

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

**APPLICATION OF MRC PERMIAN COMPANY
FOR AN OVERLAPPING HORIZONTAL WELL
SPACING UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 26146

MRC'S PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

MRC Permian Company

ATTORNEY

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APPLICANT'S STATEMENT OF THE CASE

Under **Case No. 24146**, MRC seeks an order (1) approving an overlapping, 640.85-acre, more or less, overlapping horizontal well spacing unit in the Wolfcamp (Purple Sage; Wolfcamp [98220]) formation underlying Lots 3-4, S/2 NW/4, and SW/4 (W/2 equivalent) of irregular Section 3 and the W/2 of Section 10, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in this acreage. MRC seeks to initially dedicate the above-referenced overlapping spacing unit to the proposed **Tony La Russa State Com 200H** well, to be horizontally drilled from a surface location in Lot 4 (NW/4 NW/4

equivalent) of irregular Section 3, with a first take point in Lot 3 (NE/4 NW/4 equivalent) of irregular Section 3, and a last take point in the NW/4 NW/4 (Unit D) of Section 10.

This proposed horizontal well spacing unit will overlap the following existing spacing units in the Wolfcamp formation:

- A 640.85-acre, more or less, spacing unit comprised of the W/2 of Sections 3 and 10 in the Wolfcamp formation dedicated to the Tony La Russa 0310 State Com 225H well, operated by Matador Production Company (“Matador”) (API No. 30-015-49520);
- A 640.85-acre, more or less, spacing unit comprised of the W/2 of Sections 3 and 10 in the Wolfcamp formation dedicated to the Tony La Russa 0310 State Com 226H well, operated by Matador (API No. 30-015- 49601);
- A 320.85-acre, more or less, spacing unit comprised of the W/2 of Section 3 in the Wolfcamp formation dedicated to the Tony La Russa 0310 State Com 201H well, operated by Matador (API No. 30-015- 45964); and
- A 320.85-acre, more or less, spacing unit comprised of the W/2 of Section 3 in the Wolfcamp formation dedicated to the Tony La Russa 0310 State Com 202H well, operated by Matador (API No. 30-015- 45965).

The completed interval for the well will comply with the setback requirements under the Purple Sage Special Pool rules. MRC has sought but 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

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Addison Costley, Landman	Self-Affirmed Statement	Approx. 4

Braden Hrencher, Geologist

Self-Affirmed Statement

Approx. 4

PROCEDURAL MATTERS

MRC intends to present this case by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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QUESTIONS

Action 589454

QUESTIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 589454
	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>