

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

**APPLICATIONS OF MRC PERMIAN COMPANY  
FOR APPROVAL OF STANDARD OVERLAPPING  
HORIZONTAL WELL SPACING UNITS  
AND COMPULSORY POOLING,  
LEA AND EDDY COUNTIES, NEW MEXICO.**

**CASE NOS. 25728, 25730-25733**

**APPLICATIONS OF MRC PERMIAN  
COMPANY FOR COMPULSORY POOLING,  
LEA AND EDDY COUNTIES, NEW MEXICO.**

**CASE NOS. 25734-25737**

**MRC'S CONSOLIDATED PRE-HEARING STATEMENT**

MRC Permian Company ("MRC" or "Applicant"), the applicant in the above-referenced matters, submits this Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

MRC Permian Company  
("MRC")

**ATTORNEY**

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**OTHER PARTIES**

EOG Resources, Inc.  
("EOG") – Case Nos. 25728 & 25730

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### APPLICANT'S STATEMENT OF THE CASE

Under these consolidated cases, MRC seeks orders pooling the referenced acreage as follows:

- In **Case No. 25728**, MRC seeks an order (a) approving a standard 482.46-acre, more or less, overlapping horizontal well spacing unit in the Second Bone Spring formation underlying the W/2 SW/4 of Section 26 and the W/2 W/2 of Section 35, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico, as well as Lots 1, 8, 9, & 16, the NE/4 SE/4, and the SE/4 SE/4 (E/2 E/2 equivalent) of irregular Section 2, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico; and (b) pooling the uncommitted interest owners in this acreage. Due to ownership differences in the Bone Spring formation underlying this acreage, Applicant seeks to pool only the Second Bone Spring interval of the Bone Spring formation, defined as the stratigraphic equivalent of the depths between 9,206 feet total vertical depth and 9,992 feet total vertical depth, as shown in the logs of the Sam H. Snoddy Federal 001 well (30- 025-27812). Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Twinkle 2601 Federal Com 121H** well, to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 26, T20S-R32E, with a first take point in the NW/4 SW/4 (Unit L) of Section 26, T20S-R32E, and a last take point in the SE/4 SE/4 (Unit P) of irregular Section 2, T21S-R31E. This proposed standard horizontal well spacing unit will overlap the following existing or proposed horizontal well spacing units in the Bone Spring formation:

- A proposed 482-acre spacing unit comprised of this same acreage in the intervals above and below the Second Bone Spring interval to be dedicated to the Twinkle 2601 Federal Com 131H well proposed by MRC; and
- An existing 640-acre spacing unit in the Bone Spring formation underlying All of Section 26, T20S-R32E, currently dedicated to the Snoddy Federal 020H (30-025- 40447), Snoddy Federal 021H (30-025-40838), and Snoddy Federal 023H (30-025-40837), operated by Cimarex Energy Company (“Cimarex”).
- In **Case No. 25730**, MRC seeks an order (a) approving a standard 482.46-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation, save and except the Second Bone Spring interval, underlying the W/2 SW/4 of Section 26 and the W/2 W/2 of Section 35, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico, as well as Lots 1, 8, 9, & 16, the NE/4 SE/4, and the SE/4 SE/4 (E/2 E/2 equivalent) of irregular Section 2, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico; and (b) pooling the uncommitted interest owners in this acreage. Due to ownership differences in the Bone Spring formation underlying this acreage, Applicant seeks to exclude from pooling the Second Bone Spring interval defined as the stratigraphic equivalent of the depths between 9,206 feet total vertical depth and 9,992 feet total vertical depth, as shown in the logs of the Sam H. Snoddy Federal 001 well (API No. 30-025-27812). Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Twinkle 2601 Federal Com 131H** well, to be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section

26, T20S-R32E, with a first take point in the NW/4 SW/4 (Unit L) of Section 26, T20S-R32E, and a last take point in the SE/4 SE/4 (Unit P) of irregular Section 2, T21S-R31E. This proposed standard horizontal well spacing unit will overlap the following existing or proposed horizontal well spacing units in the Bone Spring formation:

