

STATE OF NEW MEXICO
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 M & M ENERGY, LLC FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

Case No. 15916

APPLICATION OF M & M ENERGY, LLC FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

Case No. 15917

APPLICATION OF M & M ENERGY, LLC FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

Case No. 15918

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

M & M Energy, LLC
2409 Ella Lee Lane
Houston, Texas 77019

Attention: Micheal McGhee
(713) 304-1695

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

Case No. 15916: M & M Energy, LLC seeks an order pooling all mineral interests from the surface to the base of the San Andres formation underlying the NE/4SW/4 of Section 6, Township 22 South, Range 36 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the J.H. Day Well No. 1, to be re-entered and deepened at an orthodox location 2310 feet from the south and west lines of Section 6. 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 applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

Case No. 15917: M & M Energy, LLC seeks an order pooling all mineral interests from the surface to the base of the San Andres formation underlying the SE/4NW/4 of Section 6, Township 22 South, Range 36 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the J.H. Day Well No. 2, to be re-entered and deepened at an orthodox location 1980 feet from the north and west lines of Section 6. 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 applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

Case No. 15918: M & M Energy, LLC seeks an order pooling all mineral interests from the surface to the base of the San Andres formation underlying the SE/4SW/4 of Section 6, Township 22 South, Range 36 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the J.H. Day Well No. 3, to be re-entered and deepened at an orthodox location 330 feet from the south line and 2310 feet from the west line of Section 6. 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 applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

Zachery McAllister
(landman)

EST. TIME

20 min.

EXHIBITS

Approx. 10

Micheal McGhee
(geologist)

10 min.

Approx. 3

OPPONENT

WITNESSES

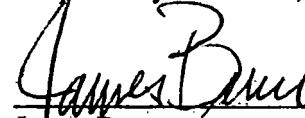
EST. TIME

EXHIBITS

PROCEDURAL MATTERS

IF THERE IS NO OPPOSITION APPLICANT INTENDS TO PRESENT THESE CASES BY AFFIDAVIT. The land and geologic evidence in all three cases is identical.

Respectfully submitted,



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

Attorney for M & M Energy, LLC