

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

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

CASE NO. 25580

MRC'S PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

MRC Permian Company
("MRC")

ATTORNEY

Michael H. Feldewert
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APPLICANT'S STATEMENT OF THE CASE

Under **Case No. 25580**, MRC seeks an order (a) approving a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation ([Airstrip]; Bone Spring [POOL 960]) underlying the W/2 of Section 34, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted interests in this acreage. MRC seeks to initially dedicate the spacing unit to the proposed **Art Smith State Com 130H** u-turn well, with a surface hole location in the S/2 SW/4 of Section 27, to a first take point in the NE/4 NW/4 (Unit C) of Section 34 and a last take point in the NW/4 NW/4 (Unit D) Section 34. This proposed horizontal

well spacing unit will overlap the following spacing units in the Bone Spring formation with approved pooling orders (permits pending):

- An existing 320-acre spacing unit in the Bone Spring formation underlying the W/2 W/2 of Section 34, T18S-R34E, and the W/2 W/2 of Section 3, T19S-R34E, currently dedicated to the Art Smith State Com 121H, operated by Matador Production Company; and
- An existing 320-acre spacing unit in the Bone Spring formation underlying the E/2 W/2 of Section 34, T18S-R34E, and the E/2 W/2 of Section 3, T19S-R34E, currently dedicated to the Art Smith State Com 122H, operated by Matador Production.

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

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Isaac Evans, Landman	Self-Affirmed Statement	Approx. 3
Anna Thorson, Geologist	Self-Affirmed Statement	Approx. 3

PROCEDURAL MATTERS

MRC intends to present this case by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP



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QUESTIONS

Action 502595

QUESTIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 502595
	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.