- A proposed 482-acre spacing unit comprised of this same acreage in the intervals above and below the Second Bone Spring interval to be dedicated to the Twinkle 2601 Federal Com 121H well proposed by MRC; and
  - An existing 640-acre spacing unit in the Bone Spring formation underlying All of Section 26, T20S-R32E, currently dedicated to the Snoddy Federal 020H (30-025- 40447), Snoddy Federal 021H (30-025-40838), and Snoddy Federal 023H (30-025-40837), operated by Cimarex Energy Company (“Cimarex”).
- In **Case No. 25731**, MRC seeks an order (a) approving a standard 482.49-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the E/2 SW/4 of Section 26 and the E/2 W/2 of Section 35, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico, as well as Lots 4, 5, 12, & 13, the NW/4 SW/4, and the SW/4 SW/4 (W/2 W/2 equivalent) of irregular Section 1, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico; and (b) pooling the uncommitted interest owners in this acreage. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Twinkle 2601 Federal Com 132H** well, to be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 26, T20S-R32E, with a first take

point in the NE/4 25731 2 SW/4 (Unit K) of Section 26, T20S-R32E, and a last take point in the SW/4 SW/4 (Unit M) of irregular Section 1, T21S-R31E. This proposed standard horizontal well spacing unit will overlap the following existing or proposed horizontal well spacing units in the Bone Spring formation:

- An existing 640-acre spacing unit in the Bone Spring formation underlying All of Section 26, T20S-R32E, currently dedicated to the Snoddy Federal 020H (30-025- 40447), Snoddy Federal 021H (30-025-40838), and Snoddy Federal 023H (30-025-40837), operated by Cimarex Energy Company (“Cimarex”).
- In **Case No. 25732**, MRC seeks an order (a) approving a standard 482.50-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the W/2 SE/4 of Section 26 and the W/2 E/2 of Section 35, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico, as well as Lots 3, 6, 11, & 14, the NE/4 SW/4, and the SE/4 SW/4 (E/2 W/2 equivalent) of irregular Section 1, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico; and (b) pooling the uncommitted interest owners in this acreage. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Twinkle 2601 Federal Com 133H** well, to be horizontally drilled from a surface location in the SW/4 NE/4 (Unit G) of Section 26, T20S-R32E, with a first take point in the NW/4 25732 2 SE/4 (Unit J) of Section 26, T20S-R32E, and a last take point in the SE/4 SW/4 (Unit N) of irregular Section 1, T21S-R31E. This proposed standard horizontal well spacing unit will overlap the following existing or proposed horizontal well spacing units in the Bone Spring formation:

- An existing 640-acre spacing unit in the Bone Spring formation underlying All of Section 26, T20S-R32E, currently dedicated to the Snoddy Federal 020H (30-025- 40447), Snoddy Federal 021H (30-025-40838), and Snoddy Federal 023H (30-025-40837), operated by Cimarex Energy Company (“Cimarex”).
- In **Case No. 25733**, MRC seeks an order (a) approving a standard 482.52-acre, more or less, overlapping horizontal well spacing unit in the in the Bone Spring formation, save and except the Second Bone Spring interval, underlying the E/2 SE/4 of Section 26 and the E/2 E/2 of Section 35, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico, as well as Lots 2, 7, 10, & 15, the NW/4 SE/4, and the SW/4 SE/4 (W/2 E/2 equivalent) of irregular Section 1, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico; and (b) pooling the uncommitted interest owners in this acreage. Due to ownership differences in the Bone Spring formation underlying this acreage, Applicant seeks to exclude from pooling the Second Bone Spring interval defined as the stratigraphic equivalent of the depths between 9,206 feet total vertical depth and 9,992 feet total vertical depth, as shown in the logs of the Sam H. Snoddy Federal 001 well (30-025-27812). Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Twinkle 2601 Federal Com 134H** well, to be horizontally drilled from a surface location in the SW/4 NE/4 (Unit G) of Section 26, T20S-R32E, with a first take point in the NE/4 SE/4 (Unit I) of Section 26, T20S-R32E, and a last take point in the SW/4 SE/4 (Unit O) of irregular Section 1, T21S-R31E. This

proposed standard horizontal well spacing unit will overlap the following existing or proposed horizontal well spacing units in the Bone Spring formation:

