STATE OF NEW MEXICO PROPERTY OCD ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OCD OIL CONSERVATION DIVISION 2014 DEC 15 A 8:01

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

APPLICATION OF MRC PERMIAN COMPANY FOR COMPULSORY POOLING AND APPROVAL OF AN UNORTHODOX WELL LOCATION, EDDY COUNTY, NEW MEXICO.

Case No. 15,245

PRE-HEARING STATEMENT

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

APPEARANCES :

APPLICANT'S ATTORNEY

MRC Permian Company James Bruce
Suite 1500 P.O. Box 1056

5400 LBJ Freeway Santa Fe. New Mexico 87504

Dallas, Texas 75240 (505) 982-2043

Attention: Chris Carleton

OPPONENT OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 12, Township 23 South, Range 27 East, NMPM, for all pools or formations developed on 320 acre spacing within that vertical extent. The unit will be dedicated to the Tom Walters 12-23S-27E RB Well No. 203H, a horizontal well with a surface location 2280 feet from the south line and 250 feet from the west line of Section 12. The producing interval will be unorthodox, with the penetration point 2280 feet from the south line and 330 feet from the west line, and the last perforation 2280 feet from the south line and 330 feet from the east line, of Section 12. 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

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

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

PROCEDÚRAL MATTERS

Respectfully submitted.

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for MRC Permian Company