

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

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

CASE NOS. 25821, 25823-25825

**APPLICATION OF MRC PERMIAN COMPANY
FOR APPROVAL OF A STANDARD OVERLAPPING
HORIZONTAL WELL SPACING UNIT AND
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

CASE NO. 25822

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
 (“MRC”)

ATTORNEY

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APPLICANT'S STATEMENT OF THE CASE

Under these consolidated cases, MRC seeks orders pooling for the referenced acreage as follows:

- In **Case No. 25821**, MRC seeks an order pooling all uncommitted interests in the Bone Spring formation (WC-025 G-06 S213215A; Bone Spring [97921]) underlying a standard 399.73-acre, more or less, horizontal well spacing unit underlying Lots 2, 7, 10, and 15 and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 3 and the W/2 E/2 of Section 10, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Electra Special 0310 Fed Com 123H** and **Electra Special 0310 Fed Com 137H** wells, to be horizontally drilled from surface locations in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 3, with first take points in Lot 2 (NW/4 NE/4 equivalent) of irregular Section 3, and last take points in the SW/4 SE/4 (Unit O) of Section 10.
- In **Case No. 25822**, MRC seeks an order (a) approving a standard 399.46-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying Lots 1, 8, 9, and 16 and E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 3 and the E/2 E/2 of Section 10, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico; and (b) pooling the uncommitted interest owners in this acreage. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Electra Special 0310 Fed Com 133H** and **Electra Special 0310 Fed Com 138H** wells, to be horizontally drilled from surface locations in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 3, with first take points in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 3, and last take points in the SE/4 SE/4 (Unit P) of Section 10. This proposed standard horizontal well

spacing unit will overlap the following existing horizontal well spacing unit in the Bone Spring formation:

- 160-acre spacing unit comprised of the E/2 E/2 of Section 10 in the Bone Spring dedicated to the Hat Mesa 10 Federal Com 002H well, operated by Cimarex Energy Co. (“Cimarex”) (API No. 30-025-40365).
- In **Case No. 25823**, MRC seeks an order pooling all uncommitted interests in the Bone Spring formation (WC-025 G-06 S213215A; Bone Spring [97921]) underlying a standard 239.46-acre, more or less, horizontal well spacing unit underlying Lots 1, 8, 9, and 16 and E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 3, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Electra Special 0310 Fed Com 124H** well, to be horizontally drilled from a surface location in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 3, with a first take point in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 3, and a last take point in the SE/4 SE/4 (Unit P) of irregular Section 3.
- In **Case No. 25824**, MRC seeks an order pooling all uncommitted interests in the Wolfcamp formation (Hat Mesa; Wolfcamp [96438]) underlying a standard 399.73-acre, more or less, horizontal well spacing unit underlying Lots 2, 7, 10, and 15 and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 3 and the W/2 E/2 of Section 10, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Electra Special 0310 Fed Com 203H** well, to be horizontally drilled from a surface location in Lot 1 (NE/4 NE/4 equivalent) of irregular Section

3, with a first take point in Lot 2 (NW/4 NE/4 equivalent) of irregular Section 3, and a last take point in the SW/4 SE/4 (Unit O) of Section 10.

- In **Case No. 25825**, MRC seeks an order pooling all uncommitted interests in the Wolfcamp formation (Hat Mesa; Wolfcamp [96438]) underlying a standard 399.73-acre, more or less, horizontal well spacing unit underlying Lots 1, 8, 9, and 16 and E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 3 and the E/2 E/2 of Section 10, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Electra Special 0310 Fed Com 204H** well, to be horizontally drilled from a surface location in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 3, with a first take point in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 3, and a last take point in the SE/4 SE/4 (Unit P) of Section 10.

The completed interval for the wells will meet the statewide setbacks for oil wells. Applicant will separately seek administrative approval for the proposed nonstandard location for the Electra Special 0310 Fed Com 133H well. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Isaac Evans, Landman	Self-Affirmed Statement	Approx. 6
Anna Thorson, 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

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Oil Conservation Division
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QUESTIONS

Action 547807

QUESTIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 547807
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS**Testimony**

Please assist us by provide the following information about your testimony.

Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>