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

APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

MATADOR's PRE-HEARING STATEMENT

Matador Production Company, the applicant in the above-referenced matter, submits the second second

APPEARANCES

ATTORNEY

APPLICANT

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

CASE NO

APPLICANT'S STATEMENT OF CASE

Matador seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying the 320-acre, more or less, spacing and proration unit comprised of the N/2 of Section 32, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico. The Unit will be the project area for the proposed **Pennzoil 32 Fed No. 201H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 33 to a non-standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 32. This spacing unit is located within the Burton Flat; Wolfcamp, East (Gas) Pool (Pool Code 73480). The completed interval for this well is unorthodox pursuant to the Division Statewide Rules for gas wells. Matador will submit an administrative application for approval of the unorthodox location.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Cassie Hahn, Landman	Approx. 10 minutes	Approx.8

Andy Juett, Geologist

Approx. 10 minutes

Approx. 4

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP

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~And~

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ATTORNEYS FOR MATADOR PRODUCTION COMPANY