

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

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

CASE NOS. 23926, 23927, 23929, 23930

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

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APPLICANT'S STATEMENT OF THE CASES

Under these consolidated cases, MRC seeks orders pooling four standard overlapping horizontal well spacing units in a limited interval of the Bone Spring formation underlying Sections 2, 11, and 14, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico, as follows:

- Under **Case 23926**, MRC seeks to an order pooling a standard 319.98-acre, more or less, overlapping horizontal well spacing unit in a limited interval of the Bone Spring formation underlying Lot 4, SW4NW4, and the W2SW4 (W2W2 equivalent) of irregular Section 2, and the W2W2 of Section 11 to be initially dedicated to the proposed **Charles Ling Fed Com 135H**, a horizontal well to be drilled from a surface location in the in the NW4NW4 (Unit D) of Section 2 to a bottom hole location in the SW4SW4 (Unit M) of Section 11.
- Under **Case 23927**, MRC seeks an order pooling a standard 319.85-acre, more or less, overlapping horizontal well spacing unit in a limited interval of the Bone Spring formation underlying Lot 3, SE4NW4, and the E2SW4 (E2W2 equivalent) of irregular Section 2, and the E2W2 of Section 11 to be initially dedicated to the proposed **Charles Ling Fed Com 136H**, a horizontal well to be drilled from a surface location in the NE4NW4 (Unit C) of Section 2 to a bottom hole location in the SE4SW4 (Unit N) of Section 11.
- Under **Case 23929**,¹ MRC seeks an order pooling a standard 319.73-acre, more or less, overlapping horizontal well spacing unit in a limited interval of the Bone Spring formation underlying Lot 2, SW4NE4, and the W2SE4 (W2E2 equivalent) of irregular Section 2, and the W2E2 of Section 11 to be initially dedicated to the proposed **Charles Ling Fed**

¹ The Division did not use number 23928 to designate a case.

Com 137H, a horizontal well to be drilled from a surface location in the NW4NE4 (Unit B) of Section 2 to a bottom hole location in the SW4SE4 (Unit O) of Section 11.

- Under **Case 23930**, MRC seeks an order pooling a standard 479.6-acre, more or less, overlapping horizontal well spacing unit in a limited interval of the Bone Spring formation underlying Lot 1, SE4NE4, and the E2SE4 (E2E2 equivalent) of irregular Section 2, the E2E2 of Section 11, and the E2E2 of Section 14, to be initially dedicated to the proposed **Charles Ling Fed Com 138H**, a horizontal well to be drilled from a surface location in the NE4NE4 (Unit A) of Section 2 to a bottom hole location in the SE4SE4 (Unit P) of Section 14.

Each of these proposed spacing units are limited in depth to the correlative stratigraphic interval from 11,915’ MD as shown in the Dual Laterolog of the Stevens 11 #1 well (API No. 30-025-34246) to the base of the Bone Spring formation.

MRC has sought and been unable to obtain voluntary agreement for the pooling of these lands from all mineral owners in the subject acreage. However, Matador has provided notice of the overlapping spacing units to all affected working interest owners in the proposed and existing Bone Spring spacing units. Since none of the affected working interest owners have objected to the proposed development plan, the request for Division approval of the overlapping spacing units can be dismissed.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Nick Weeks, Landman	Affidavit	Approx. 7
Liz Olson, Geologist	Affidavit	Approx. 4

PROCEDURAL MATTERS

MRC requests that these matters be consolidated for hearing and intends to present these cases by affidavit if there is no opposition at the time of hearing. As noted above, since none of the affected working interest owners have objected to the proposed development plan after receiving notice, the request for Division approval of the overlapping spacing units can be dismissed and only the request for the Division to issue pooling orders remains for hearing.

Respectfully submitted,

HOLLAND & HART LLP

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CERTIFICATE OF SERVICE

I hereby certify that on October 26, 2023, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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QUESTIONS

Action 279517

QUESTIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 279517
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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