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

APPLICATIONS OF MRC TORO, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 25589, 25590-25593

MRC'S CONSOLIDATED PRE-HEARING STATEMENT

MRC Toro, LLC ("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

ATTORNEY

MRC Toro, LLC ("MRC")

Adam G. Rankin Paula M. Vance Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421 (505) 983-6043 Facsimile

APPLICANT'S STATEMENT OF THE CASE

In these consolidated cases, MRC seeks orders pooling for the referenced acreage, all in Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, in the Wolfcamp (oil) formation (Jal; Wolfcamp, West [33813]) as follows:

• Under Case No. 25589, MRC seeks an order pooling all uncommitted interest owners in a standard 320-acre, more or less, horizontal well spacing unit underlying the W/2 E/2 of Sections 17 and 20, and to initially dedicate the above-referenced spacing unit to the proposed **Dogwood 25 36 20 Federal Com 106H** well, to be

drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 20 a first take point in the SW/4 SE/4 (Unit O) of Section 20, and a last take point in the NW/4 NE/4 (Unit B) of Section 17; and

• Under Case No. 25591, MRC seeks an order pooling all uncommitted interest owners in a standard 320-acre, more or less, horizontal well spacing unit underlying the E/2 E/2 of Sections 17 and 20, and to initially dedicate the above-referenced spacing unit to the proposed **Dogwood 25 36 20 Federal Com 115H** well, to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 20, a first take point in the SE/4 SE/4 (Unit P) of Section 20 and a last take point in the NE/4 NE/4 (Unit A) of Section 17;

MRC also seeks orders pooling for the referenced acreage, all in Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, in the Bone Spring formation (WC-025 G-08 S253534O; Bone Spring [97088]) as follows:

- Under Case No. 25590, MRC seeks an order pooling all uncommitted interest owners in a standard 320-acre, more or less, horizontal well spacing unit underlying the E/2 W/2 of Sections 17 and 20, and to initially dedicate the spacing unit to the proposed Dogwood 25 36 20 Federal Com 93H and Dogwood 25 36 20 Federal Com 113H wells, both to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 20, first take points in the SE/4 SW/4 (Unit N) of Section 20 and last take points in the NE/4 NW/4 (Unit C) of Section 17;
- Under Case No. 25592, MRC seeks an order pooling all uncommitted interest owners in a standard 320-acre, more or less, horizontal well spacing unit underlying the W/2 E/2 of Sections 17 and 20, and to initially dedicate the above-referenced

spacing unit to the proposed **Dogwood 25 36 20 Federal Com 124H** well, to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 20, a first take point in the SE/4 SE/4 (Unit P) of Section 20 and a last take point in the NW/4 NE/4 (Unit B) of Section 17; and

• Under Case No. 25593, MRC seeks an order pooling all uncommitted interest owners in a standard 320-acre, more or less, well spacing unit underlying the E/2 E/2 of Sections 17 and 20, and to initially dedicate the above-referenced spacing unit to the proposed **Dogwood 25 36 20 Federal Com 126H** well, to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 20, a first take point in the SE/4 SE/4 (Unit P) of Section 20 and a last take point in the NE/4 NE/4 (Unit A) of Section 17.

The completed interval for the wells will comply with statewide setbacks for oil wells.

MRC has sought but been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing units.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
David Johns, Landman	Self-Affirmed Statement	Approx. 4
Blake Herber, Geologist	Self-Affirmed Statement	Approx. 3

PROCEDURAL MATTERS

MRC requests that these matters be consolidated for hearing and intends to present these cases by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

By:

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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 511764

QUESTIONS

Operator:	OGRID:
MATADOR PRODUCTION COMPANY	228937
One Lincoln Centre	Action Number:
Dallas, TX 75240	511764
	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.	