

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

**APPLICATION OF KAISER-FRANCIS OIL COMPANY
FOR COMPULSORY POOLING EDDY COUNTY, NEW MEXICO.**

CASE NOS. 20291-20293

MOTION FOR CONTINUANCE

MRC Permian Company (“Matador”), moves the Division to continue the above-referenced cases currently scheduled for the April 15, 2019, Examiner Hearing Docket to the May 16, 2019, Examiner Hearing Docket. In support, Matador states as follows:

1. In Case 20291, Kaiser Francis seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2 N/2 of Section 24, Township 23 South, Range 28 East, N.M.P.M. and the N/2N/2 of Section 19, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and dedicating the spacing unit to the proposed Mosaic Fed. 2419 3BS Well No. 1H.

2. In Case 20292, Kaiser Francis seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2 N/2 of Section 24, Township 23 South, Range 28 East, N.M.P.M. and the S/2 N/2 of Section 19, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and dedicating the spacing unit to the proposed Mosaic Fed. 2419 3BS Well No. 2H.

3. And, in Case No. 20293, Kaiser Francis seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 24, Township 23 South, Range 28 East, N.M.P.M. and the N/2 of Section 19, Township 23 South,

Range 29 East, N.M.P.M., Eddy County, New Mexico, and dedicating the spacing unit to several proposed wells in various zones within the Wolfcamp formation.

4. Matador owns an interest in each of the proposed spacing units.

5. Matador has been unable reached agreement to pool its interests in the proposed spacing units and has been in negotiations with Kaiser Francis. As part of the parties' negotiations, Matador has requested but has not been provided a proposed form of Joint Operating Agreement ("JOA") from Kaiser Francis.

6. Matador was informed on Monday April 15, 2019, by the Kaiser Francis landman that they would provide a form of JOA to Matador for review prior to drilling the proposed wells. Matador cannot however agree to combine its interests in the proposed spacing units until it has reviewed and can agree on a form of JOA. As part of its obligation to undertake good-faith negotiations Kaiser Francis must provide Matador a proposed JOA.

7. In order for Kaiser Francis to meet its obligations to undertake good-faith negotiations and to give the parties time to complete their negotiations, these cases should be continued until May 16, 2019.

WHEREFORE, Matador respectfully requests that the Division continue the hearing on these cases until the May 16, 2019, Examiner Hearing Docket.

Respectfully submitted,

HOLLAND & HART, LLP



Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Post Office Box 2208

Santa Fe, New Mexico 87504

TEL: (505) 988-4421

FAX: (505) 983-6043 Facsimile

mfeldewert@hollandhart.com

agrarkin@hollandhart.com

jbroggi@hollandhart.com

ATTORNEYS FOR MRC PERMIAN COMPANY

CERTIFICATE OF SERVICE

I hereby certify that on April 15, 2019, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

James Bruce

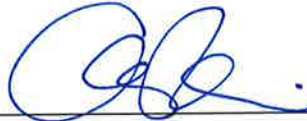
Post Office Box 1056

Santa Fe, New Mexico 87504

505-982-2043

Email: jamesbruc@aol.com

Attorney for Kaiser-Francis Oil company



Adam G. Rankin