- A proposed 483-acre spacing unit comprised of this same acreage in the intervals above and below the Second Bone Spring interval to be dedicated to the Twinkle 2601 Federal Com 124H well proposed by MRC; and
  - An existing 640-acre spacing unit in the Bone Spring formation underlying All of Section 26, T20S-R32E, currently dedicated to the Snoddy Federal 020H (30-025- 40447), Snoddy Federal 021H (30-025-40838), and Snoddy Federal 023H (30-025- 40837), operated by Cimarex Energy Company (“Cimarex”).
- In **Case No. 25734**, MRC seeks an order pooling the uncommitted interest owners in a standard 482.46-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the W/2 SW/4 of Section 26 and the W/2 W/2 of Section 35, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico, as well as Lots 1, 8, 9, & 16, the NE/4 SE/4, and the SE/4 SE/4 (E/2 E/2 equivalent) of irregular Section 2, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Twinkle 2601 Federal Com 201H** well, to be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 26, T20S-R32E, with a first take point in the NW/4 SW/4 (Unit L) of Section 26, T20S-R32E, and a last take point in the SE/4 SE/4 (Unit P) of irregular Section 2, T21S-R31E.

- In **Case No. 25735**, MRC seeks an order pooling the uncommitted interest owners in a standard 482.49-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the E/2 SW/4 of Section 26 and the E/2 W/2 of Section 35, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico, as well as Lots 4, 5, 12, & 13, the NW/4 SW/4, and the SW/4 SW/4 (W/2 W/2 equivalent) of irregular Section 1, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Twinkle 2601 Federal Com 202H** well, to be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 26, T20S-R32E, with a first take point in the NE/4 SW/4 (Unit K) of Section 26, T20S-R32E, and a last take point in the SW/4 SW/4 (Unit M) of irregular Section 1, T21S-R31E.
- In **Case No. 25736**, MRC seeks an order pooling the uncommitted interest owners in a standard 482.50-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the W/2 SE/4 of Section 26 and the W/2 E/2 of Section 35, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico, as well as Lots 3, 6, 11, & 14, the NE/4 SW/4, and the SE/4 SW/4 (E/2 W/2 equivalent) of irregular Section 1, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Twinkle 2601 Federal Com 203H** well, to be horizontally drilled from a surface location in the SW/4 NE/4 (Unit G) of Section 26, T20S-R32E, with a first take point in the NW/4 SE/4 (Unit

J) of Section 26, T20S-R32E, and a last take point in the SE/4 SW/4 (Unit N) of irregular Section 1, T21S-R31E.

- In **Case No. 25737**, MRC seeks an order pooling the uncommitted interest owners in a standard 482.52-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the E/2 SE/4 of Section 26 and the E/2 E/2 of Section 35, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico, as well as Lots 2, 7, 10, & 15, the NW/4 SE/4, and the SW/4 SE/4 (W/2 E/2 equivalent) of irregular Section 1, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Twinkle 2601 Federal Com 204H** well, to be horizontally drilled from a surface location in the SW/4 NE/4 (Unit G) of Section 26, T20S-R32E, with a first take point in the NE/4 SE/4 (Unit I) of Section 26, T20S-R32E, and a last take point in the SW/4 SE/4 (Unit O) of irregular Section 1, T21S-R31E.

The completed interval for the wells will meet the statewide setbacks for oil wells. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing units.

#### **APPLICANT'S PROPOSED EVIDENCE**

| <b>WITNESS<br/>Name and Expertise</b> | <b>ESTIMATED TIME</b>   | <b>EXHIBITS</b> |
|---------------------------------------|-------------------------|-----------------|
| Hawks Holder, Landman                 | Self-Affirmed Statement | Approx. 6       |
| Andrew Parker, Geologist              | Self-Affirmed Statement | Approx. 3       |

**PROCEDURAL MATTERS**

MRC requests that these matters be consolidated for hearing and intends to present these cases by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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**ATTORNEYS FOR MRC PERMIAN COMPANY AND  
MATADOR PRODUCTION COMPANY**

**CERTIFICATE OF SERVICE**

I hereby certify that on November 25, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

QUESTIONS  
  
Action 529934

QUESTIONS

|                                                                                       |                                                              |
|---------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Operator:<br><br>MATADOR PRODUCTION COMPANY<br>One Lincoln Centre<br>Dallas, TX 75240 | OGRID:<br><br>228937                                         |
|                                                                                       | Action Number:<br><br>529934                                 |
|                                                                                       | Action Type:<br><br>[HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

|                                                                             |               |
|-----------------------------------------------------------------------------|---------------|
| Testimony                                                                   |               |
| Please assist us by provide the following information about your testimony. |               |
| Number of witnesses                                                         | Not answered. |
| Testimony time (in minutes)                                                 | Not answered. |