

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

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IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF MRC PERMIAN COMPANY
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT, AN UNORTHODOX WELL
LOCATION, AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

Case No. 15,244

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

MRC Permian Company
Suite 1500
5400 LBJ Freeway
Dallas, Texas 75240

Attention: Chris Carleton

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order approving a 160-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2E/2 of Section 1, Township 24 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 or 320 acre spacing within that vertical extent. The unit is to be dedicated to the Dr. Scrivner 1-24S-28E RB Well No. 224H, a horizontal well with a surface location 250 feet from the south line and 350 feet from the east line of Section 1. The producing interval will be unorthodox, with the penetration point 330 feet from the south line

and 350 feet from the east line, and the last perforation 330 feet from the north line and 350 feet from the east line, of Section 1. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Chris Carleton (landman)	10 min.	Approx. 8.
_____ (geologist)	10 min.	Approx. 4

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

Respectfully submitted,



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

Attorney for MRC Permian Company