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

APPLICATION OF MR NM OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 23722

PRE-HEARING STATEMENT

MR NM Operating, LLC ("MR NM" or "Applicant") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPLICANT ATTORNEYS

MR NM Operating, LLC

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INTERESTED PARTIES ATTORNEYS

None.

STATEMENT OF THE CASE

MR NM applies for an order pooling all uncommitted interests in the Abo formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Section 34, Township 16 South, Range 27 East, Eddy County, New Mexico ("Unit"). MR NM seeks to dedicate the Unit to the proposed **Clydesdale Federal Com #1H** well ("Well"), to be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 35 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 34.

The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as

the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well.

The Well is located approximately 8.2 miles east of Artesia, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Blake Simmons	Land Manager	Affidavit	Approx. 5
Mary Grace Moran	Geologist	Affidavit	Approx. 5

PROCEDURAL MATTERS

Applicant will present this case by affidavit if there is no opposition.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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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

Action 260667

QUESTIONS

Operator:	OGRID:
MR NM Operating LLC	330506
5950 Berkshire Lane	Action Number:
Dallas, TX 75225	260667
	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.		