

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

**APPLICATION OF OPAL RESOURCES OPERATING CO., LLC
AND OPAL RESOURCES II, LLC
FOR A NON-STANDARD SPACING AND
PRORATION UNIT, A NON-STANDARD PROJECT AREA,
AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 15621

CONOCO'S PRE-HEARING STATEMENT

ConocoPhillips Company ("Conoco") submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Opal Resources Operating Co., LLC
Opal Resources II, LLC
7600 W. Tidwell Road
Suite 500
Houston, TX 77040

ATTORNEY

Elizabeth A. Ryan
Carson Ryan LLC
Post Office Box 1612
Roswell, New Mexico 88202-1612
(575) 291-7606
beth@carsonryan.com

OPPONENT

ConocoPhillips Company

ATTORNEY

Michael H. Feldewert, Esq.
Jordan L. Kessler
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
jlkessler@hollandhart.com

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OPPONENT'S STATEMENT OF CASE

Conoco is an unleased mineral interest owner in the proposed spacing unit. Conoco opposes this application on the grounds that Opal has not engaged in a good faith effort to reach an agreement. Opal has failed to provide Conoco with a well proposal letter, and the AFE was furnished weeks after the pooling application was filed. A lease form was sent nearly a month after the pooling application was filed. Opal has plainly failed to meet the Division's standards for good faith negotiations.

APPLICANT'S PROPOSED EVIDENCE

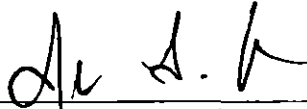
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Edward J. Moppert, Landman	Approx. 20	Approx. 5

PROCEDURAL MATTERS

ConocoPhillips Company has filed a motion to continue this case to the February 16, 2017, Examiner Hearing Docket.

Respectfully submitted,

HOLLAND & HART LLP



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Jordan L. Kessler

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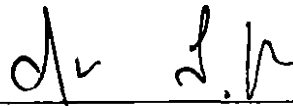
ATTORNEYS FOR CONOCO PHILLIPS COMPANY

CERTIFICATE OF SERVICE

I hereby certify that on January 12, 2017, I served a copy of the foregoing document to
the following via electronic mail to:

Elizabeth A. Ryan
P.O. Box 1612
Roswell, New Mexico 88201
(575) 291-7606
beth@carsonryan.com

**ATTORNEY FOR OPAL RESOURCES OPERATING CO., LLC
AND OPAL RESOURCES II, LLC**



Michael H. Feldewert
Jordan L. Kessler