

**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. 23625–23628**

**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**

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 (“MRC”)

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### **APPLICANT'S STATEMENT OF THE CASE**

Under these consolidated cases, MRC seeks orders pooling all uncommitted interests in the Bone Spring formation underlying the referenced acreage all in Township 24 South, Range 33 East, NMPM, Lea County, New Mexico, as follows:

- Under **Case No. 23625**, MRC seeks an order (a) approving a standard 319.98-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of Lot 4, SW/4 NW/4, and the W/2 SW/4 of Section 2, and the W/2 W/2 of Section 11, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. MRC seeks to initially dedicate this overlapping horizontal well spacing unit to the proposed **Charles Ling Fed Com #135H** well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 2 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 11. This 319.98-acre horizontal well spacing unit will overlap the following existing horizontal well spacing units covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the N/2 N/2 of Section 2, Township 24 South, Range 33 East, dedicated to the Macho State #1H (API: 30-025-39884);
  - 160-acre, more or less, horizontal well spacing unit comprised of the S/2 N/2 of Section 2, Township 24 South, Range 33 East, dedicated to the Macho State #2H (API: 30-025-39885);
  - 160-acre, more or less, horizontal well spacing unit comprised of the N/2 S/2 of Section 2, Township 24 South, Range 33 East, dedicated to the Trucker “Brk” State #1H (API: 30-025-26309);
  - 160-acre, more or less, horizontal well spacing unit comprised of the S/2 S/2 of Section 2, Township 24 South, Range 33 East, dedicated to the Trucker “Brk” State #2H (API: 30-025-41972); and
  - 160-acre, more or less, horizontal well spacing unit comprised of the W/2 W/2 of Section 11, Township 24 South, Range 33 East, dedicated to the Roy Batty Federal Com #1H (API: 30-025-41099).
- Under **Case No. 23626**, MRC seeks an order (a) approving a standard 319.85-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of Lot 3, SE/4 NW/4, and the E/2 SW/4 of Section 2, and the E/2 W/2 of Section 11, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. MRC seeks to initially dedicate this overlapping horizontal well spacing unit to the proposed **Charles Ling Fed Com #136H** well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 2 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 11. This 319.85-acre horizontal well spacing unit will overlap

the following existing horizontal well spacing units covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the N/2 N/2 of Section 2, Township 24 South, Range 33 East, dedicated to the Macho State #1H (API: 30-025-39884);
  - 160-acre, more or less, horizontal well spacing unit comprised of the S/2 N/2 of Section 2, Township 24 South, Range 33 East, dedicated to the Macho State #2H (API: 30-025-39885);
  - 160-acre, more or less, horizontal well spacing unit comprised of the N/2 S/2 of Section 2, Township 24 South, Range 33 East, dedicated to the Trucker “Brk” State #1H (API: 30-025-26309);
  - 160-acre, more or less, horizontal well spacing unit comprised of the S/2 S/2 of Section 2, Township 24 South, Range 33 East, dedicated to the Trucker “Brk” State #2H (API: 30-025-41972); and
  - 160-acre, more or less, horizontal well spacing unit comprised of the E/2 W/2 of Section 11, Township 24 South, Range 33 East, dedicated to the Roy Batty Federal Com #2H (API: 30-025-41332).
- Under **Case No. 23627**, MRC seeks an order (a) approving a standard 319.73-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of Lot 2, SW/4 NE/4, and the W/2 SE/4 of Section 2, and the W/2 E/2 of Section 11, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. MRC seeks to initially dedicate this overlapping horizontal well spacing unit to the proposed **Charles Ling Fed Com #137H** well, to be horizontally drilled from a surface

location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 11. This 319.73-acre horizontal well spacing unit will overlap the following existing horizontal well spacing units covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the N/2 N/2 of Section 2, Township 24 South, Range 33 East, dedicated to the Macho State #1H (API: 30-025-39884);
  - 160-acre, more or less, horizontal well spacing unit comprised of the S/2 N/2 of Section 2, Township 24 South, Range 33 East, dedicated to the Macho State #2H (API: 30-025-39885);
  - 160-acre, more or less, horizontal well spacing unit comprised of the N/2 S/2 of Section 2, Township 24 South, Range 33 East, dedicated to the Trucker “Brk” State #1H (API: 30-025-26309);
  - 160-acre, more or less, horizontal well spacing unit comprised of the S/2 S/2 of Section 2, Township 24 South, Range 33 East, dedicated to the Trucker “Brk” State #2H (API: 30-025-41972); and
  - 160-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Section 11, Township 24 South, Range 33 East, dedicated to the Roy Batty Federal Com #3H (API: 30-025-41333).
- Under **Case No. 23628**, MRC seeks an order (a) approving a standard 479.6-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of Lot 1, SE/4 NE/4, and the E/2 SE/4 of Section 2, and the E/2 E/2 of Sections 11 and 14, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well

spacing unit. MRC seeks to initially dedicate this overlapping horizontal well spacing unit to the proposed **Charles Ling Fed Com #138H** well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 2 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 14. This 479.6-acre horizontal well spacing unit will overlap the following existing horizontal well spacing units covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the N/2 N/2 of Section 2, Township 24 South, Range 33 East, dedicated to the Macho State #1H (API: 30-025-39884);
- 160-acre, more or less, horizontal well spacing unit comprised of the S/2 N/2 of Section 2, Township 24 South, Range 33 East, dedicated to the Macho State #2H (API: 30-025-39885);
- 160-acre, more or less, horizontal well spacing unit comprised of the N/2 S/2 of Section 2, Township 24 South, Range 33 East, dedicated to the Trucker “Brk” State #1H (API: 30-025-26309);
- 160-acre, more or less, horizontal well spacing unit comprised of the S/2 S/2 of Section 2, Township 24 South, Range 33 East, dedicated to the Trucker “Brk” State #2H (API: 30-025-41972);
- 160-acre, more or less, horizontal well spacing unit comprised of the E/2 E/2 of Section 11, Township 24 South, Range 33 East, dedicated to the Roy Batty Federal Com #4H (API: 30-025-41334); and

- o 160-acre, more or less, horizontal well spacing unit comprised of the E/2 E/2 of Section 14, Township 24 South, Range 33 East, dedicated to the Tyrell Fee #1H (API: 30-025-41026) and the Tyrell Fee #2H (API: 30-025-42789).

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>
Nick Weeks, Landman	Affidavit	Approx. 7
Liz Olson, 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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**CERTIFICATE OF SERVICE**

I hereby certify that on September 28, 2023, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
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QUESTIONS

Action 270299

QUESTIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 270299
	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.