STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION PECHNED COD 2 10

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

APPLICATION OF EOG RESOURCES, INC. FOR A NON-STANDARD SPACING AND PRORATION UNIT, COMPULSORY POOLING, AND APPROVAL TO SURFACE (POOL-LEASE) COMMINGLE, LEA COUNTY, NEW MEXICO.

Case No. 15,666

APPLICATION OF EOG RESOURCES, INC. FOR A NON-STANDARD SPACING AND PRORATION UNIT, COMPULSORY POOLING, AND APPROVAL TO SURFACE (POOL-LEASE) COMMINGLE, LEA COUNTY, NEW MEXICO.

Case No. 15.667

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by MRC Permian Company as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

EOG Resources, Inc.

<u>APPLICANT'S ATTORNEY</u>

Michael Feldewert Jordan L. Kessler

OPPONENT

MRC Permian Company

Suite 1500

5400 LBJ Freeway

Dallas, Texas 75240

OPPONENT'S ATTORNEY

James Bruce

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Attention:

Dana Arnold

(972) 371-5284

STATEMENT OF THE CASE

APPLICANT

Applicant seeks orders pooling all mineral interests in the Bone Spring formation (Case No. 15666) and the Wolfcamp formation (Case No. 15667) underlying the W/2SW/4 of Section 3 and the W/2W/2 of Section 10, Township 25 South, Range 34 East, NMPM.

OPPONENT

MRC Permian Company has numerous unresolved issues with Applicant regarding the proposed units, including the timing of the well proposals, well costs, allocation of facilities costs, and existing governing agreements.

PROPOSED EVIDENCE

APPLICANT

OPPONENT

WITNESSES	EST. TIME	<u>EXHIBITS</u>
Jonathan Filbert General Land Manager	30 min.	Approx. 10
Tom Elsener Senior Area Asset Manager	20 min.	Approx. 5

Alternate Technical Witnesses:

Brad Robinson
Senior Vice President - Reservoir Engineering

Trent W. Green, P.E. Vice President - Production & Facilities

PROCEDURAL MATTERS

MRC Permian Company has informally requested of Applicant a four week continuance of Case Nos. 15666 and 15667. Applicant has assured MRC Permian Company that it will provide a proposal to resolve the above enumerated issues by the end of the day on March 23, 2017. Accordingly, at this time, MRC Permian Company will not formally move to continue these cases, but reserves its right to file a motion to continue these cases.

Respectfully submitted,

ames Bruce

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Attorney for MRC Permian Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this ______ day of March, 2017 via e-mail:

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Jordan L. Kessler jlkessler@hollandhart.com

Dames Bruce