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

IN THE MATTER OF THE AMENDED APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING AND UNORTHODOX WELL LOCATION, EDDY COUNTY, NEW MEXICO.

CASE NO. 15039

APPLICANT'S PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Matador Production Company

("Matador') as required by NMAC 19.15.4.13.B.

APPEARANCES

APPLICANT

Matador Production Company One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240 **ATTORNEY**

Michael H. Feldewert
Adam G. Rankin
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile

STATEMENT OF THE CASE

Matador seeks to pool all mineral interests in the Wolfcamp formation underlying the S/2 of Section 12, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico to form a 320-acre spacing unit and project area for its proposed Rustler Breaks 12-24-27 #1H Well, which will be horizontally drilled from an un unorthodox surface location 330 feet from the East line and 380 feet from the South line (Unit P) to an unorthodox bottom hole location 330 feet from the West line and 380 feet from the South line (Unit M) of Section 12, Township 24 South, Range 27 East, in Eddy

County, New Mexico. The proposed well is within one mile of the Black River; Wolfcamp, East pool, which is subject to 320-acre spacing and proration units and 660-foot setback requirements. Accordingly, Matador also seeks authorization for an unorthodox well location since the completed interval for this well will encroach on the spacing and proration units to the West, Southwest, South, East and Southeast.

APPLICANT'S PROPOSED EVIDENCE

WITNESS
Name and Expertise

ESTIMATED TIME

EXHIBITS

Jonathan Filbert, Senior Staff Landman Approx. 10 minutes

Approx. 5

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART, LLP

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mfeldewert@hollandhart.com

agrankin@hollandhart.com

ATTORNEYS FOR MATADOR PRODUCTION COMPANY