

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

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

JUN 6 1991

APPLICATION OF MATADOR PETROLEUM
CORPORATION FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 11000

APPLICATION OF M. CRAIG CLARK
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 11001

**CONSOLIDATED
PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by MATADOR PETROLEUM CORPORATION, as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT IN CASE 11000
OPPONENT IN CASE 11001

ATTORNEY

Matador Petroleum Corporation
415 W. Wall, Suite 1101
Midland, Texas 79701
(915) 687-5955
attn: Joe Foran

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

OPPONENT IN CASE 11000
APPLICANT IN CASE 11001

ATTORNEY

M. Craig Clark

Earnest L. Carroll, Esq
P. O. Drawer 239
Artesia, N.M. 88211
(505) 746-3505

STATEMENT OF CASE

Matador has obtained a Farmout from Hunt Oil Company and now has 95 % of the operating rights in the oil and gas minerals from the top of the Wolfcamp to the base of the Morrow underlying the N/2 of Section 19, T20S, R27E, NMPM, Eddy County, New Mexico.

Matador has proposed the subject well and its spacing unit to Mr. M. Craig Clark who controls the remaining 5 % working interest in the spacing unit but also controls 100 % of the working interest in adjoining Section 18.

Mr. Clark wants Matador to commence drilling the subject well but objects to the terms and conditons of Matador's 3-D seismic program which it desires to conduct prior to locating and drilling the subject well.

Matador and Hunt believe that additional seismic data is needed in order to reduce the risk in locating and drilling the subject well.

Matador requests an order pooling the mineral interest described in this spacing unit for the drilling of the subject well at a standard gas well location upon terms and conditions which include:

- (1) Matador Petroleum Corporation be named operator;
- (2) The order make provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (3) A provision for overhead rates and a method for adjusting those rates in accordance with COPAS accounting procedures;
- (4) In the event a working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200 %;
- (5) A drilling schedule which will provide an opportunity for the operator to conduct a 3-D seismic survey in the area; and
- (6) For such other and further relief as may be proper.

PROPOSED EVIDENCE

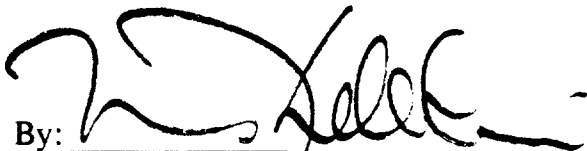
APPLICANT in Case 11000:

WITNESSES	EST. TIME	EXHIBITS
Barry Osborne (landman)	20 min.	@ 4 exhibits
David Motloch (attorney) Hunt Oil Company	30 Min.	@ 6 exhibits
Joe Foran (owner) President of Matador Petroleum Corporation	20 Min.	@ 4 exhibits
Louis Lint (geophysicist)	30 Min.	@ 5 exhibits

PROCEDURAL MATTERS

None anticipated at this time.

KELLAHIN AND KELLAHIN

By: 

W. Thomas Kellahin
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OIL CONSERVATION DIVISION LAW OFFICES
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June 3, 1994

JUN 8 1994

VIA FACSIMILE AND FIRST CLASS MAIL

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Arco Permian Appl. for Compulsory Pooling,
Case No. 10993

Anadarko Appl. for Compulsory Pooling, Case
No. 10996

Clark/Matador Applications for Compulsory Pooling,
Case Nos. 11000 and 11001

Dear Mr. LeMay:

I am transmitting herewith Arco Permian's Prehearing Statement for filing in the above-referenced Case No. 10993.

Also enclosed is an Entry of Appearance on behalf of C. W. Stumhoffer and C. Daniel Walker for filing in the Anadarko case (10996) listed above.

I am also enclosing M. Craig Clark's Consolidated Prehearing Statement for filing in cases 11000 and 11001.

Thank you for your assistance.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

Ernest L. Carroll / KTH

Ernest L. Carroll

ELC:kth
Encl.

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
MATADOR PETROLEUM CORPORATION FOR : CASE NO. 11000
COMPULSORY POOLING, EDDY COUNTY, :
NEW MEXICO :
_____ :

AND

JUN 8 1966

IN THE MATTER OF THE APPLICATION OF :
M. CRAIG CLARK FOR COMPULSORY POOLING, : CASE NO. 11001
EDDY COUNTY, NEW MEXICO :
_____ :

M. CRAIG CLARK'S CONSOLIDATED PREHEARING STATEMENT

This prehearing statement is submitted by M. CRAIG CLARK as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

ATTORNEY

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Matador Petroleum Corporation

W. Thomas Kellahin
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STATEMENT OF CASE

M. CRAIG CLARK has applied to the Division for an order pooling all mineral interests from the surface to the Cisco formation underlying the N/2 of Section 19, T20S, R27E, NMPM, Eddy County, New Mexico, and proposes to drill his Ceiba State Com 19 Well and dedicate the N/2 of said Section 19 for all pools or formations spaced on 320 acres.

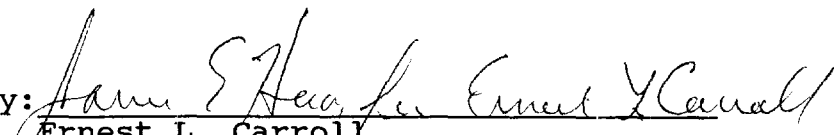
Matador Petroleum Corporation has filed its competing Application for Compulsory Pooling, NMOCD Case No. 11000.

PROPOSED EVIDENCE/M. CRAIG CLARK

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
M. Craig Clark, Certified Professional Landman	30 min.	5
David Cromwell, Geologist	30 min.	5

Respectfully submitted,

LOSEE, CARSON, HAAS & CARROLL, P.A.

By: 
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Attorneys for M. CRAIG CLARK