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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,
LEA COUNTY, NEW MEXICO.

CASE NO. 15601

ENTRY OF APPEARANCE

Montgomery & Andrews, P.A. (J. Scott Hall), enters its appearance as counsel for Black Mountain Operating LLC.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: T. Scott Hall

J. Scott Hall
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
(505) 982-3873
shall@montand.com

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 November 21, 2016:

James Bruce
Post Office Box 1056
Santa Fe, NM 87504
jamesbruc@aol.com

T. Scott Hall
J. Scott Hall

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

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FOR A NON-STANDARD OIL SPACING AND
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LEA COUNTY, NEW MEXICO.**

CASE NO. 15601

PRE-HEARING STATEMENT

Black Mountain Operating LLC, ("Black Mountain"), provisionally provides this
Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

**OPPONENT: BLACK MOUNTAIN
OPERATING LLC**

**BLACK MOUNTAIN OPERATING
LLC'S ATTORNEY**

J. Scott Hall, Esq.
MONTGOMERY & ANDREWS, P.A.
P.O. Box 2307
Santa Fe, NM 87504-2307
Tele (505) 982-3873
shall@montand.com

APPLICANT

MEWBOURNE OIL COMPANY

APPLICANT'S ATTORNEY

James Bruce
Post Office Box 1056
Santa Fe, NM 87504
jamesbruc@aol.com

STATEMENT OF THE CASE

Applicant Mewbourne Oil Company seeks an order approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the W½ E½ of Section 15, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit.

Black Mountain owns certain working interests in the S/2 of Section 15 that would be included in Mewbourne's proposed spacing and proration unit. Black Mountain plans to develop its acreage with 7,500' laterals to include acreage it owns in Section 10, T23S, R34E. Mewbourne's development plans are in conflict with Black Mountain's plans.

PROPOSED EVIDENCE

<u>OPPONENT:</u> BLACK MOUNTAIN OPERATING LLC	<u>EST. TIME</u>	<u>EXHIBITS</u>
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WITNESSES:

Luke Mildren, Land Manager	30 Min.	5
Dr. Michael McCracken, (COO) Reservoir Engineer	45 Min.	5

<u>APPLICANT:</u> MEWBOURNE OIL COMPANY	<u>EST. TIME</u>	<u>EXHIBITS</u>
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WITNESSES:

PROCEDURAL MATTERS

Black Mountain has requested a continuance to allow the parties to negotiate a resolution of the conflict.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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A handwritten signature in black ink, appearing to read "J. Scott Hall", written over a horizontal line.

J. Scott Hall