

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

**APPLICATION OF BC OPERATING, INC. TO RE-OPEN CASE NO. 15538 TO POOL THE INTERESTS OF ADDITIONAL MINERAL INTEREST OWNERS UNDER THE TERMS OF COMPULSORY POOLING ORDER R-14227, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 15538 (re-opened)**

**APPLICANTS' PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by applicants BC Operating, Inc. in accordance with the Oil Conservation Division's regulations.

**APPEARANCES**

**APPLICANT**

BC Operating, Inc.  
4000 N. Big Spring, Suite 310  
Midland, Texas 79705

**ATTORNEY**

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**APPLICANT'S STATEMENT OF THE CASE**

BC Operating Inc. ("BC") seeks to amend Order R-14227 to pool an additional uncommitted interest owner in the spacing and proration unit. Division Order R-14227, entered in October of 2016, created a 320-acre spacing and proration unit comprised of the E/2 of Section 34, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. Order R-14227 pooled the uncommitted interest owners in the Wolfcamp formation (WC; Salt Draw; Wolfcamp, (Gas) (97721)) in the spacing and proration unit (the "Unit") and dedicated the unit

to the proposed **Kyle 34 Federal Com No. 5H Well**. The **Kyle 34 Federal Com No. 5H Well** is a proposed horizontal well which will be drilled horizontally from the SE/4 SE/4 (Unit P) to a non-standard bottomhole location in the NE/4 NE/4 (Unit A) of Section 34. Applicant's request for a non-standard location was previously submitted and approved by the Division by administrative application. *See* NSL-7445. Since the entry of Order R-14227, BC has discovered an additional interest owner. BC now seeks to amend Order R-14227 to include the additional interest under the terms of the existing pooling order.

#### **APPLICANT'S PROPOSED EVIDENCE**

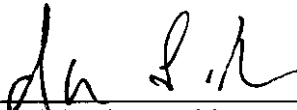
<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Caleb Hopson Landman	Approx. 10 minutes	Approx. 5

#### **PROCEDURAL MATTERS**

Pursuant to NMAC 19.15.4.12.A(1)(b), if BC Operating, Inc. receives no objection to this application, then the case will be presented by affidavit.

Respectfully submitted,

HOLLAND & HART LLP



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