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. 20734-20736

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

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5400 LBJ Freeway

Dallas, Texas 75240

Attention:

Kyle Perkins

(972) 371-5202

OPPONENTS

Marathon Oil Permian LLC

OPPONENTS' ATTORNEY

APPLICANT'S ATTORNEY

Santa Fe, New Mexico 87504

Earl DeBrine

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(505) 982-2043

Lance Hough

Sharon Shaheen

Tap Rock Resources, LLC

STATEMENT OF THE CASE

APPLICANT

Case No. 20734: Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 36 and W/2E/2 of Section 25, Township 23 South, Range 28 East, NMPM. The unit will be dedicated to

the Ray State Com. 36 & 25-23S-28E Well No. 123H, with a first take point in the SW/4SE/4 of Section 36 and a final take point in the NW/4NE/4 of Section 25.

Case No. 20735: Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 36 and E/2E/2 of Section 25, Township 23 South, Range 28 East, NMPM. The unit will be dedicated to the Ray State Com. 36 & 25-23S-28E Well No. 124H, with a first take point in the SE/4SE/4 of Section 36 and a final take point in the NE/4NE/4 of Section 25.

<u>Case No. 20735</u>: Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2 of Section 36 and E/2 of Section 25, Township 23 South, Range 28 East, NMPM. The unit will be dedicated to

- (a) the Ray State Com. Well No. 203H, with a first take point in the SW/4SE/4 of Section 36 and a final take point in the NW/4NE/4 of Section 25;
- (b) the Ray State Com. Well No. 204H, with a first take point in the SE/4SE/4 of Section 36 and a final take point in the NE/4NE/4 of Section 25;
- (c) the Ray State Com. Well No. 217H, with a first take point in the SE/4SE/4 of Section 36 and a final take point in the NE/4NE/4 of Section 25;
- (d) the Ray State Com. Well No. 223H, with a first take point in the SW/4SE/4 of Section 36 and a final take point in the NW/4NE/4 of Section 25; and
- (e) the Ray State Com. Well No. 224H, with a first take point in the SE/4SE/4 of Section 36 and a final take point in the NE/4NE/4 of Section 25.

Also to be considered in each case 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 applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

OPPONENTS

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Sarah Hartsfield (landman)	25 min.	Approx. 12
Dan Brugioni (landman)	20 min.	Approx. 10

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Respectfully submitted,

James Bruce

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Attorney for Matador Production Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this ______ day of September, 2019 by e-mail:

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