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

APPLICATION OF CAZA PETROLEUM, INC. FOR COMPULSORY POOLING AND APPROVAL OF AN UNORTHODOX WELL LOCATION, EDDY COUNTY, NEW MEXICO.

CASE NO. 15491

APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING AND APPROVAL OF AN UNORTHODOX WELL LOCATION, EDDY COUNTY, NEW MEXICO.

CASE NO. 15498

7915

MATADOR's PRE-HEARING STATEMENT

Matador Production Company, the applicant in Case No. 15498, submits this Pre-Hearing

Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT IN CASE NO. 15491

Caza Petroleum, Inc.

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J. Scott Hall, Esq. Montgomery & Andrews, P.A. Post Office Box 2307 Santa Fe, New Mexico 87504-2307 (505) 982-3873 shall@montand.com

APPLICANT IN CASE NO. 15498

Matador Production Company 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240

ATTORNEY

ATTORNEY

Michael H. Feldewert, Esq.□Jordan L. Kessler, Esq.>>Holland & Hart, LLP>>Post Office Box 2208>>Santa Fe, New Mexico 87504-2208(505) 988-4421(505) 983-6043 Facsimile>>

MATADOR'S STATEMENT OF THE CASE

Matador Production Company seeks an order (1) pooling all mineral interests in the Wolfcamp formation underlying the 320-acre, more or less, spacing and proration unit comprised of the N/2 of Section 13, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico; and (2) approving an unorthodox well location for the proposed well. The spacing and proration unit will be the project area for the proposed **Brantley State Com 13-24S-27E RB No. 221H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 18, Township 24 South, Range 28 East to a non-standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 13, Township 24 South, Range 27 East.

This project area is located within the Black River; Wolfcamp, East (Gas) Pool (97442). This pool is subject to the statewide rules for defined gas pools in Eddy County which requires 320acre spacing and wells to be located no closer than 660 feet to the outer boundary of the quarter section 19.15.15.10(B) NMAC. Rules 19.15.15.13(B) and 19.15.4.12(A)(2) NMAC allow the Director to grant an exception to the well location requirements. The proposed **Brantley State Com 13-24S-27E RB No. 221H Well** will be unorthodox because the completed interval for this well will be closer than 660 feet to the outer boundary as required by Rule 19.15.15.10(B)(1). The completed interval for this well will commence 330 feet from the from the North line and 330 from the East line (Unit A) to a location 330 feet from the North Line and 330 feet from the West line (Unit D) of Section13. The completed interval therefore encroaches on the spacing and proration units to the North, East, Northeast, West, and Northwest.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Tm Elsener, Senior Staff Engineer/Team Leader	Approx. 20 minutes	Approx. 5
Van Singleton, Executive Vice President Land & Legal	Approx. 20 minutes	Approx. 5
Trey Goodwin, Senior Landman	Approx. 30 minutes	Approx. 15
Ned Frost, Chief Geologist	Approx. 20 minutes	Approx. 10
Chris Calvert, Senior Completion Engineer	Approx. 20 minutes	Approx. 5
Adam Lange, Engineer	Approx. 20 minutes	Approx. 5
John Romano, Senior Production Engineer	Approx. 20 minutes	Approx. 5

PROCEDURAL MATTERS

None at this time.

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Respectfully submitted,

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Dana R. Arnold Matador Resources Company 5400 Lyndon B. Johnson Freeway, Suite 1500 Dallas, TX 75240 darnold@matadorresources.com

ATTORNEYS FOR MATADOR PRODUCTION COMPANY

CERTIFICATE OF SERVICE

I hereby certify that on June 9, 2016, I served a copy of the foregoing document to the

following counsel of record via electronic mail:

J. Scott Hall, Esq. Montgomery & Andrews, P.A. Post Office Box 2307 Santa Fe, New Mexico 87504-2307 (505) 982-3873 shall@montand.com

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Michael H. Feldewert Jordan L. Kessler