

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

**APPLICATION OF ONEENERGY PARTNERS OPERATING, LLC
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

**APPLICATION OF ONEENERGY PARTNERS OPERATING, LLC
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

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CASE NOS. 15758 and 15759

PRE-HEARING STATEMENT

OneEnergy Partners Operating, LLC, the applicant in the above-referenced matters,
submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

OneEnergy Partners Operating, LLC
2929 Allen Parkway, Suite 200
Houston, Texas 77019

ATTORNEY

Michael H. Feldewert, Esq.
Jordan L. Kessler, Esq.
Holland & Hart, LLP
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(505) 983-6043 Facsimile

INTERESTED PARTY

V-F Petroleum, Inc., Gahr Energy Company,
Ameristate Patners LLC, Ameristate Energy
LLC, HFLP E&P LLC, Thomas M. Beall,
Jerry M. Gahr, Marcus Wayne Luna, Sandra K.
Lawlis, Clifford N. Hair, and Mark K.
Nearburg

ATTORNEY

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

APPLICANT'S STATEMENT OF CASE

In Case No. 15758, OneEnergy Partners Operating, LLC (OGRID 372031) seeks an order (1) creating a 322.42-acre spacing and proration unit comprised of the W/2 W/2 of Section 1 and the W/2 W/2 of Section 12, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. The Unit will be the project area for the proposed **Lobo Rojo B3 State Com No. 1H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 12 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 1. The completed interval for this well will remain within the 330-foot standard offset required by the Statewide Rules set forth in 18.15.15 NMAC.

In Case No. 15758, OneEnergy Partners Operating, LLC seeks an order (1) creating a 322.49-acre spacing and proration unit comprised of the E/2 W/2 of Section 1 and the E/2 W/2 of Section 12, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. The Unit will be the project area for the proposed **Lobo Rojo B3 State Com No. 2H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 12 to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 1. The completed interval for this well will remain within the 330-foot standard offset required by the Statewide Rules set forth in 18.15.15 NMAC.

OneEnergy Partners Operating, LLC contends that granting these two applications will prevent waste due to greater economic and engineering efficiencies and higher EURs.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Jeff Lierly—VP of Land	Approx. 10	Approx. 6
Greg Clark – Contract Geologist	Approx. 10	Approx. 4
David Ramsden-Wood, Petroleum Engineer	Approx. 10	Approx. 4

PROCEDURAL MATTERS

OneEnergy Partners Operating, LLC respectfully requests that Case Nos. 15758 and 15759
be consolidated for hearing.

Respectfully submitted,

HOLLAND & HART LLP



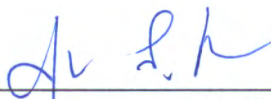
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ATTORNEYS FOR ONEENERGY PARTNERS
OPERATING, LLC

CERTIFICATE OF SERVICE

I hereby certify that on August 10, 2017, I served a copy of the foregoing document to the following counsel of record via electronic mail:

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Jordan L. Kessler