

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

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

**CASE NO. 25034, 25036-25038**

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

**CASE NO. 25035**

**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

**ATTORNEY**

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**NO OTHER PARTIES**

**APPLICANT'S STATEMENT OF THE CASES**

Under these consolidated cases, MRC seeks orders pooling all uncommitted interests in the following proposed horizontal well spacing units underlying Sections 3 and 10, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico:

(a) Under **Case 25034**, MRC seeks to pool a standard 800.29-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the W2 of Sections 3 and 10, to be initially dedicated to the following proposed wells:

- **Electra Special 0310 Fed Com 101H, Electra Special 0310 Fed Com 121H, Electra Special 0310 Fed Com 131H and Electra Special 0310 Fed Com 135H** wells to be horizontally drilled from a surface location in the NW4 of Section 3, with first take points in the NW4NW4 (Lot 4) of irregular Section 3 and last take points in the SW4SW4 (Unit M) of Section 10; and
- **Electra Special 0310 Fed Com 122H and Electra Special 0310 Fed Com 132H** wells to be horizontally drilled from a surface location in the NW4 of Section 3, with first take points in the NE4NW4 (Lot 3) of irregular Section 3 and last take points in the SE4SW4 (Unit N) of Section 10.

(b) Under **Case 25035**, MRC seeks to pool a standard 799.19-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the E2 of Sections 3 and 10, to be initially dedicated to the following proposed wells:

- **Electra Special 0310 Fed Com 123H and Electra Special 0310 Fed Com 137H** wells to be horizontally drilled from a surface location in the NE4 of Section 3, with first take points in the NW4NE4 (Lot 2) of irregular Section 3 and last take points in the SW4SE4 (Unit O) of Section 10; and

- **Electra Special 0310 Fed Com 133H** and **Electra Special 0310 Fed Com 138H** wells to be horizontally drilled from a surface location in the NE4 of Section 3, with first take points in the NE4NE4 (Lot 1) of irregular Section 3 and last take points in the SE4SE4 (Unit P) of Section 10.

The completed interval of the **Electra Special 0310 Fed Com 133H** well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of this acreage in a standard horizontal well spacing unit. This proposed horizontal well spacing unit will overlap an existing spacing unit in the Bone Spring formation underlying the E2E2 of Section 10 dedicated to the Hat Mesa 10 Fed Com 2H (30-025-40365) well currently operated by Cimarex Energy Company of Colorado.

(c) Under **Case 25036**, MRC seeks to pool a standard 800.29-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the W2 of Sections 3 and 10, to be initially dedicated to the proposed **Electra Special 0310 Fed Com 202H** well to be horizontally drilled from a surface location in the NW4 of Section 3, with a first take point in the NW4NW4 (Lot 4) of irregular Section 3 and a last take point in the SW4SW4 (Unit M) of Section 10. The completed interval for this well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of this acreage in a standard horizontal well spacing unit.

(d) Under **Case 25037**, MRC seeks to pool a standard 399.73-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the W2E2 of Sections 3 and 10, to be initially dedicated to the proposed **Electra Special 0310**

**Fed Com 203H** well to be horizontally drilled from a surface location in the NE4 of Section 3, with a first take point in the NW4NE4 (Lot 2) of irregular Section 3 and a last take point in the SW4SE4 (Unit O) of Section 10.

(e) Under **Case 25038**, MRC seeks to pool a standard 399.46-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the E2E2 of Sections 3 and 10, to be initially dedicated to the proposed **Electra Special 0310**

**Fed Com 204H** well to be horizontally drilled from a surface location in the NE4 of Section 3, with a first take point in the NE4NE4 (Lot 1) of irregular Section 3 and a last take point in the SE4SE4 (Unit P) of Section 10.

MRC seeks to designate Matador Production Company as the operator of these proposed spacing units. MRC has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.

**APPLICANT’S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Hawks Holder, Landman	Self-Affirmed Statement	Approx. 5 for each case
Anna Thorson, Geologist	Self-Affirmed Statement	Approx. 3 for each case

**PROCEDURAL MATTERS**

MRC is not aware of any objection to these pooling cases and requests that these matters be consolidated for a hearing by self-affirmed statements.

Respectfully submitted,

HOLLAND & HART LLP

By:  \_\_\_\_\_

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

QUESTIONS

Action 416729

**QUESTIONS**

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 416729
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<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>