

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

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

**AMENDED APPLICATION OF XTO ENERGY INC.  
FOR APPROVAL OF THE EXPANSION OF THE  
JAMES RANCH UNIT, EDDY COUNTY, NEW MEXICO.**

**Case No. 15844 (*de novo*)**

**MOTION FOR A CONTINUANCE**

MRC Permian Company and MRC Permian LKE Company, LLC (collectively, "MRC") request a continuance of the above case until the September 13, 2018 Commission meeting, and in support thereof, state:

**BACKGROUND**

1. In this case XTO Energy Inc. ("XTO") requests approval of the expansion of the James Ranch Unit, an exploratory unit, by 13,223.68 acres of land (the unit area currently contains 15,094.41 acres of land).

2. MRC owns approximately 1,120 acres of contiguous leasehold within the proposed expansion area. MRC Owns 100% of the working interest in its 1,120 acres, which is located entirely at the outer boundary of XTO's proposed expansion area. This is a substantial position.

3. MRC has requested of XTO several times for over a year to remove MRC's acreage from the James Ranch expansion, to no effect, even though this is an easy resolution of the parties' differences. The Division granted XTO's application to include MRC's acreage in the expanded unit area.

4. MRC prefers to drill and operate leases in which it owns a majority of, or the entire, working interest. Inclusion of MRC's acreage within the expanded unit, even if it is not committed thereto, gives XTO the upper hand in obtaining operation of wells containing MRC acreage. Thus, MRC would prefer not to have its lands in the unit area, which could diminish the value of its acreage.

5. MRC desires to promptly develop its acreage. However, XTO has provided no timetable for development of the acreage, despite several requests (there have been neither well proposals nor any indication of when XTO would actually drill the acreage). Matador will not commit its acreage to a development area where there is no development timetable.

REQUEST

6. This case has been continued several times, originally at the requests of XTO. The case was last set for hearing in July, but MRC requested a continuance due to witness unavailability. XTO consented so long as the continuance was to August.

7. The August Commission meeting was originally set for the week of August 13<sup>th</sup>, but was later changed to August 20<sup>th</sup>.

8. The undersigned counsel for MRC has a long-scheduled (out-of-state) vacation with his children planned during the entire week of August 20<sup>th</sup> (leaving town on August 17<sup>th</sup>), and thus is unavailable for the August Commission meeting.

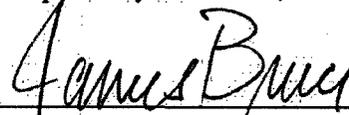
9. Both Matador Production Company (MRC's operator) and XTO have federal well location on-site visits scheduled for August 29<sup>th</sup> for well location approval and development of the acreage. It does not make sense to have a hearing on the unit expansion before the onsite visit is conducted.

10. Thus, a continuance is requested to the September 13<sup>th</sup> Commission meeting.

11. XTO objects to this motion.

WHEREFORE, MRC requests that this case be continued to the September 13, 2018 Commission meeting.

Respectfully submitted,



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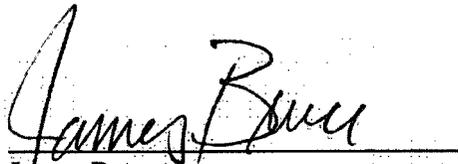
Attorney for MRC Permian Company and  
MRC Permian LKE Company, LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 9<sup>th</sup> day of August, 2018 by e-mail:

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James Bruce