

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

**APPLICATIONS OF MRC HAT MESA, LLC
FOR APPROVAL OF A STANDARD
OVERLAPPING HORIZONTAL WELL
SPACING UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 25905- 25906

**APPLICATIONS OF MRC HAT MESA, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 25907- 25908

MRC’S CONSOLIDATED PRE-HEARING STATEMENT

MRC Hat Mesa, LLC (“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 Hat Mesa, LLC
 (“MRC”)

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OTHER PARTIES

Marathon Oil Permian, LLC

ATTORNEY

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APPLICANT'S STATEMENT OF THE CASES

Under these consolidated cases, MRC seeks orders pooling all uncommitted interests in the following proposed horizontal well spacing units underlying acreage within Township 21 South, Range 33 East, and Township 22 South, Range 33 East, NMPM, Lea County, New Mexico:

- Under **Case No. 25905**, MRC seeks an order (1) approving a standard 400.05-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation (WC-025 G-07 S213330F; Bone Spring [97927] and Legg; Bone Spring [37870]) underlying the W/2 E/2 of Sections 29 and 32, T21S-R33E, as well as Lot 2 and the SW/4 NE/4 (W/2 NE/4 equivalent) of irregular Section 5, T22S-R33E, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted interests in this acreage. MRC seeks to dedicate this overlapping horizontal spacing unit to the proposed **Toddy Glosser State Com 113H** well, to be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of irregular Section 5, T22S-R33E, with a first take point in the SW/4 NE/4 (Unit G) of irregular Section 5, T22S-R33E, and a last take point in the NW/4 NE/4 (Unit B) of Section 29, T21S-R33E. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:
 - An existing 160-acre spacing unit underlying the W/2 E/2 of Section 29, T21S-R33E, currently dedicated to the Abe State 1H (30-025-44043), operated by Marathon Oil Permian LLC (“Marathon”).
- Under **Case No. 25906**, MRC seeks an order (1) approving a standard 400.06-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation (WC-025 G-07 S213330F; Bone Spring [97927] and Legg; Bone Spring [37870]) underlying the E/2 E/2 of Sections 29 and 32, T21S-R33E, as well as Lot 1 and the SE/4 NE/4 (E/2 NE/4 equivalent) of irregular Section 5, T22S-R33E, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted interests in this acreage. MRC seeks to dedicate this overlapping

horizontal spacing unit to the proposed **Toddy Glosser State Com 114H** well, to be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of irregular Section 5, T22S-R33E, with a first take point in the SE/4 NE/4 (Unit H) of irregular Section 5, T22S-R33E, and a last take point in the NE/4 NE/4 (Unit A) of Section 29, T21S-R33E. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:

- An existing 160-acre spacing unit underlying the E/2 E/2 of Section 29, T21S-R33E, currently dedicated to the Abe State 2H (30-025-42066) and Abe State 3H (30-025-42230), operated by Marathon Oil Permian LLC (“Marathon”).
- Under **Case No. 25907**, MRC seeks an order pooling the uncommitted interest owners in a standard 400.05-acre, more or less, horizontal well spacing unit in the Wolfcamp formation (WC-025 G-10 S213328O; Wolfcamp [98033]) underlying the W/2 E/2 of Sections 29 and 32, T21S-R33E, as well as Lot 2 and the SW/4 NE/4 (W/2 NE/4 equivalent) of irregular Section 5, T22S-R33E, NMPM, Lea County, New Mexico. MRC seeks to dedicate this horizontal spacing unit to the proposed **Toddy Glosser State Com 203H** well, to be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of irregular Section 5, T22S-R33E, with a first take point in the SW/4 NE/4 (Unit G) of irregular Section 5, T22S-R33E, and a last take point in the NW/4 NE/4 (Unit B) of Section 29, T21S-R33E.
- Under **Case No. 25908**, MRC seeks an order pooling the uncommitted interest owners in a standard 400.06-acre, more or less, horizontal well spacing unit in the Wolfcamp formation (WC-025 G-10 S213328O; Wolfcamp [98033]) underlying the E/2 E/2 of Sections 29 and 32, T21S-R33E, as well as Lot 1 and the SE/4 NE/4 (E/2 NE/4 equivalent) of irregular Section 5, T22S-R33E, NMPM, Lea County, New Mexico. MRC seeks to dedicate this horizontal spacing unit to the proposed **Toddy Glosser State Com 204H**

well, to be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of irregular Section 5, T22S-R33E, with a first take point in the SE/4 NE/4 (Unit H) of irregular Section 5, T22S-R33E, and a last take point in the NE/4 NE/4 (Unit A) of Section 29, T21S-R33E.

The completed interval for the wells will comply with statewide setbacks for oil. MRC has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject acreage.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Clay Wooten, Landman	Self-Affirmed Statement	Approx. 6
Liz Olson, Geologist	Self-Affirmed Statement	Approx. 3

PROCEDURAL MATTERS

MRC does not anticipate opposition to these matters and requests that they be consolidated for a hearing by self-affirmed statements.

Respectfully submitted,

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**ATTORNEYS FOR MRC HAT MESA, LLC AND
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CERTIFICATE OF SERVICE

I hereby certify that on March 19, 2026, 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
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QUESTIONS

Action 564854

QUESTIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 564854
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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