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

CASE NO. 12852

APPLICATION OF MATADOR E & P COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Matador E & P Company, as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Matador E & P Company 8340 Meadow Road #150 Dallas, Texas 79231 (214) 987-3650

Attn: Mark Virant

ATTORNEY

W. Thomas Kellahin KELLAHIN AND KELLAHIN P.O. Box 2265 Santa Fe, New Mexico 87504 (505) 982-4285

OPPONENT

ATTORNEY

STATEMENT OF CASE

Matador E & P Company has 100% of the working interest ownership in the oil and gas minerals from the Monument Tubb Pool and has dedicated this Laughlin Well No 6. to a standard 80-acre spacing and proration unit consisting of S/2NW/4 of Section 4, T20S, R37E, NMPM, Lea County, New Mexico.

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Matador has certain leases in this spacing unit which do not contain pooling clauses. There are 107 royally and overriding royalty owners and Matador has obtained written approval from 41 owner agreeing to pool their respective interest in this spacing unit. Despite its good faith efforts, Matador has not be able to obtain the consent of all royalty and overriding royalty owners.

Matador drilled and completed this well for first production on January 21, 2002. Matador request that the peoling of the royalty and overriding owners be made effect retroactive to the date of first production.

Pursuant to Section 70-2-17.C NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, the applicant needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

EST. TIME EXHIBITS

Jay Beavers (landman)

15-20 Min. @ 6 exhibits

PROCEDURAL MATTERS

Bv:

None anticipated at this time

KELLAHIN AND KELLAHIN

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