

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

**APPLICATION OF MR NM OPERATING  
LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 25954**

**MR NM OPERATING LLC’S PRE-HEARING STATEMENT**

MR NM Operating, LLC submits this Pre-Hearing Statement for the above-referenced case pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

MR NM Operating

**ATTORNEY**

Deana M. Bennett  
Earl E. DeBrine, Jr.  
MODRALL, SPERLING, ROEHL,  
HARRIS & SISK, P.A.  
P. O. Box 2168  
Albuquerque, New Mexico 87103-2168  
(505) 848-1800

**OTHER PARTIES**

None

**ATTORNEY**

**STATEMENT OF CASES**

In Case No. 25954, MR NM Operating LLC seeks an order from the Division pooling all uncommitted interests in the Yeso formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the N/2 SE/4 of Section 31 and N/2 SW/4 of Section 32, Township 16 South, Range 32 East, Lea County, New Mexico (“Unit”). The Unit will be dedicated to the Shrek State Com #3H well (“Well”), which will be drilled from a surface hole location in the NE/4 SW/4 (unit K) of Section 32 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 31. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of

Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 34 miles east of Artesia, New Mexico.

**PROPOSED EVIDENCE**

<b>WITNESS</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Landman: Blake Simmons	Approx. 10 minutes	Approx. 7
Geologist: James G. Keenan	Approx. 10 minutes	Approx. 5

**PROCEDURAL ISSUES**

MR NM Operating LLC intends to present this case by affidavit if there is no opposition to this application.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.

By: 

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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 558476

**QUESTIONS**

Operator: MR NM Operating LLC 5950 Berkshire Lane Dallas, TX 75225	OGRID: 330506
	Action Number: 558476
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	2
Testimony time (in minutes)	<i>Not answered.</i>