

RECEIVED OCD

STATE OF NEW MEXICO 2018 JAN -4 P 4: 25
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

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

CASE No. 15914

PRE-HEARING STATEMENT

RSC Resources, L.P., Hold The Door, L.P., PJT Energy, Inc. and PT Resources, L.P.
("RSC, et al."), provisionally provide this Pre-Hearing Statement as required by the rules of the
Division.

APPEARANCES

RSC RESOURCES, L.P., HOLD THE
DOOR, L.P., PJT ENERGY, INC. and P.T.
RESOURCES, L.P.

**RSC RESOURCES, L.P., ET AL.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 (1) approving a 479.88 acre
non-standard gas spacing and proration unit in the Wolfcamp formation underlying Lots 1, 2,

S/2NE4, and SE/4 (the E/2) of Section 6 and the NE/4 of Section 7, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit.

RSC Resources, L.P. et al. own interests in the W/2 of Section 6 within the non-standard spacing and proration unit proposed by Mewbourne. (Case No. 15913). These same parties also own contractual interests in the E/2 of Section 6 (Case No. 15914), but which Mewbourne does not honor. Mewbourne's proposed units and wells are in conflict with wells and development previously proposed by RSC Resources, L.P. In the W/2 of Section 6, RSC Resources, L.P. owns or controls approximately 90% of the working interests which it plans to develop with six mile-long laterals drilled to the Wolfcamp formation. RSC Resources, L.P. (Guardian Operating) is in the process of filing a separate compulsory pooling proceeding to consolidate the un-joined and un-leased mineral interests of six owners in approximately 2.66 net acres in the W/2 of Section 6. RSC Resources, L.P. et al will present evidence that it has superior working interest control and that their plans for development of the Wolfcamp formation will result in the recovery of additional hydrocarbon resources.

PROPOSED EVIDENCE

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

WITNESSES:

RSC RESOURCES, L.P., ET AL.

<u>WITNESSES:</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
-------------------	------------------	-----------------

Patrick Tower, Land	20 min.	8
Randy Cate, Petroleum Engineering	20 min.	11

PROCEDURAL MATTERS

RSC Resources, L.P. et al. reserve the right to pursue motions to dismiss challenging the Division's jurisdiction due to defective notice. Cases 15913 and 15914 may be consolidated for hearing.

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 RSC Resources, L.P.,
Hold The Door, L.P., PJT Energy, Inc. and
PT 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 January 4, 2018:

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

T. Scott Hall
J. Scott Hall