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

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

Case No. 21985 & 21986

S.K. WARREN RESOURCES, LLC'S PRE-HEARING STATEMENT

S.K. Warren Resources, LLC ("S.K. Warren") provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

MATADOR PRODUCTION CO.

APPLICANT'S ATTORNEY

Michael H. Feldewert Adam G. Rankin Julia Broggi Kaitlyn A. Luck Holland & Hart, LLP P.O. Box 2208 Santa Fe, NM 87504

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OPPONENT

S.K. WARREN RESOURCES, LLC

OPPONENT'S ATTORNEYS:

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OTHER PARTY

MARATHON OIL PERMIAN, LLC

OTHER PARTY'S ATTORNEY:

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STATEMENT OF THE CASE

Applicant seeks an order pooling all uncommitted mineral interests within the spacing unit as described in the applications in the above-referenced case. S.K. Warren is owner of an interest in the proposed wells. S.K. Warren would like to participate in development of this acreage. S.K. Warren believes it reasonable that the parties come to agreement as to payment of estimated costs, among other things, similar to the manner in which these same parties have previously agreed for other wells operated by Applicant in which S.K. Warren has participated.

In addition, S.K. Warren would like to reach agreement with Matador regarding the sharing of costs and revenues relating to acreage owned by forcepooled parties who elect not to participate with forcepooled parties who do elect to participate. S.K. Warren reads recent compulsory pooling order to so provide. *See, e.g.*, Order No. R-21654 at 3-4, ¶¶ 29-30. However, at this time, Applicant will not agree to share such costs and revenues.

S.K. Warren has made efforts to come to a voluntary agreement with Applicant, but Applicant has refused to consider any of the terms proposed by S.K. Warren. Most recently, Applicant has failed to respond to any inquiries from S.K. Warren. S.K. Warren believes that Applicant has failed to negotiate in good faith to reach a voluntary agreement as required.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES EST. TIME EXHIBITS

TBD

OPPONENT S.K. WARREN RESOURCES, LLC:

WITNESSES EST. TIME EXHIBITS

Stephen K. Warren, Manager & Landman Dependent on cross 8-10

PROCEDURAL MATTERS

None

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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Attorneys for S.K. Warren Resources, L.L.C.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on August 12, 2021:

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