

2017 FEB 23 10 02

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

**APPLICATION OF BLACK MOUNTAIN OPERATING LLC
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

Case No. 15628

PRE-HEARING STATEMENT

Black Mountain Operating LLC, ("Black Mountain"), provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

BLACK MOUNTAIN OPERATING LLC

APPLICANT'S ATTORNEY

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OPPONENT

MEWBOURNE OIL COMPANY

OPPONENT'S ATTORNEY

James Bruce
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STATEMENT OF THE CASE

Black Mountain Operating LLC applies for an order approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the E/2W/2 of Section 15 and the E/2SW/4 of Section 10, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit.

Mewbourne Oil Company owns certain working interests in the S/2 of Section 15 that would be included in Black Mountain's proposed spacing and proration unit. Mewbourne's development plans are in conflict with Black Mountain's plans.

PROPOSED EVIDENCE

APPLICANT: BLACK MOUNTAIN OPERATING LLC EST. TIME EXHIBITS

WITNESSES:

Robbie Zimmerman, Land Manager	30 Min.	5
Dr. Michael McCracken, (COO) Reservoir Engineer	45 Min.	5

OPPONENT: MEWBOURNE OIL COMPANY EST. TIME EXHIBITS

WITNESSES:

PROCEDURAL MATTERS

Black Mountain will move at hearing for the consolidation of this case with Mewbourne case nos. 15600, 15601 and 15602, as well as Black Mountain case nos. 15629 and 15630. These six (6) cases concern overlapping lands and interests, and are expected to involve identical witnesses providing similar testimony.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By:  _____

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Attorneys for Black Mountain Operating LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on February 23, 2017:

James Bruce
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Seth C. McMillan