. 2

PROCEDURAL MATTERS

Opponent has requested a second continuance from applicants.

Respectfully submitted,



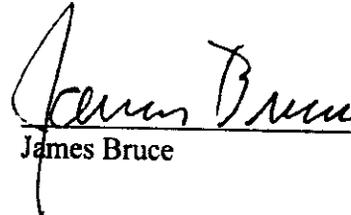
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Attorney for Murchison Oil & Gas, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 29th day of December, 2016 by e-mail:

Michael Feldewert
Jordan L. Kessler



James Bruce