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

**IN THE MATTER OF THE APPLICATION OF
MEWBOURNE OIL COMPANY FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO**

CASE NO. 15507

PRE-HEARING STATEMENT

RSC RESOURCES, L.P. ("RSC"), provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

RSC RESOURCES, L.P.

RSC RESOURCES, L.P.'S ATTORNEY

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APPLICANT

MEWBOURNE OIL COMPANY

APPLICANT'S ATTORNEY

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STATEMENT OF THE CASE

Applicant Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) of Section 3, Township 24 South, Range 28 East, NMPM, to form a standard 319.21-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical

extent. The unit will be dedicated to the Yardbirds 3 W2DM Fee Well No. 1H, a horizontal well with a surface location 175 feet from the north line and 1070 feet from the west line, and a terminus 330 feet from the south line and 530 feet from the west line, of Section 3. The beginning and end of the producing interval are unorthodox. 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. The unit is located approximately 1-1/2 miles north-northwest of Malaga, New Mexico.

PROPOSED EVIDENCE

RSC RESOURCES, L.P.

EST. TIME

EXHIBITS

WITNESSES:

None at this time, but RSC reserves the right to present witness testimony and exhibits.

APPLICANT: MEWBOURNE OIL COMPANY

EST. TIME

EXHIBITS

WITNESSES:

PROCEDURAL MATTERS

RSC is an offsetting interest owner in Section 34, but was not notified of the Application. The take-points for the unorthodox well locations are not specified in the advertisement for the case. At the hearing, RSC will reserve the right to request a continuance to allow additional time to evaluate the testimony and exhibits presented.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: J. Scott Hall

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Attorneys for RSC Resources L.P.

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 July 14, 2016:

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