

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

2016 AUG 30 P 3: 21

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION COMMISSION 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 (*de novo*)**

**PRE-HEARING STATEMENT**

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

**APPEARANCES**

**APPLICANT**

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

**APPLICANT'S ATTORNEY**

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

Dana R. Arnold  
(972) 371-5284  
darnold@matadorresources.com

**OPPONENT**

Jalapeno 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). 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.

Applicant will present evidence on (i) its good faith efforts to obtain the voluntary joinder of the interest owners in the proposed well, (ii) the reasonableness of well costs, (iii) the reasons a non-standard spacing and proration unit is appropriate, and (iv) the basis for the requested 200% risk charge.

#### OPPONENT

### **PROPOSED EVIDENCE**

#### APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Van H. Singleton, II EVP—Land	25 min.	Approx. 15
Dr. Edmund (Ned) Locke Frost, III Chief Geologist	25 min.	Approx. 8
Aaron Byrd Senior Drilling Engineer	25 min.	Approx. 6
Bradley M. Robinson SVP—Reservoir Engineering	15 min.	Approx. 5

#### Alternate Witnesses:

Andrew Juett  
Senior Staff Geologist

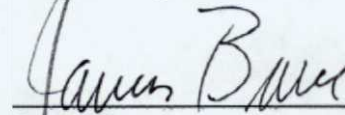
Jeff Lierly  
Senior Landman

#### 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

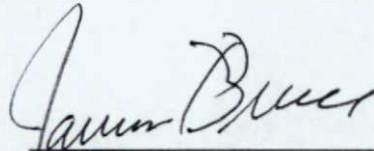
Attorney for Matador Production Company

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing pleading was served on the following counsel of record this 30<sup>th</sup> day of August, 2016 by hand delivery.

J.E. Gallegos  
*jeg@gallegoslawfirm.net*

Michael J. Condon  
*mjc@gallegoslawfirm.net*



James Bruce