

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

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

**CASE NO. 23495**

**MRC PERMIAN COMPANY'S PRE-HEARING STATEMENT**

MRC Permian Company ("MRC" or "Applicant"), the applicant in the above-referenced matter, submits this 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 CASE**

In this case, Applicant seeks an order (a) approving a standard 240-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation (Avalon; Bone Spring, East [3713]) comprised of the N/2 S/2 of Section 12 and the N/2 SE/4 of Section 11, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted

mineral interests in this overlapping horizontal well spacing unit. Applicant proposes to dedicate the above-referenced spacing unit to the proposed initial **Bo Howard 1211 Fed Com #113H** well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 12 to a bottom hole location in the NW/4 SW/E (Unit J) of Section 11.

This 240-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the N/2 S/2 of Section 11, Township 21 South, Range 27 East, dedicated to the Cedar 11 State #1H well (API: 30-015-42734) and the Cedar 11 State #2H well (API: 30-015-42737).

The completed interval for the well will comply with statewide setbacks for oil wells. Applicant 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 Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Nick Weeks, Landman	Affidavit	Approx. 9
Andrew Parker, Geologist	Affidavit	Approx. 4

#### **PROCEDURAL MATTERS**

Applicant intends to present this case by affidavit at hearing if unopposed.

Respectfully submitted,

HOLLAND & HART LLP

By:   
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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
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QUESTIONS  
  
Action 211257

QUESTIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 211257
	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.