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

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

APPLICATION OF B.C. OPERATING, INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 21552

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Chi Operating, Inc. and Chi Energy, Inc. as required by the Oil Conservation Division.

APPEARANCES

<u>APPLICANT</u>

B.C. Operating, Inc.

OPPONENT

Chi Operating, Inc. and Chi Energy, Inc.

P.O. Box 1799

Midland, Texas 79702

Attention:

Bill Bergman

(432) 685-5001

OTHER PARTIES

EOG Resources, Inc.

Apache Corporation

APPLICANT'S ATTORNEY

Montgomery & Andrews, P.A.

OPPONENT'S ATTORNEY

James Bruce

P.O. Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

OTHER PARTIES' ATTORNEYS

Holland & Hart LLP

Modrall Sperling P.A.

STATEMENT OF THE CASE

APPLICANT

B.C. Operating, Inc. seeks an order pooling the Bone Spring formation in all of \$24-19S-27E and the $W\frac{1}{2}$ \$19-19S-28E.

OPPONENT

Chi Operating, Inc. and Chi Energy, Inc. oppose the application. There have been insufficient negotiations between the parties. In addition, they have not received notification of the hearing as required by Division rules, and have not been able to prepare for hearing. Therefore, this matter must be continued.

PROPOSED EVIDENCE

APPLICANT

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

Andrew Connelly 20 min. Approx. 4

(landman)

OPPONENT

WITNESSES EST. TIME EXHIBITS

PROCEDURAL MATTERS

Opponent requests that this matter be set for a status conference.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Chi Operating, Inc. and Chi Energy, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this ______ day of January, 2021 by e-mail:

Deanna Bennett dmb@modrall.com

Michael Feldewert *mfeldewert@hollandhart.com*

Adam Rankin agrankin@hollandhart.com

Julia Broggi jbroggi@hollandhart.com

Kaitlyn Luck kaluck@hollandhart.com

Earl DeBrine edebrine@modrall.com

Lance Hough ldh@modrall.com

Sharon Shaheen sshaheen@montand.com

John McIntyre jmcintyre@montand.com

James Bruce

Jaeves Bruce