

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

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

CASE NOS. 24287-24297

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

CASE NOS. 24304-24313

**APPLICATION OF E.G.L. RESOURCES, INC.
FOR COMPULSORY POOLING AND APPROVAL
OF AN OVERLAPPING WELL UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24043

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

CASE NOS. 24044, 24152 & 24153

JOINT MOTION TO VACATE PRE-HEARING ORDER

MRC Permian Company (“MRC”) and E.G.L. Resources, Inc. (“EGL”), the Applicants in these consolidated matters, jointly move to vacate the Pre-Hearing Order setting these matters for a contested hearing on July 16, 2024. In support of this joint motion, Applicants state:

1. The applications filed by EGL under Cases 24043-44 and 24152-53 seek to pool the Bone Spring and Wolfcamp formations under all of Sections 27 & 34, T18S, R34E, for the proposed Skyfall wells.
2. MRC has filed pooling applications under Cases 24304-24313 (Jim Rolfe wells) that seek to pool the Bone Spring and Wolfcamp formations under all of Sections 22 & 27,

thereby overlapping the EGL Skyfall applications in all of Section 27. MRC has also filed pooling applications under Cases 24287-24297 (Art Smith wells) that seek to pool the Bone Spring and Wolfcamp formations under Section 34, T18S, R34E, and adjacent Section 3, T19S, R34E, thereby overlapping the EGL Skyfall applications in all of Section 34.

3. The MRC applications were filed in March of 2024, so these contested matters have not been on the Division docket for any unusual length of time.

4. Since the entry of the Division's Pre-Hearing Order in May setting these matters for a contested hearing on July 16th, there have been significant developments that warrant vacating the contested hearing;

- a. The Pre-Hearing Order includes Cases 23970-23971 filed by Avant Operating. Those cases have been dismissed by Lario Oil & Gas Company, as the successor-in-interest to Avant Operating. The only two applicants remaining in these consolidated cases are MRC and EGL.
- b. The dismissal of the competing Avant cases has allowed MRC and EGL to focus on productive settlement discussions that will resolve not only these consolidated matters, but other matters pending before the Division. MRC and EGL are now awaiting clarification of a title questions before proceeding to a final agreement.
- c. The settlement discussions have progressed to the point where both MRC and EGL believe a contested hearing will not be necessary. While pooling may still be required after the parties finalize an agreement, the remaining pooling will not require a contested hearing.

5. Vacating the existing prehearing order and instead setting these cases for a status conference on August 22, 2024, or a subsequent Division docket, should allow the Applicants time to inform the Division on the status of the title issues and a proposed resolution.

6. Counsel that appeared for Franklin Mountain Energy 3, LLC, Avant Operating, LLC, and Lario Oil & Gas Company at the April status conference in these matters have been contacted and do not object to this motion.

7. A proposed form of order has been provided by email to the Division for consideration.

WHEREFORE, the Applicants respectfully request that the Division vacate the Pre-Hearing Order setting these matters for a contested hearing on July 16, 2024, and instead set these matters for a status conference at the August 22, 2024, regularly scheduled docket, or a subsequent Division docket.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on June 26, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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