

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

2017 DEC 14 P 4: 10

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

APPLICATION OF KAISER-FRANCIS OIL COMPANY  
FOR A NON-STANDARD OIL SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

Case No. 15912

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Kaiser-Francis Oil Company as required by the Oil Conservation Division.

**APPEARANCES**

APPLICANT

Kaiser-Francis Oil Company  
P.O. Box 21468  
Tulsa, Oklahoma 74121

Attention: Michael Maxey

APPLICANT'S ATTORNEY

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

OTHER PARTIES

MRC Permian LKE Company, LLC

OTHER PARTIES' ATTORNEYS

Michael Feldewert  
Jordan L. Kessler

**STATEMENT OF THE CASE**

APPLICANT

Kaiser-Francis Oil Company seeks an order approving a 240-acre non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of the E/2NW/4 of Section 25 and the E/2W/2 of Section 24, Township 23 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Delaware formation underlying the non-standard unit. The unit will be dedicated to the Williams Fee 2524 LBC Well No. 1H, a horizontal well with a surface location 2290 feet from the north line and 2205 feet from the west line of Section 25, and a terminus 330 feet from the north line and 1980 feet from the west line of Section 24. The producing interval will be orthodox. 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.

OTHER PARTIES

**PROPOSED EVIDENCE**

APPLICANT

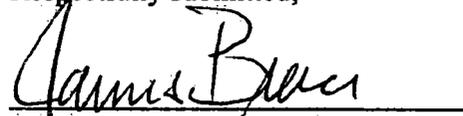
| <u>WITNESSES</u>           | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|----------------------------|------------------|-----------------|
| Michael Maxey<br>(landman) | 15 min.          | Approx. 6       |
| Lee Lindman<br>(geologist) | 15 min.          | Approx. 4       |

OTHER PARTIES

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|------------------|------------------|-----------------|
|------------------|------------------|-----------------|

**PROCEDURAL MATTERS**

Respectfully submitted,



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

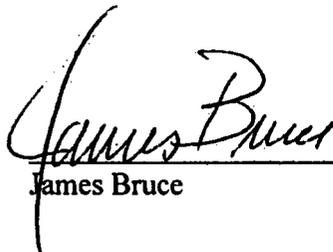
Attorney for Kaiser-Francis Oil Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 14<sup>th</sup> day of December, 2017 by e-mail:

Jordan L. Kessler  
[jlkessler@hollandhart.com](mailto:jlkessler@hollandhart.com)

Michael Feldewert  
[mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)

  
James Bruce