

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

**IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION DIVISION FOR THE PURPOSE
OF CONSIDERING:**

2005 FEB 11 AM

CASE NO. 13419
CASE NO. 13420

**APPLICATION OF MATRIX NEW MEXICO
HOLDINGS, L.L.C., FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Matrix New Mexico Holdings, L.L.C.
Attn: Mr. Fred Bryla
3725 Commonwealth Boulevard
Sugarland, Texas 77479
(281) 265-1212

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988.4421

STATEMENT OF CASE

APPLICANT

CASE 13419:

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface through the Wolfcamp formation in the NE/4 SE/4 of Section 10, Township 13 South, Range 38 East, NMPM, to form a standard spacing and proration

Pre-Hearing Statement
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unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the Bronco-Wolfcamp Pool. Said units are to be dedicated to its Townsend Well No. 3 to be drilled at a standard oil well location in the NE/4 SE/4 of said Section 10 to a depth sufficient to test all formations through the Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matrix New Mexico Operating Company, L.L.C. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles southwest of Bronco, Texas.

CASE 13420:

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface through the Wolfcamp formation in the SE/4 NE/4 of Section 10, Township 13 South, Range 38 East, NMPM, to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Bronco-Wolfcamp Pool. Said units are to be dedicated to its Townsend Well No. 2 to be drilled at a standard oil well location in the SE/4 NE/4 of said Section 10 to a depth sufficient to test all formations through the Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matrix New Mexico Operating Company, L.L.C. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles southwest of Bronco, Texas.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and Expertise)

ESTIMATED TIME

EXHIBITS

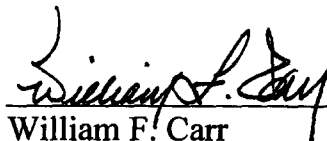
Fred Bryla (Petroleum Engineer)

Approx. 20 Minutes

Approx. 8

PROCEDURAL MATTERS

Matrix New Mexico Holdings, L.L.C., will request that these cases be consolidated for the purpose of hearing.

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

William F. Carr
Attorney for Matrix New Mexico Holdings,
L.L.C.