

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

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

CASE NOS. 25212 & 25213

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

ATTORNEY

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APPLICANT’S STATEMENT OF THE CASES

Under these consolidated cases, MRC seeks orders pooling all uncommitted interests in the following proposed overlapping horizontal well spacing units underlying Sections 35 and 36, Township 22 South, Range 28 East, and Section 31, Township 22 South, Range 29 East, NMPM, Eddy County, New Mexico:

Under **Case No. 25212**, is seeking an order pooling all uncommitted interests in a standard 316.61-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation

(Culebra Bluff; Bone Spring, South [15011] pool) underlying the S/2 SE/4 of Section 35 and the S/2 S/2 of Section 36, Township 22 South, Range 28 East, and Lot 4 and the SE/4 SW/4 (S/2 SW/4 equivalent) of irregular Section 31, Township 22 South, Range 29 East, Eddy County, New Mexico, and initially dedicate this Bone Spring spacing unit to the proposed **Mama Jo 3531 Fed Com #134H** well to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 35, T22S-R28E, with a first take point in the SW/4 SE/4 (Unit O) of Section 35, T22S-R28E, and a last take point in the SE/4 SW/4 (Unit N) of irregular Section 31, T22S-R29E. MRC corrected the surface hole location and first take point and provided amended proposals to interest owners. This change is not a material impact to the proposed horizontal spacing unit.

Under **Case No. 25213**, MRC is seeking an order pooling all uncommitted interests in a standard 633.85-acre, more or less, overlapping horizontal well spacing unit in the Wolfcamp formation (Sections 35 and 36 are in the Purple Sage; Wolfcamp (Gas) [98220] and Section 31 is in a wildcat pool to be assigned by the Division) underlying the SE/4 of Section 35 and the S/2 of Section 36, Township 22 South, Range 28 East, and Lots 3 and 4 and the E/2 SW/4 (SW/4 equivalent) of irregular Section 31, Township 22 South, Range 29 East, Eddy County, New Mexico, and initially dedicate this Wolfcamp spacing unit to the proposed **Mama Jo 3531 Fed Com #204H** well to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 35, T22S-R28E, with a first take point in the SW/4 SE/4 (Unit O) of Section 35, T22S-R28E, and a last take point in the SE/4 SW/4 (Unit N) of Section 31, T22S-R29E. MRC corrected the surface hole location and provided amended proposals to interest owners. This change is not a material impact to the proposed horizontal spacing unit.

MRC plans to send separate notice for the overlapping spacing unit and therefore is no longer seeking approval at hearing.

The completed interval for the **Mama Jo 3531 Fed Com #134H** well will comply with statewide setbacks for oil wells. The completed interval for the **Mama Jo 3531 Fed Com #204H** will penetrate both the Purple Sage and a wildcat pool; thus, Matador has placed the well such that it meets the statewide setbacks for gas wells.

MRC has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Ethan Fraiser, Landman	Self-Affirmed Statement	Approx. 5
Joshua Burrus, Geologist	Self-Affirmed Statement	Approx. 3

PROCEDURAL MATTERS

MRC does not anticipate opposition to these matters and requests that they be consolidated for a hearing by self-affirmed statements.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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State of New Mexico
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Oil Conservation Division
1220 S. St Francis Dr.
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QUESTIONS

Action 439721

QUESTIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 439721
	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>