

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

**APPLICATIONS OF MRC PERMIAN
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 23915-23916 & 23991-23992

MRC'S CONSOLIDATED PRE-HEARING STATEMENT

MRC Permian Company ("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 Permian Company
("MRC")

ATTORNEY

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APPLICANT'S STATEMENT OF THE CASE

Under these consolidated cases, MRC seeks orders pooling all uncommitted interests in the Bone Spring formation (Shugart; Bone Spring, North [56405]) underlying the referenced acreage all in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, as follows:

- Under **Case No. 23915**, MRC seeks to pool the uncommitted interests in a standard 320-acre, more or less, horizontal well spacing unit comprised of the N/2 S/2 of Sections 31 and 32 and initially dedicate this Bone Spring spacing unit to the proposed **Cedar State 3231 Fed Com #123H** well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 32, with a first take point in the NE/4 SE/4 (Unit I) of Section 32 and a last take point in the NW/4 SW/4 (Unit L) of Section 31.
- Under **Case No. 23916**, MRC seeks to pool the uncommitted interests in a standard 320-acre, more or less, horizontal well spacing unit comprised of the S/2 S/2 of Sections 31 and 32 and initially dedicate this Bone Spring spacing unit to the proposed **Cedar State 3231 Fed Com #124H** well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 32, with a first take point in the SE/4 SE/4 (Unit P) of Section 32 and a last take point in the SW/4 SW/4 (Unit M) of Section 31.
- Under **Case No. 23991**, MRC seeks to pool the uncommitted interests in a standard 320-acre, more or less, horizontal well spacing unit comprised of the N/2 N/2 of Sections 31 and 32 and initially dedicate this Bone Spring spacing unit to the proposed **Cedar State 3231 Fed Com #121H** well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 32, with a first take point in the NE/4 NE/4 (Unit A) of Section 32 and a last take point in the NW/4 NW/4 (Unit D) of Section 31.
- Under **Case No. 23992**, MRC seeks to pool the uncommitted interests in a standard 320-acre, more or less, horizontal well spacing unit comprised of the S/2 N/2 of Sections 31 and 32 and initially dedicate this Bone Spring spacing unit to the proposed **Cedar State 3231 Fed Com #122H** well, to be horizontally drilled from a surface location in the SE/4

NE/4 (Unit H) of Section 32, with a first take point in the SE/4 NE/4 (Unit H) of Section 32 and a last take point in the SW/4 NW/4 (Unit E) of Section 31.

The completed interval for each of the wells will comply with statewide setbacks for oil wells. 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
Hawks Holder, Landman	Affidavit	Approx. 6
Andrew Parker, Geologist	Affidavit	Approx. 4

PROCEDURAL MATTERS

MRC requests that these matters be consolidated for hearing and intends to present these cases by affidavit if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

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State of New Mexico
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Oil Conservation Division
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QUESTIONS

Action 289734

QUESTIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 289734
	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>