

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

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

CASE NOS. 23782, 23784-23785

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

CASE NO. 23783

APPLICANT’S AMENDED CONSOLIDATED PRE-HEARING STATEMENT

MRC Permian Company (“MRC”) (OGRID No. 4323) submits this amended pre-hearing statement, as required by the Prehearing Order in these consolidated matters.

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STATEMENT OF THE CASE

In these consolidated cases, MRC seeks orders (a) approving, as needed, overlapping spacing units in the Bone Spring formation, and (b) pooling standard 320-acre horizontal well spacing units for two-mile laterals in the Bone Spring and Wolfcamp formations underlying the E2 of Sections 16 and 21, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, as follows:

- Under **Case 23782**, MRC seeks to pool a standard 320-acre horizontal oil well spacing unit in the Bone Spring formation underlying the W2E2 of Sections 16 and 21 to be initially dedicated to the **proposed Iggles State Com 123H and Iggles State Com 133H** wells to be horizontally drilled from surface locations in the SE4 of Section 21, with first take points in the SW4SE4 (Unit O) of Section 21 and last take points in the NW4NE4 (Unit B) of Section 16.
- Under **Case 23783**, MRC seeks pooling and approval of a standard 320-acre overlapping horizontal well spacing unit in the Bone Spring formation underlying the E2E2 of Sections 16 and 21 to be initially dedicated to the proposed **Iggles State Com 124H and Iggles State Com 134H** wells to be horizontally drilled from surface locations in the SE4 of Section 21, with first take points in the SE4SE4 (Unit P) of Section 21 and last take points in the NE4NE4 (Unit A) of Section 16. This standard 320-acre horizontal well spacing unit will overlap a 40-acre vertical well spacing unit comprised of the NE4NE4 (Unit A) of Section 16 that is currently dedicated to the TP State No. 1 well (API No. 30-15-20597) operated by Maverick Permian LLC.
- Under **Case 23784** MRC seeks to pool a standard 320-acre horizontal oil well spacing unit in the Wolfcamp formation underlying the W2E2 of Sections 16 and 21, to be initially dedicated to the proposed **Iggles State Com 243H** well to be horizontally drilled from a surface location in the SE4 of Section 21, with a first take point in the SW4SE4 (Unit O) of Section 21 and a last take point in the NW4NE4 (Unit B) of Section 16.

- Under **Case 23785**, MRC seeks to pool a standard 320-acre horizontal oil well spacing unit in the Wolfcamp formation underlying the E2E2 of Sections 16 and 21 to be initially dedicated to the proposed **Iggles State Com 244H** well to be horizontally drilled from a surface location in the SE4 of Section 21, with a first take point in the SE4SE4 (Unit P) of Section 21 and a last take point in the NE4NE4 (Unit A) of Section 16.

ConocoPhillips Company and Burlington Resources Oil & Gas Company LP appeared and objected to these cases, but the competing pooling applications filed by ConocoPhillips under Cases 23947 and 23948 have been dismissed. As noted at the March 7, 2024, status conference these two companies are now just observing.

Marathon Oil Permian also appeared and objected to these cases, but as noted at the March 7, 2024, status conference they do not have competing development plans and Marathon has not articulated a basis for objecting to these cases.

MRC believes the following facts are undisputed and material to the issues presented in these consolidated cases:

1. MRC is a substantial working interest owners in the subject acreage and therefore has a right to develop the subject acreage.
2. MRC has undertaken good faith efforts to reach a voluntary agreement for the development of this acreage from all of the affected mineral interest owners.
3. There are no faults, pinch outs, or other geologic impediments preventing MRC from efficiently and effectively developing the Bone Spring and Wolfcamp formations under the subject acreage with the 2-mile horizontal wells.
4. The proposed 320-acre horizontal well spacing unit in the Bone Spring formation underlying the E2E2 of Sections 16 and 21 will overlap a 40-acre vertical well spacing unit comprised of the NE4NE4 (Unit A) of Section 16 that is currently dedicated to the TP State No. 1 well (API No. 30-15-20597) operated by Maverick Permian LLC.

FILED EVIDENCE

Pursuant to the Amended Prehearing Order entered for these consolidated matters, MRC has filed with this prehearing statement as separate set of exhibits for each case, with each set of exhibits containing the following:

The Application filed in MRC in each case;

The Compulsory Pooling Checklist for each case;

MRC Exhibit A for each case contains the self-affirmed Statement of Clay Wooten, Petroleum Landman, and related exhibits;

MRC Exhibit B for each case contains the self-affirmed Statement of Andrew Parker, Petroleum Geologist, and related exhibits;

MRC Exhibit C for each case contains a Notice Affidavit for Cases 23782 through 23785; and

MRC Exhibit D for each case contains the applicable Affidavit of Publication.

The qualifications for each witness and the narrative of their direct testimony are contained in the self-affirmed statements filed with this prehearing statement.

PROCEDURAL MATTERS

MRC reserves the right to call these or other witnesses to address issues that arise with the filing of additional information.

Respectfully submitted,

HOLLAND & HART LLP

By:  _____

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CERTIFICATE OF SERVICE

I hereby certify that on June 11, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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QUESTIONS

Action 353100

QUESTIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 353100
	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>