

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

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

CASE NO. 26295 & 26297

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

CASE NO. 26296

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")

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, all in irregular Section 18, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico:

- Under **Case No. 26295**, MRC seeks an order (a) approving a standard 318.4-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation (Red Hills, Bone Spring, North [96434]) underlying Lots 1-4 and E/2 W/2 (W/2 equivalent) of irregular Section 18; and (b) pooling the uncommitted interest owners in this acreage. Due to an ownership depth severance in the Bone Spring formation, MRC seeks to pool only a portion of the Bone Spring formation, which is limited to a depth of 11,044 feet total vertical depth to the base of the Bone Spring formation. MRC seeks to dedicate this horizontal spacing unit to the proposed **Mark M Federal Com 130H** u-turn well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of irregular Section 7, with a first take point in the NE/4 NW/4 (Unit C) of irregular Section 18, and a last take point in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 18. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:
 - An existing 158.40-acre, more or less, spacing unit comprised of Lots 1-4 (W/2 W/2 equivalent) of irregular Section 18, Township 24 South, Range 34 East, dedicated to the Sebastian Federal Com 1H well (API No. 30-025-41687), operated by COG Operating LLC (OGRID 229137); and

- An existing 160-acre, more or less, spacing unit comprised of the E/2 W/2 of irregular Section 18, Township 24 South, Range 34 East, dedicated to the Sebastian Federal Com 2H well (API No. 30-025-41666), operated by COG Operating LLC (OGRID 229137).
- Under **Case No. 26296**, MRC seeks an order pooling the uncommitted interest owners in a standard 318.40-acre, more or less, horizontal well spacing unit in the Wolfcamp formation (WC-025 G-09 S243310P, Upper Wolfcamp [98135]) underlying Lots 1-4 and E/2 W/2 (W/2 equivalent) of irregular Section 18. MRC seeks to dedicate this horizontal spacing unit to the proposed **Mark M Federal Com 210H** u-turn well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of irregular Section 7, with a first take point in the NE/4 NW/4 (Unit C) of irregular Section 7, and a last take point in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 18.
- Under **Case No. 26297**, MRC seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in a portion of the Wolfcamp formation (WC-025 G-09 S243310P, Upper Wolfcamp [98135]) underlying the E/2 of irregular Section 18; and (b) pooling the uncommitted interest owners in this acreage. Due to an ownership depth severance in the Wolfcamp formation, MRC seeks to pool only a portion of the Wolfcamp formation, which is limited to a depth of 12,242 feet total vertical depth to the base of the Wolfcamp formation. MRC seeks to dedicate this horizontal spacing unit to the proposed **Mark M Federal Com 229H** u-turn well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of irregular Section 7, with a first take point in the NW/4 NE/4 (Unit B) of irregular Section 18, and a last take point in the NE/4 NE/4 (Unit A) of irregular Section 18. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Wolfcamp formation:
 - An existing 640-acre, more or less, spacing unit comprised of Lots 1-4, E/2 W/2, and W/2 (All equivalent) of irregular Section 18, Township 24 South,

Range 34 East, dedicated to the Sebastian Federal Com 703H well (API No. 30-025-46985) and Sebastian Federal Com 704H well (API No. 30-025-46988), operated by COG Operating LLC (OGRID 229137).

The completed interval for the wells will comply with statewide setbacks for oil. 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
David Johns, Landman	Self-Affirmed Statement	Approx. 7
Blake Herber, 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 

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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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QUESTIONS

Action 610007

QUESTIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 610007
	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.