

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

**APPLICATION OF MEWBOURNE OIL COMPANY  
FOR A NON-STANDARD OIL SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 15926**

**PRIME ROCK's PRE-HEARING STATEMENT**

Prime Rock Resources, LLC ("Prime Rock") submits this pre-hearing statement as required by the Oil Conservation Division Rule 19.15.4.13.B.

**APPEARANCES**

**APPLICANT**

Mewbourne Oil Company

**ATTORNEY**

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
Email: [jamesbruc@aol.com](mailto:jamesbruc@aol.com)

**OPPONENT**

Prime Rock Resources, LLC

**ATTORNEY**

Michael H. Feldewert  
Jordan L. Kessler  
Adam G. Rankin  
Holland & Hart, LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile  
Email: [mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)  
Email: [jlkessler@hollandhart.com](mailto:jlkessler@hollandhart.com)  
Email: [agrarkin@hollandhart.com](mailto:agrarkin@hollandhart.com)

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**STATEMENT OF THE CASE**

Mewbourne Oil Company ("Mewbourne") seeks an order from the Division (1) creating a non-standard 320-acre spacing and proration unit in the Bone Spring formation, comprised of the

E/2 W/2 of Section 20 and the E/2 W/2 of Section 29, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico; (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. Mewbourne proposes to dedicate the above-referenced spacing and proration unit as the project area for the proposed Caper 20/29 B2CN Fed. Com. Well No. 1H.

Prime Rock objects to Mewbourne's application on the grounds that 1) Prime Rock has a competing development proposal covering the same acreage; and 2) Mewbourne has failed to engage in good faith efforts to reach a voluntary agreement with Prime Rock. The totality of Mewbourne's good faith effort has been to propose a two-section development plan, followed up by a pooling application and a voicemail. This does not satisfy the Division's good faith negotiation requirement.

**EOG's PROPOSED EVIDENCE**

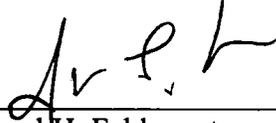
<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Jason South, VP of Land and Business Development	Approx. 15 minutes	Approx. 5
David DaGian, VP of Exploration	Approx. 15 minutes	Approx. 5
Manny Sirgo, President and CEO	Approx. 10 minutes	Approx. 3

**PROCEDURAL MATTERS**

Prime Rock has filed a motion to continue this matter.

Respectfully submitted,

HOLLAND & HART LLP



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Michael H. Feldewert  
Adam G. Rankin  
Jordan L. Kessler  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421  
(505) 983-6043 Facsimile  
Email: [mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)  
Email: [agrarkin@hollandhart.com](mailto:agrarkin@hollandhart.com)  
Email: [jlkessler@hollandhart.com](mailto:jlkessler@hollandhart.com)

**ATTORNEYS FOR EOG Y RESOURCES, INC. AND  
EOG RESOURCES, INC.**

**CERTIFICATE OF SERVICE**

I hereby certify that on January 4, 2018, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

James Bruce, Esq.  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043  
(505) 982-2151  
[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

**ATTORNEY FOR MEWBOURNE OIL COMPANY**



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Michael H. Feldewert  
Jordan L. Kessler