

**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:**

**APPLICATIONS OF MATADOR PRODUCTION
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case Nos. 20680-20683

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Matador Production Company as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Matador Production Company
Suite 1500
5400 LBJ Freeway
Dallas, Texas 75240

Attention: Kyle Perkins
(972) 371-5202

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Case 20680: Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2N/2 of Section 31 and the N/2N/2 of Section 32, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Pennzoil 3231 Fed. Com. Well No. 125H, with a first take point in the NE/4NE/4 of Section 32 and a final take point in the NW/4NW/4 of Section 31.

Case 20681: Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 31 and the S/2N/2 of

Section 32, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Pennzoil 3231 Fed. Com. Well No. 126H, with a first take point in the SE/4NE/4 of Section 32 and a final take point in the SW/4NW/4 of Section 31

Case 20682: Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2N/2 of Section 31 and the N/2N/2 of Section 32, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Pennzoil 3231 Fed. Com. Well No. 205H, with a first take point in the NE/4NE/4 of Section 32 and a final take point in the NW/4NW/4 of Section 31.

Case 20683: Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 31 and the S/2N/2 of Section 32, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Pennzoil 3231 Fed. Com. Well No. 206H, with a first take point in the SE/4NE/4 of Section 32 and a final take point in the SW/4NW/4 of Section 31.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Sam Pryor (landman)	15 min.	Approx. 10
Andy Juett (landman)	15 min.	Approx. 10

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

1. The cases should be consolidated for hearing.
2. If unopposed, the case may be submitted by affidavit.

Respectfully submitted,



James Bruce
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Attorney for Matador Production Company