

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

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

CASE NO. 20734

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

CASE NO. 20735

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

CASE NO. 20736

PRE-HEARING STATEMENT

Chevron U.S.A., Inc. ("Chevron") submits this Pre-Hearing Statement for the above referenced case pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Matador Production Company

ATTORNEY

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OPPONENTS

Chevron U.S.A., Inc.

ATTORNEY

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STATEMENT OF CASE

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 Corn. 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 Corn. 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.

Case No. 20735: 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 Corn. 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 Corn. 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 Corn. 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 Corn. 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 Corn. 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.

PROPOSED EVIDENCE

APPLICANT:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Kelly Rau – Land Professional	Approx. 15	Approx. 6
TBD – Geologist	Approx. 15	Approx. 5

PROCEDURAL ISSUES

Chevron requests that this case be continued to the January 23, 2020 docket. Counsel for Chevron and Matador previously conferred regarding continuing Chevron's Case Nos. 20749 and 20750, which are companion cases, from the September 5, 2019 docket to the October 31, 2019 docket. Based upon a reliance of representation by Matador's counsel that these cases would be continued to October 31, 2019, Chevron continued Case Nos. 20749 and 20750 to October 31, 2019. Most recently, Counsel for Chevron, Tap Rock, and Matador conferred regarding continuing these cases and all of Chevron's companion cases, Case Nos. 20414, 20749, and 20750, to the January 23, 2020 docket since Chevron's witnesses are not available for the October 31, 2019 continuance docket.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on September 12, 2019:

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