

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

**APPLICATIONS OF MRC PERMIAN COMPANY
FOR COMPULSORY POOLING AND APPROVAL
OF OVERLAPPING SPACING UNITS, LEA COUNTY,
NEW MEXICO.**

CASE NOS. 25697 & 25699

PRE-HEARING STATEMENT

MRC Permian Company ("Applicant") files this pre-hearing statement with the Oil Conservation Division pursuant to Division Rules.

APPEARANCES

APPLICANT

MRC Permian Company
Suite 1500
5400 LBJ Freeway
Dallas, Texas 75240

Attention: David Johns

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 660-6612

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OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Case No. 25697: *Application of MRC Permian Company for compulsory pooling and approval of overlapping spacing units, Lea County, New Mexico*: MRC Permian Company ("Applicant") has filed an application with the Oil Conservation Division for an order pooling all uncommitted mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2 of Section 17, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico (the "Unit"). Applicant proposes to drill the Carl Mottek Fed. Well Nos. 100H, 130H, and 140H in the Unit. The wells will be horizontally drilled from surface locations and first take points in the NW/4NW/4 (Unit D) of Section 17 to bottom hole locations and last take points in the NE/4NW/4 (Unit C) of Section 17. The wells are U-turn wells: The W/2W/2 of Section 17 will contain the north-south laterals, and the E/2W/2 of Section 17 will contain the south-north laterals. Applicant also requests approval for the Unit to overlap the W/2W/2 of Section 17 spacing unit

for the (i) Carl Mottek Federal Well No. 121H (API No. 30-025-44936), and (ii) Carl Mottek Federal Well No. 125H (API No. 30-025-44937), both operated by Matador Production Company.

Case Bo. 25699: ***Application of MRC Permian Company for compulsory pooling and approval of overlapping spacing units, Lea County, New Mexico***: MRC Permian Company (“Applicant”) has filed an application with the Oil Conservation Division for an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2 of Section 17, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico (the “Unit”). Applicant proposes to drill the Carl Mottek Fed. Well No. 220H in the Unit. The well will be horizontally drilled from a surface location and a first take point in the NW/4NW/4 (Unit D) of Section 17 to a bottom hole location and a last take point in the NE/4NW/4 (Unit C) of Section 17. The well is a U-turn well: The W/2W/2 of Section 17 will contain the north-south lateral, and the E/2W/2 of Section 17 will contain the south-north lateral. Applicant also requests approval for the Unit to overlap the W/2W/2 of Section 17 spacing unit for the Carl Mottek Federal Well No. 211H (API No. 30-025-44919), operated by Matador Production Company.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>Witnesses</u>	<u>Estimated Time</u>	<u>Exhibits</u>
David Johns (Landman)	10 minutes	Approx. 8
Blake Herber (Geologist)	10 minutes	Approx. 8

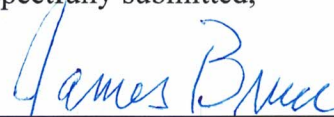
OPPONENT

<u>Witnesses</u>	<u>Estimated Time</u>	<u>Exhibits</u>
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PROCEDURAL MATTERS

These cases should be consolidated for hearing.

Respectfully submitted,

A handwritten signature in blue ink that reads "James Bruce". The signature is written in a cursive style with a large initial "J".

James Bruce
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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QUESTIONS

Action 530028

QUESTIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 530028
	Action Type: [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.