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. 25388, 25390 & 25391 & 25393

APPLICATION OF MRC PERMIAN COMPANY FOR APPROVAL OF A 983.65-ACRE NONSTANDARD HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 25409

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

Michael H. Feldewert Adam G. Rankin Paula M. Vance Holland & Hart, LLP Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421 (505) 983-6043 Facsimile

APPLICANT'S STATEMENT OF THE CASES

Under these consolidated cases, MRC seeks orders pooling all uncommitted interests in the Pennsylvanian formation (Dean; Permo Upper Penn [16720] pool) underlying the following proposed horizontal well spacing units comprised of acreage all within Township 15 South, Range 36 East, and Township 16 South, Range 37 East, NMPM, Lea County, New Mexico:

- Under Case No. 25388, MRC seeks to pool a standard 480-acre, more or less, horizontal well spacing unit underlying the W/2 W/2 of Sections 11, 14, and 23, T15S-R36E, to be initially dedicated to the proposed Ed Drake Fed Com #241H well, with a surface location in the SW/4 SW/4 (Unit M) of Section 23, a first take point in the SW/4 SW/4 (Unit M) of Section 23, and a last take point in the NW/4 NW/4 (Unit D) of Section 11;
- Under Case No. 25390, MRC seeks to pool a standard 480-acre, more or less, horizontal well spacing unit underlying the E/2 W/2 of Sections 11, 14, and 23, T15S-R36E, to be initially dedicated to the proposed Ed Drake Fed Com #242H well, with a surface location SW/4 SW/4 (Unit M) of Section 23, a first take point in the SE/4 NW/4 (Unit N) of Section 23, and a last take point in the NE/4 NW/4 (Unit C) of Section 11;
- Under Case No. 25391, MRC seeks to pool a standard 480-acre, more or less, horizontal well spacing unit underlying the W/2 E/2 of Sections 11, 14, and 23, T15S-R36E, to be initially dedicated to the proposed Ed Drake Fed Com #243H well, with a surface location in the SE/4 SE/4 (Unit P) of Section 23, a first take point in the SW/4 SE/4 (Unit O) of Section 23, and a last take point in the NW/4 NE/4 (Unit B) of Section 11;
- Under Case No. 25393, MRC seeks to pool a standard 480-acre, more or less, horizontal well spacing unit underlying the E/2 E/2 of Sections 11, 14, and 23, T15S-R36E, to be initially dedicated to the proposed Ed Drake Fed Com #244H well, with a surface location in the SE/4 SE/4 (Unit P) of Section 23, a first take point in the SE/4 SE/4 (Unit P) of Section 23, and a last take point in the NE/4 NE/4 (Unit A) of Section 11; and

• Under Case No. 25409, MRC seeks an order (1) approving of a 983.65-acre, more or less, non-standard horizontal well spacing unit underlying the W/2 of Sections 26 and 35, T15S-R36E, and Lots 3-6 and 11-14 (NW/4 equivalent) of Section 5, T16S-R37E, and (ii) pooling all uncommitted mineral owners in the non-standard spacing unit, to be initially dedicated to the proposed **Steve Ruschell State Com #241H** well, with a surface location in the SW/4 SW/4 (Unit M) of Section 23, T15S-R36E, a first take point in the NW/4 NW/4 (Unit D) of Section 26, T15S-R36E, and a last take point in Lot 13 of Section 5, T16S-R37E; and the **Steve Ruschell State Com #242H** well, with a surface location in the SW/4 (Unit M) of Section 23, T15S-R36E 25409 2 a first take point in the NE/4 NW/4 (Unit C) of Section 26, T15S-R36E, and a last take point in Lot 14 of Section 5, T16S-R37E.

The completed interval for 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
Addison Costley, Landman	Self-Affirmed Statement	Approx. 5
Joshua Burrus, Geologist	Self-Affirmed Statement	Approx. 3

PROCEDURAL MATTERS

MRC does not anticipate opposition to these matters and requests that they be consolidated for a hearing by self-affirmed statements.

Respectfully submitted,

HOLLAND & HART LLP

By: Father

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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

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Action 469135

QUESTIONS

Operator:	OGRID:
MATADOR PRODUCTION COMPANY	228937
One Lincoln Centre	Action Number:
Dallas, TX 75240	469135
	Action Type:
	[HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony			
Please assist us by provide the following information about your testimony.			
Number of witnesses	Not answered.		
Testimony time (in minutes)	Not answered.		