

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

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

CASE NOS. 24287-24292

APPLICANT'S CONSOLIDATED PRE-HEARING STATEMENT

MRC Permian Company, 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

ATTORNEY

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OTHER PARTIES

PBEX, LLC, and E.G.L. Resources, Inc.

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APPLICANT'S STATEMENT OF THE CASE

In these consolidated cases, Applicant filed for approval of overlapping spacing units and compulsory pooling. However, due to notice issues, Applicant is dismissing the request for approval of overlapping spacing units and intends to pursue that relief administratively. Application therefore seeks orders pooling all uncommitted interests in Bone Spring formation underlying Section 34, Township 18 South, Range 34 East, and Section 3, Township 19 South, Ranger 34 East, NMPM, Lea County, New Mexico, as follows:

- **Case 24287** seeks to pool a standard 320-acre horizontal well spacing unit in the Bone Spring formation underlying the W2W2 of Sections 34 and 3 to be initially dedicated to the proposed **Art Smith State Com 121H** well to be horizontally drilled from a surface location in the NW4 of Section 34, with a first take point in the NW4NW4 (Unit D) of Section 34 and a last take point in the SW4SW4 (Unit M) of Section 3.
- **Case 24288** seeks to pool a standard 320-acre horizontal well spacing unit in the Bone Spring formation underlying the E2W2 of Sections 34 and 3 to be initially dedicated to the proposed **Art Smith State Com 122H** well to be horizontally drilled from a surface location in the NW4 of Section 34, with a first take point in the NE4NW4 (Unit C) of Section 34 and a last take point in the SE4SW4 (Unit N) of Section 3.
- **Case 24289** seeks to pool a standard 320-acre horizontal well spacing unit in the Bone Spring formation underlying the W2E2 of Sections 34 and 3 to be initially dedicated to the proposed **Art Smith State Com 127H** well to be horizontally drilled from a surface location in the SE4 of Section 27, with a first take point in the

NW4NE4 (Unit B) of Section 34 and a last take point in the SW4SE4 (Unit O) of Section 3.

- **Case 24290** seeks to pool a standard 320-acre horizontal well spacing unit in the Bone Spring formation underlying the E2E2 of Sections 34 and 3 to be initially dedicated to the proposed **Art Smith State Com 128H** well to be horizontally drilled from a surface location in the SE4 of Section 27, with a first take point in the NE4NE4 (Unit A) of Section 34 and a last take point in the SE4SE4 (Unit P) of Section 3.
- **Case 24291** seeks to pool a standard 160-acre horizontal well spacing unit in the Bone Spring formation underlying the W2W2 of Section 34 to be initially dedicated to the proposed **Art Smith State Com 131H** well to be horizontally drilled from a surface location in the NW4 of Section 34, with a first take point in the NW4NW4 (Unit D) and a last take point in the SW4SW4 (Unit M) of Section 34.
- **Case 24292** seeks to pool a standard 160-acre horizontal well spacing unit in the Bone Spring formation underlying the E2W2 of Section 34 to be initially dedicated to the proposed **Art Smith State Com 132H** well to be horizontally drilled from a surface location in the NW4 of Section 34, with a first take points in the NE4NW4 (Unit C) and a last take point in the SE4SW4 (Unit N) of Section 34.

Applicant seeks to have Matador Production Company (OGRID No. 228937) designated as the operator of these proposed spacing units. Applicant has sought but been unable to obtain voluntary agreement for development of this acreage from all affected mineral interest owners.

APPLICANT’S PROPOSED EVIDENCE

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|---------------------------------------|-------------------------|-----------------|
| Isaac Evans, Landman | Self-Affirmed Statement | Approx. 5 |
| Andrew Parker, Geologist | Self-Affirmed Statement | Approx. 3 |

PROCEDURAL MATTERS

Due to notice issues, Applicant has dismissed the requests for approval of overlapping horizontal well spacing units and intends to pursue that relief administratively. Applicant has also reduced the number of initial wells in the proposed spacing units and dismissed Case 24293. Applicant intends to present these remaining cases in a consolidated fashion by self-affirmed statements if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

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ATTORNEYS FOR MRC PERMIAN COMPANY

CERTIFICATE OF SERVICE

I hereby certify that on August 15, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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

Action 374152

QUESTIONS

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| Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240 | OGRID: 228937 |
| | Action Number: 374152 |
| | Action Type: [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

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| 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> |