

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

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

CASE NO. 15448 AND 15449

AMENDED PRE-HEARING STATEMENT

BLACK MOUNTAIN OPERATING LLC, ("Black Mountain"), and E.G.L. Resources, Inc. ("E.G.L.") provide this Amended Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

BLACK MOUNTAIN OPERATING LLC, BLACK MOUNTAIN OPERATING
And E.G.L. RESOURCES, INC. LLC'S and EGL's ATTORNEYS

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APPLICANT

MEWBOURNE OIL COMPANY

APPLICANT'S ATTORNEY

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STATEMENT OF THE CASE

Applicant Mewbourne Oil Company seeks orders in these matters (i) approving two 160-acre non-standard oil spacing and proration unit in the Bone Spring formation comprised of the N/2 S/2 and the S½S½ of Section 28, Township 18 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and (ii) pooling all mineral interests in the Bone Spring formation underlying the non-standard units.

BLACK MOUNTAIN AND E.G.L. ARE NO LONGER AFFECTED PARTIES

The interests of Black Mountain and E.G.L. in the subject lands have been the subject of a joint operating agreement under which Yates Petroleum Corporation held a preferential right of purchase. Yates Petroleum has exercised its preferential right and the Black Mountain/E.G.L. interest has recently been assigned to Yates. As a consequence, neither Black Mountain nor E.G.L. has an ownership interest in the subject lands and are therefore no longer affected parties. Accordingly, the appearances for Black Mountain and E.G.L. are hereby withdrawn and these parties should be dismissed from these proceedings. The position of Yates Petroleum Corporation is not presently known to the undersigned and it is not known whether Yates was notified. No counsel has entered an appearance for Yates as of this date.

PROCEDURAL MATTERS

Black Mountain and EGL have filed a Motion To Dismiss Mewbourne's Applications. The Motion was argued at the April 28, 2016 Examiner Hearing and remains pending.

Respectfully submitted,

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Attorneys for Black Mountain Operating LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on May 19, 2016:

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