

**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. 13419**

**CASE NO. 13420**

2005 FEB 11 AM 11:20

**APPLICATION OF MATRIX NEW MEXICO  
HOLDINGS, L.L.C., 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, L.L.C.  
Attn: Mr. Fred Bryla  
3725 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

**STATEMENT OF CASE**

**APPLICANT**

**CASE 13419:**

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface through the Wolfcamp formation in the NE/4 SE/4 of Section 10, Township 13 South, Range 38 East, NMPM, to form a standard spacing and proration

**Pre-Hearing Statement**  
**NMOCD Case Nos. 13419 and 13420**  
**Page 2**

unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the Bronco-Wolfcamp Pool. Said units are to be dedicated to its Townsend Well No. 3 to be drilled at a standard oil well location in the NE/4 SE/4 of said Section 10 to a depth sufficient to test all formations through the Wolfcamp formation. Also to be considered will be 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, L.L.C. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles southwest of Bronco, Texas.

CASE 13420:

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface through the Wolfcamp formation in the SE/4 NE/4 of Section 10, Township 13 South, Range 38 East, NMPM, to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Bronco-Wolfcamp Pool. Said units are to be dedicated to its Townsend Well No. 2 to be drilled at a standard oil well location in the SE/4 NE/4 of said Section 10 to a depth sufficient to test all formations through the Wolfcamp formation. Also to be considered will be 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, L.L.C. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles southwest of Bronco, Texas.

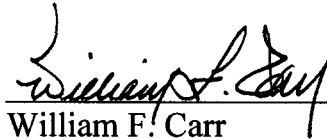
**PROPOSED EVIDENCE**

APPLICANT

<u>WITNESSES</u> (Name and Expertise)	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Fred Bryla (Petroleum Engineer)	Approx. 20 Minutes	Approx. 8

**PROCEDURAL MATTERS**

Matrix New Mexico Holdings, L.L.C., will request that these cases be consolidated for the purpose of hearing.

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,  
L.L.C.