

**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,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23740

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

CASE NO. 23741

APPLICANT'S CONSOLIDATED PRE-HEARING STATEMENT

MRC Permian Company ("MRC"), 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

ATTORNEY

Michael H. Feldewert
Adam G. Rankin
Paul M. Vance
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com

APPLICANT'S STATEMENT OF THE CASE

In these consolidated matters, MRC seeks orders pooling horizontal well spacing units in the Bone Spring formation underlying the W2 of Section 2, Township 23 South, Range 35 East,

and the W2 of Sections 35 and 26, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico as follows:

- Under Case 23740, MRC seeks an order approving and pooling an overlapping 480-acre, more or less, standard horizontal well spacing unit in the Bone Spring formation underlying the W2W2 of Sections 2, 35 and 26 to be initially dedicated to the proposed **Uncle Don State Com 111H** well to be horizontally drilled from the SW4 of Section 2, with a first take point in the SW4SW4 (Unit M) of Section 2 and a last take point in the NW4NW4 (Unit D) of Section 26. This proposed horizontal well spacing unit will overlap a 40-acre spacing unit comprised of the SW4SW4 (Unit M) of Section 35 dedicated to the Matador Uncle Don State No. 1 well, a vertical well producing from the Bone Spring formation.
- Under Case 23741, MRC seeks an order pooling a 480-acre, more or less, standard horizontal well spacing unit in the Bone Spring formation underlying the E2W2 of Sections 2, 35 and 26 to be initially dedicated to the proposed **Uncle Don State Com 112H** well to be horizontally drilled from the SW4 of Section 2, with a first take point in the SE4SW4 (Unit N) of Section 2 and a last take point in the NE4NW4 (Unit C) of Section 26.

Applicant has sought but been unable to obtain voluntary agreement for the development of this acreage from all affected mineral owners in this acreage.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
David Johns, Landman	Affidavit	Approx. 6
Liz Olsen, Geologist	Affidavit	Approx. 4

PROCEDURAL MATTERS

MRC does not anticipate any opposition to these cases and therefore intends to present them by affidavit in a consolidated fashion.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Paul M. Vance
Post Office Box 2208
Santa Fe, NM 87504
505-988-4421
505-983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com

ATTORNEYS FOR MRC PERMIAN COMPANY

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 260744

QUESTIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 260744
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.