

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

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

**CASE NOS. 26289-26293**

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

**CASE NO. 26294**

**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  
("MRC")

**OTHER PARTIES**

ConocoPhillips Company

**ATTORNEY**

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### 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:

- Under **Case No. 26289**, MRC seeks an order pooling the uncommitted interest owners in a standard 319.14-acre, more or less, horizontal well spacing unit in the Bone Spring formation (Culebra Bluff; Bone Spring [15011]) underlying the N/2 N/2 of Section 36, Township 22 South, Range 27 East, and Lot 1, NE/4 NW/4, and N/2 NE/4 (N/2 N/2 equivalent) of irregular Section 31, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. MRC seeks to dedicate this horizontal spacing unit to the proposed **Betty Jones Federal Com 121H** well, to be horizontally drilled from a surface location in the W/2 W/2 of Section 36, T22S-R27E, with a first take point in the NW/4 NW/4 (Unit D) of Section 36, T22S-R27E, and a last take point in the NE/4 NE/4 (Unit A) of irregular Section 31, T22S-R28E.
- Under **Case No. 26290**, MRC seeks an order pooling the uncommitted interest owners in a standard 319.10-acre, more or less, horizontal well spacing unit in the Bone Spring formation (Culebra Bluff; Bone Spring [15011]) underlying the S/2 N/2 of Section 36, Township 22 South, Range 27 East, and Lot 2, SE/4 NW/4, and S/2 NE/4 (S/2 N/2 equivalent) of irregular Section 31, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. MRC seeks to dedicate this horizontal spacing unit to the proposed **Betty Jones Federal Com 122H** well, to be horizontally drilled from a surface location in the W/2 W/2 of Section 36, T22S-R27E, with a first take point in the SW/4 NW/4 (Unit E) of Section 36, T22S-R27E, and a last take point in the SE/4 NE/4 (Unit H) of irregular Section 31, T22S-R28E.

- Under **Case No. 26291**, MRC seeks an order pooling the uncommitted interest owners in a standard 319.06-acre, more or less, horizontal well spacing unit in the Bone Spring formation (Culebra Bluff; Bone Spring [15011]) underlying the N/2 S/2 of Section 36, Township 22 South, Range 27 East, and Lot 3, NE/4 SW/4, and N/2 SE/4 (N/2 S/2 equivalent) of irregular Section 31, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. MRC seeks to dedicate this horizontal spacing unit to the proposed **Betty Jones Federal Com 123H** well, to be horizontally drilled from a surface location in the W/2 W/2 of Section 36, T22S-R27E, with a first take point in the NW/4 SW/4 (Unit L) of Section 36, T22S-R27E, and a last take point in the NE/4 SE/4 (Unit I) of irregular Section 31, T22S-R28E.
- Under **Case No. 26292**, MRC seeks an order pooling the uncommitted interest owners in a standard 319.02-acre, more or less, horizontal well spacing unit in the Bone Spring formation (Culebra Bluff; Bone Spring [15011]) underlying the S/2 S/2 of Section 36, Township 22 South, Range 27 East, and Lot 4, SE/4 SW/4, and S/2 SE/4 (S/2 S/2 equivalent) of irregular Section 31, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. MRC seeks to dedicate this horizontal spacing unit to the proposed **Betty Jones Federal Com 124H** well, to be horizontally drilled from a surface location in the W/2 W/2 of Section 36, T22S-R27E, with a first take point in the SW/4 SW/4 (Unit M) of Section 36, T22S-R27E, and a last take point in the SE/4 SE/4 (Unit P) of irregular Section 31, T22S-R28E.
- Under **Case No. 26293**, MRC seeks an order pooling the uncommitted interest owners in a standard 638.24-acre, more or less, horizontal well spacing unit in the Wolfcamp formation (Purple Sage, Wolfcamp [98220]) underlying the N/2 of Section 36, Township 22 South, Range 27 East, and Lots 1 and 2, E/2 NW/4, and NE/4 (N/2 equivalent) of

irregular Section 31, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. MRC seeks to dedicate this horizontal spacing unit to the proposed **Betty Jones Federal Com 201H** well, to be horizontally drilled from a surface location in the W/2 W/2 of Section 36, T22S-R27E, with a first take point in the NW/4 NW/4 (Unit D) of Section 36, T22S-R27E, and a last take point in the NE/4 NE/4 (Unit A) of irregular Section 31, T22S-R28E, and **Betty Jones Federal Com 202H** well, to be horizontally drilled from a surface location in the W/2 W/2 of Section 36, T22S-R27E, with a first take point in the SW/4 NW/4 (Unit E) of Section 36, T22S-R27E, and a last take point in the SE/4 NE/4 (Unit H) of irregular Section 31, T22S-R28E.

- Under **Case No. 26294**, MRC seeks an order (a) approving a non-standard 478.08-acre, more or less, overlapping horizontal well spacing unit in the Wolfcamp formation (Purple Sage, Wolfcamp [98220]) underlying the N/2 S/2 of Section 36, Township 22 South, Range 27 East, and Lots 3-4, E/2 SW/4, and SE/4 (S/2 equivalent) of irregular Section 31, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico; and (b) pooling the uncommitted interest owners in this acreage. MRC seeks to dedicate this horizontal spacing unit to the proposed **Betty Jones Federal Com 203H** well, to be horizontally drilled from a surface location in the W/2 W/2 of Section 36, T22S-R-27E, with a first take point in the NW/4 SW/4 (Unit L) of Section 36, T22S-R-27E, and a last take point in the SW/4 SW/4 (Unit M) of irregular Section 31, T22S-R28E. This proposed non-standard horizontal well spacing unit will overlap the following existing spacing unit in the Wolfcamp formation:
  - An existing 320-acre, more or less, spacing unit comprised of the S/2 of Section 36, Township 22 South, Range 27 East, dedicated to the Scott Walker State 36 22S 27E RB 204H well (API No. 30-015-43162), operated by Matador Production Company (OGRID 228937).

Also under Case No. 26294, MRC seeks administrative approval of a non-standard spacing unit to conform with its proposed “candy-cane” lateral configuration, which is necessary to prevent waste and protect correlative rights because the existing well indicated above is drilled (and producing) from the S/2 S/2 of Section 36 in the Wolfcamp formation and MRC’s proposed Betty Jones Federal Com 203H will ensure recovery of hydrocarbons in the N/2 S/2 of Section 36.

The completed interval for the wells in Case Nos. 26289-26292 will comply with statewide setbacks for oil. The completed interval for the wells in Case Nos. 26293-26294 will comply with the special pool rules for the Purple Sage. 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**

| <b>WITNESS<br/>Name and Expertise</b> | <b>ESTIMATED TIME</b>   | <b>EXHIBITS</b> |
|---------------------------------------|-------------------------|-----------------|
| Addison Costley, Landman              | Self-Affirmed Statement | Approx. 6       |
| Braden Hrencher, 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

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**ATTORNEYS FOR MRC PERMIAN COMPANY  
AND MATADOR PRODUCTION COMPANY**

**CERTIFICATE OF SERVICE**

I hereby certify that on July 30, 2026, 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  
1220 S. St Francis Dr.  
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QUESTIONS

Action 609640

QUESTIONS

|                                                                                   |                                                          |
|-----------------------------------------------------------------------------------|----------------------------------------------------------|
| Operator:<br>MATADOR PRODUCTION COMPANY<br>One Lincoln Centre<br>Dallas, TX 75240 | OGRID:<br>228937                                         |
|                                                                                   | Action Number:<br>609640                                 |
|                                                                                   | Action Type:<br>[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. |