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

APPLICATIONS OF MRC TORO, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 25581 & 25582

MRC'S CONSOLIDATED PRE-HEARING STATEMENT

MRC Toro, LLC ("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

ATTORNEY

MRC Toro, LLC ("MRC")

Michael H. Feldewert Adam G. Rankin Paula M. Vance Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421 (505) 983-6043 Facsimile

APPLICANT'S STATEMENT OF THE CASE

In these consolidated cases, MRC seeks orders pooling for the referenced acreage, all in Township 26 South, Range 36 East, NMPM, Lea County, New Mexico, in the Wolfcamp (oil) formation (WC-025 G-09 S263619C; Wolfcamp [98234]) as follows:

• Under Case No. 25581, MRC seeks an order pooling all uncommitted interest owners in a standard 553.55-acre, more or less, well spacing unit underlying the E/2 W/2 of Sections 14, 23, and 26, and the NE/4 NW/4 and Lot 3 (W/2 NW/4 equivalent) of irregular Section 35, and to initially dedicate the above-referenced

spacing unit to the proposed **Kyle Pipkin State Com 202H** well, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 14, a first take point in the NE/4 NW/4 (Unit C) of Section 14 and a last take point in the SE/4 SW/4 (Unit N) of irregular Section 35; and

• Under Case No. 25582, MRC seeks an order pooling all uncommitted interest owners in a standard 553.55-acre, more or less, well spacing unit underlying the W/2 E/2 of Sections 14, 23, and 26, and the NW/4 NE/4 and Lot 2 (E/2 NE/4 equivalent) of irregular Section 35, and to initially dedicate the above-referenced spacing unit to the proposed Kyle Pipkin State Com 203H well, to be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 14, a first take point in the NW/4 NE/4 (Unit B) of Section 14 and a last take point in the SW/4 SE/4 (Unit O) of irregular Section 35.

The completed interval for the wells 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
Addison Costley, Landman	Self-Affirmed Statement	Approx. 3
Blake Herber, Geologist	Self-Affirmed Statement	Approx. 3

PROCEDURAL MATTERS

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

Respectfully submitted,

HOLLAND & HART LLP

By:

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS

Action 502778

QUESTIONS

Operator:	OGRID:
MATADOR PRODUCTION COMPANY	228937
One Lincoln Centre	Action Number:
Dallas, TX 75240	502778
	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.	