

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

**APPLICATION OF MATADOR PRODUCTION COMPANY FOR
AUTHORIZATION TO DEEPEN THE SALT PROTECTION STRING
REQUIRED BY DIVISION ORDER NO. R-111-P, LEA COUNTY, NEW MEXICO.**

CASE NO. 22998

MATADOR’S PRE-HEARING STATEMENT

Matador Production Company (“Matador”), the applicant in the above-referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Matador Production Company

ATTORNEY

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OTHER PARTIES

NONE

ATTORNEY

APPLICANT’S STATEMENT OF THE CASE

Matador seeks an order authorizing the salt protection string required by R-111-P(D)(3)(a) to extend deeper than six hundred (600) feet below the base of the salt section for horizontal wells that it proposes to drill from surface locations within the S/2S/2 of Section 9 and the N/2N/2 of Section 16, Township 20 South, Range 33 East, NMPM, Lea County, New

Mexico. This acreage is located within the Potash Area defined by Division Order R-111-P. Accordingly, absent an exception from the Division, R-111-P(D)(3)(a) requires the following salt protection string when drilling from this location:

SALT PROTECTION STRING:

(a) A salt protection string of new or used oil field casing in good condition shall be set not less than one hundred (100) feet nor more than six hundred (600) feet below the base of the salt section; provided that such string shall not be set below the top of the highest known oil or gas zone. With prior approval of the OCD District Supervisor the wellbore may be deviated from the vertical after completely penetrating Marker Bed No. 126 (USGS) but that section of the casing set in the deviated portion of the wellbore shall be centralized at each joint.

Matador seeks approval to use a three-string design extending the salt protection string deeper than six hundred (600) feet below the base of the salt section to no deeper than 100' below the top of the Cherry Canyon formation. Matador's wells will be drilled from a drilling island approved by the Bureau of Land Management, the potash lessees in the Known Potash Leasing Area and by oil and gas operators in the area.

Approval of this application will allow the efficient drilling of horizontal wells from this surface location without unduly diminishing commercial potash reserves in the area.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Sam Pryor, Landman	Affidavit	Approx. 3
Andrew Parker, Geologist	Affidavit	Approx. 4

PROCEDURAL MATTERS

Matador intends to present this matter by affidavit if there is no opposition at the time of hearing but will have the witnesses available in the event the Examiners have any questions.

Respectfully submitted,

HOLLAND & HART LLP

A handwritten signature in blue ink, appearing to read "Michael H. Feldewert".

By: _____

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Energy, Minerals and Natural Resources
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QUESTIONS

Action 141794

QUESTIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 141794
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	2
Testimony time (in minutes)	0