

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

**APPLICATIONS OF MRC PERMIAN  
COMPANY FOR APPROVAL OF AN  
OVERLAPPING HORIZONTAL WELL SPACING  
UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NOS. 23417–23418**

**MRC’S CONSOLIDATED PRE-HEARING STATEMENT**

MRC Permian Company (“MRC” or “Applicant”), the applicant in the above-referenced matters, submits this Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

MRC Permian Company  
 (“MRC”)

**ATTORNEY**

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**APPLICANT’S STATEMENT OF THE CASE**

Under these consolidated cases, MRC seeks orders (a) approving the proposed standard overlapping spacing units and (b) pooling all uncommitted interests in the Bone Spring (Rock Lake; Bone Spring, South [52769] (Sections 4 and 9 acreage); and WC-025 G-06 S233516M;

Middle Bone Spring [98246] (Section 16 acreage)) underlying the referenced acreage all in Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, as follows:

- Under **Case No. 23417**, MRC seeks to pool a standard 400-acre, more or less, overlapping horizontal well spacing unit comprised of the W/2 SE/4 of Section 4, and the W/2 E/2 of Sections 9 and 16 and initially dedicate this overlapping Bone Spring spacing unit to the proposed **Marlan Downey State Com #123H** well, to be horizontally drilled from a surface location in the N/2 SE/4 of Section 4 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 16. This 400-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage: 240-acre, more or less, horizontal well spacing unit comprised of the W/2 SE/4 of Section 4 and the W/2 E/2 of Section 9, Township 23 South, Range 35 East, dedicated to the Marlan Downey State 04&09-23S-35E AR #113H well (API: 30-025-46254).
- Under **Case No. 23418**, Matador seeks to pool a standard 400-acre, more or less, overlapping horizontal well spacing unit comprised of the E/2 SE/4 of Section 4, and the E/2 E/2 of Sections 9 and 16 and initially dedicate this Bone Spring spacing unit to the proposed **Marlan Downey State Com #124H** well, to be horizontally drilled from a surface location in the N/2 SE/4 of Section 4 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 16. This 400-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage: 240-acre, more or less, horizontal well spacing unit comprised of the E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9, Township 23 South, Range 35 East, dedicated to the Marlan Downey State 04&09-23S-35E AR #114H well (API: 30-025-46255).

The completed interval for each of the wells will comply with statewide setbacks for oil wells. MRC has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.

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

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
David Johns, Landman	Affidavit	Approx. 8
Blake Herber, Geologist	Affidavit	Approx. 4

### **PROCEDURAL MATTERS**

MRC requests that these matters be consolidated for hearing and intends to present these cases by affidavit if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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State of New Mexico  
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QUESTIONS  
  
Action 202462

QUESTIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 202462
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.