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January 10, 2017

VIA FEDERAL EXPRESS

Ms. Florene Davidson
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

**RE: Application of Opal Resources Operating Co., LLC and Opal Resources II, LLC
Case No. 15621**

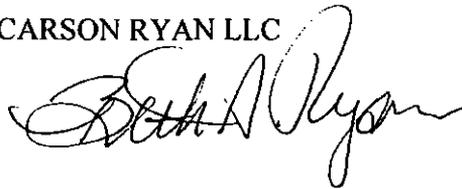
Dear Ms. Davidson:

On behalf of Opal Resources Operating Co., LLC and Opal Resources II, LLC, enclosed please find two original sets of the Pre-Hearing Statement. Thank you.

Should you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

CARSON RYAN LLC



Elizabeth A. Ryan

BAR/rmt
Enclosures
cc: Michael H. Feldewert and Jordan L. Kessler

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

2017 JAN 10 10:00 AM

APPLICATION OF OPAL RESOURCES OPERATING CO., LLC
AND OPAL RESOURCES II, LLC
FOR A NON-STANDARD SPACING AND
PRORATION UNIT, A NON-STANDARD PROJECT AREA,
AND FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

Case No. 15621

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Opal Resources Operating Co., LLC
Opal Resources II, LLC
7600 W. Tidwell Road
Suite 500
Houston, Texas 77040

APPLICANT'S ATTORNEY

Elizabeth A. Ryan
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Roswell, New Mexico 88202-1612
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beth@carsonryan.com

OPPOSING PARTY

ConocoPhillips Company
Attn: Edward J. Moppert, Landman
ConocoPhillips
16040 Westlake Park Boulevard
Houston, Texas 77079

OPPOSING COUNSEL

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Jordan L. Kessler
HOLLAND & HART, LLP
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Santa Fe, New Mexico 87504
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STATEMENT OF THE CASE

Applicant seeks an order (1) creating a 200-acre, more or less, spacing and proration unit comprised of W/2W/2 Section 29 and NW/4NW/4 Section 32, Township 19 South, Range 39

East, N.M.P.M., Lea County, New Mexico; (2) approving a non-standard 200-acre project area; and (3) pooling all mineral interests in the Nadine/Abo formation underlying the proposed unit.

The unit is to be dedicated to Applicant's Jade 19S-39E-S29 No. 1H Well, to be vertically drilled from the surface location of 400 feet FNL and 400 feet FWL in W/2 of Section 29 to the Nadine/Abo formation to the bottom hole location of 1122 feet FNL and 400 feet FWL in NW/4NW/4 of Section 32.

The completed interval for the Well will comply with the 330-foot setbacks required by the Division rules for horizontal oil wells.

APPLICANT'S PROPOSED EVIDENCE

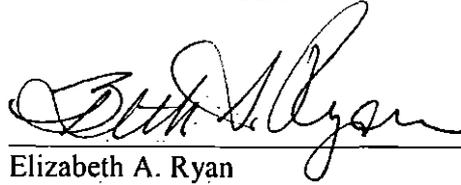
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Les McCormick, Vice President of Land and Business Development	20 min.	Approx. 8
Rick Castagno, Vice President of Reservoir Engineering	15 min.	Approx. 5

PROCEDURAL MATTERS

ConocoPhillips Company, a mineral interest owner in the W/2W/2 Section 29 of the proposed project area, has filed or plans to file a Motion for Continuance in this matter. As of the date of filing this Statement, Applicant does not agree to the Continuance.

Respectfully submitted,

CARSON RYAN LLC

A handwritten signature in cursive script, appearing to read "Beth A. Ryan", written over a horizontal line.

Elizabeth A. Ryan

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*Attorneys for Opal Resources Operating Co., LLC
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