

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

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IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF MATADOR PRODUCTION
COMPANY FOR A NON-STANDARD SPACING
AND PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

Case No. 15,363

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

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

Attention: Rudy Sims

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

Jalapeno Corporation
Yates Energy Corporation

OPPONENT'S ATTORNEY

J.E. Gallegos
Michael J. Condon

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order approving a 154.28-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of Lots 1-4 (the W/2W/2) of Section 31, Township 18 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Airstrip 31 18 35 RN State Com. Well No. 201H, a horizontal well with a surface location in Lot 4, and a terminus in Lot 1, of Section 31. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost

thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

This is a routine pooling case. Applicant will present evidence on (i) its five months of efforts to obtain the voluntary joinder of the interest owners in the proposed well, (ii) well costs, (iii) the risk charge, and (iv) the need and justification for a non-standard spacing unit.

OPPONENT

PROPOSED EVIDENCE.

APPLICANT

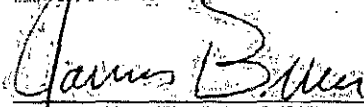
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Rudy Sims (landman)	25 min.	Approx. 8
James Andrew Juett (geologist)	20 min.	Approx. 5
Aaron Byrd (drilling engineer)	15 min.	Approx. 4
Jeron Williamson (reservoir engineer)	10 min.	Approx. 1

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

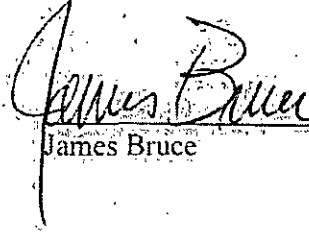
Attorney for Matador Production Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served on the following counsel of record this 22nd day of August via e-mail.

J.E. Gallegos
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Michael J. Condon
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James Bruce