

**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:**

**CASE NO. 13357**

**APPLICATION OF MATRIX NEW MEXICO  
HOLDINGS, LLC, FOR COMPULSORY POOLING  
LEA COUNTY, NEW MEXICO.**

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Matrix New Mexico Holdings, LLC  
Attn: Fred C. Bryla, Vice-President  
5725 Commonwealth Boulevard  
Sugarland, Texas 77479  
(281) 265-1212

**ATTORNEY**

William F. Carr, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988.4421

**OPPONENTS**

Land Services, Inc.  
Suite E  
2310 S. W. 89th  
Oklahoma City, Oklahoma 73159  
Attention: Terry Brooks

**ATTORNEY**

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Cognet Exploration, Ltd.  
804 Park Harvey Center  
200 North Harvey  
Oklahoma City, Oklahoma 73102  
Attention: Greg Wilson

James Bruce, Esq.

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Chesapeake Operating, Inc.  
Chesapeake Permian, L.P.  
Concho Resources, Inc.  
Steve W. Horn  
6100 N. Western Ave  
Oklahoma City, Oklahoma 73118  
Attention: Lynda Townsend

W. Thomas Kellahin, Esq.  
Post Office Box 2265  
Santa Fe, New Mexico 87501  
(505) 982-4285

## **STATEMENT OF CASE**

### **APPLICANT**

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the bottom of the Wolfcamp formation under the NE/4 NE/4 of Section 10, Township 13 South, Range 38 East, NMPM, Lea County, New Mexico to form a standard 40-acre spacing and proration unit for all pools and formations spaced on 40-acre spacing within that vertical extent, including, but not necessarily limited to, the Bronco-Wolfcamp Oil Pool. Applicant proposes to dedicate this pooled unit to its proposed Townsend #1-A Well, to be drilled at a standard oil well location 530 feet from the North line and 330 feet from the East line in the NE/4 NE/4 of said Section 10. Also to be considered is the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Matrix New Mexico Operating Company, LLC as operator of the well and a charge for risk involved in drilling said well.

## **PROPOSED EVIDENCE**

### **APPLICANT**

**WITNESSES**  
Fred C. Bryla (Landman)

**ESTIMATED TIME**  
Approx. 25

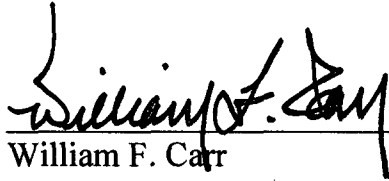
**EXHIBITS**  
Approx. 6

## **PROCEDURAL MATTERS**

Matrix New Mexico Holdings, LLC, has reached a voluntary agreement for the drilling of this well with Chesapeake Permian, L.P., Concho Resources, Inc. and Steve Horn. and they are therefore not subject to pooling and will be dismissed from this application.

**Pre-Hearing Statement**  
**NMOCD Case No. 13357**  
**Page 3**

The original application included formations and pooling units that Matrix does not seek to pool. Matrix only seeks an order pooling the 40-acre units comprised of the NE/4 NE/4 of Section 10. Matrix will request that the portions of the application that seek an order pooling other spacing units be dismissed.

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William F. Carr

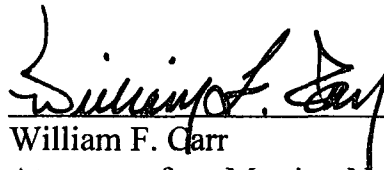
Attorney for Matrix New Mexico Holdings, LLC

**CERTIFICATE OF SERVICE**

I hereby certify that on this 12th day of November 2004 I have caused to be fax-delivered a copy of our Pre-Hearing Statement in the above-captioned case to the following named parties:

James Bruce, Esq.  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
Facsimile No. (505) 982-2151

W. Thomas Kellahin, Esq.  
Kellahin & Kellahin  
P. O. Box 2265  
Santa Fe, NM 87504-2265  
Facsimile No. (505) 982-2047

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

William F. Carr  
Attorney for Matrix New Mexico  
Holdings, LLC

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:

APPLICATION OF MATRIX NEW MEXICO  
HOLDINGS, LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

Case No. 13,357

ENTRY OF APPEARANCE  
AND  
PRE-HEARING STATEMENT

I. ENTRY OF APPEARANCE.

James Bruce enters his appearance in this case on behalf of  
Sunlight Exploration, Inc.

II. PRE-HEARING STATEMENT.

This pre-hearing statement is submitted by Sunlight Exploration,  
Inc. as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Matrix New Mexico Holdings, LLC

APPLICANT'S ATTORNEY

William F. Carr

OPPONENT

Sunlight Exploration, Inc.  
1415 23rd Street  
Canyon, Texas 79015

OPPONENT'S ATTORNEYS

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attention: Chris Bright

STATEMENT OF THE CASE

APPLICANT

See the Application.

OPPONENTS

Sunlight Exploration, Inc. owns a working interest which is being  
pooled. It has offered applicant its entire interest at no cost,  
or to sign a JOA. As a result, pooling is improper.

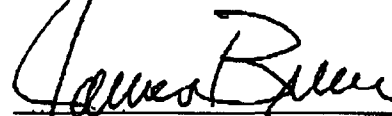
**PROPOSED EVIDENCE****APPLICANT****WITNESSES****EST. TIME****EXHIBITS****OPPONENTS****WITNESSES****EST. TIME****EXHIBITS**

Chris Bright (possible witness)

**PROCEDURAL MATTERS**

-None-

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Sunlight  
Exploration, Inc.

**CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing pleading was served upon the following counsel of record via facsimile transmission this 12th day of November, 2004:

William F. Carr  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 983-6043



James Bruce