

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

**APPLICATION OF E.G.L. RESOURCES,
INC. FOR COMPULSORY POOLING, LEA
COUNTY, NEW MEXICO.**

CASE NO. 23214

MRC DELAWARE AND MATADOR'S PRE-HEARING STATEMENT

Matador Production Company and MRC Delaware Resources ("MRC Entities") submit this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

E.G.L. Resources Inc.

ATTORNEY

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AFFECTED PARTIES

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STATEMENT OF THE CASE

The Applicant in this matter has filed an application that seeks the following relief from the Division:

“An order pooling all mineral interests within the Quail Ridge, Bone Spring (Pool Code 50460), underlying Section 16, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico.”

The Applicant seeks to dedicate this proposed spacing unit to the Cimarron 16 State Com #101H and the Cimarron 16 State Com #102H to begin initially drilling in the E2 of Section 16. The MRC Entities oppose this application and note Cimarex Energy Company has proposed the “Big Iron” wells in the Bone Spring formation underlying Sections 4, 9 and 16, Township 19 South, Range 34 East. *See* Attachment 1 (January 9, 2023, amended well proposal letter from Cimarex). This three-mile development plan competes with the one-mile wells proposed by the Applicant in this matter. The MRC Entities believe that the competing Cimarex development plan is more efficient and effective than that proposed by the Applicant in this matter.

APPLICANT’S PROPOSED EVIDENCE

At this point, the MRC Entities do not anticipate the need to present any evidence other than the attached well proposal letter from Cimarex Energy Company providing a competing

development plan for the E2 of Section 16. Matador may call as rebuttal witnesses the following individuals as needed:

Sam Pryor – Landman

Andrew Parker – Geologist

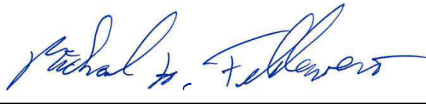
Ryan Givan – Reservoir Engineer

PROCEDURAL MATTERS

Counsel for the MRC Entities have been informed that Cimarex Energy Company intends to file a motion requesting that this matter be continued and consolidated with competing Cimarex pooling applications that will appear on the Division’s April 6th docket. Matador supports the request by Cimarex to continue this matter so that it may be consolidated with the competing pooling cases on the April 6th docket.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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**ATTORNEYS FOR MATADOR PRODUCTION
COMPANY AND MRC DELAWARE RESOURCES**

CERTIFICATE OF SERVICE

I hereby certify that on February 9, 2023, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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ATTORNEYS FOR CIMAREX ENERGY CO.



Michael H. Feldewert

ATTACHMENT 1

Cimarex Energy Co.
Permian Business Unit
600 N. Marienfeld Street
Suite 600
Midland, Texas 79701
MAIN 432.571.7800

JAN 12 2023



January 9, 2023

MRC Delaware Resources
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

**Re: UPDATE LETTER
Proposal to Drill
Big Iron 4-16 Fed Com 103H, 104H, 203H and 204H
Big Iron 4-9 Fed Com 303H and 304H
E/2 Sections 4, 9 & 16, Township 19 South, Range 34 East
Lea County, NM**

Dear Working Interest Owner,

By letter dated December 9, 2022 Cimarex Energy Co. hereby proposed to drill the Big Iron 4-16 Fed Com 103H, 104H, 203H and 204H and the Big Iron 4-9 Fed Com 303H and 304H wells. (the "Proposal to Drill") Please let this Update Letter serve as an update to BHL of the wells. Please note that this update is for advisory purposes only and all other information contained herein is identical to the original Proposal to Drill.

Big Iron 4-16 Fed Com 103H - The intended surface hole location for the well will be in the N2NE4 of Section 4, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 1978' FEL of Section 16, Township 19 South, Range 34 East. The well is proposed to be drilled vertically to the 1st Bone Spring interval and laterally within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 9,370'.

Big Iron 4-16 Fed Com 104H - The intended surface hole location for the well will be in the N2NE4 of Section 4, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 708' FEL of Section 16, Township 19 South, Range 34 East. The well is proposed to be drilled vertically to the 1st Bone Spring interval and laterally within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 9,370'.

Big Iron 4-16 Fed Com 203H - The intended surface hole location for the well will be in the N2NE4 of Section 4, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 1978' FEL of Section 16, Township 19 South, Range 34 East. The well is proposed to be drilled vertically to the 2nd Bone Spring interval and laterally within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 9780'.

Big Iron 4-16 Fed Com 204H - The intended surface hole location for the well will be in the N2NE4 of Section 4, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 708' FEL of Section 16, Township 19 South, Range 34 East. The well is proposed to be drilled vertically to the 2nd Bone Spring interval and laterally within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 9780'.

Big Iron 4-9 Fed Com 303H - The intended surface hole location for the well will be in the N2NE4 of Section 4, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 1978' FEL of Section 9, Township 19 South, Range 34 East. The well is proposed to be drilled vertically to the 3rd Bone Spring interval and laterally within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 10,700'.

Big Iron 4-9 Fed Com 304H - The intended surface hole location for the well will be in the N2NE4 of Section 4, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 708' FEL of Section 9, Township 19 South, Range 34 East. The well is proposed to be drilled vertically to the 3rd Bone Spring interval and laterally within the formation to the referenced bottom hole location. Total vertical depth of the well is proposed to be approximately 10,700'.

It should be understood that compliance with topography or cultural or environmental concerns, among others, might require modification of Cimarex's intended procedure. Cimarex will advise you of any such modifications.

Please call the undersigned at (432) 571-7883 with any questions or comments.

Respectfully,



John Coffman
Landman
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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QUESTIONS

Action 184779

QUESTIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 184779
	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>