

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:

3 cases

APPLICATION OF MATADOR PRODUCTION COMPANY
FOR APPROVAL OF A NON-STANDARD SPACING
AND PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

15927

APPLICATION OF MATADOR PRODUCTION COMPANY
FOR APPROVAL OF A NON-STANDARD SPACING
AND PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

Case No. 15928

APPLICATION OF MATADOR PRODUCTION COMPANY
FOR APPROVAL OF A NON-STANDARD SPACING
AND PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

Case No. 15929

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Matador Production Company
Suite 1500
5400 LBJ Freeway
Dallas, Texas 75240

Attention: Dana Arnold
(972) 371-5284

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. 15927: Applicant seeks an order approving a 152.67-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 1, N/2NE/4, and NE/4NW/4 (the N/2N/2) of Section 19, Township 19 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the Marbob 19 State Well No. 121H, a horizontal well with a surface location in Lot 1, and a terminus in the NE/4NE/4, of Section 19. The producing interval will be orthodox. 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. 15928: Applicant seeks an order approving a 152.61-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 2, S/2NE/4, and SE/4NW/4 (the S/2N/2) of Section 19, Township 19 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the Marbob 19 State Well No. 122H, a horizontal well with a surface location in Lot 2, and a terminus in the SE/4NE/4, of Section 19. The producing interval will be orthodox. 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. 15929: Applicant seeks an order approving a 152.49-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 4, S/2SE/4, and SE/4SW/4 (the S/2S/2) of Section 19, Township 19 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the Marbob 19 State Well No. 124H, a horizontal well with a surface location in Lot 4, and a terminus in the SE/4SE/4, of Section 19. The producing interval will be orthodox. 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

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBIT</u>
Nick Weeks (landman)	25 min.	Approx. 20
Andy Juett (geologist)	20 min.	Approx. 8

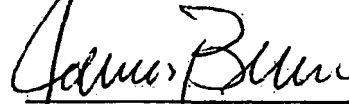
OPPONENT

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

Applicant requests that these cases be consolidated for hearing. The land testimony varies slightly, but the geology is the same in all wells.

Respectfully submitted,



James Bruce
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Santa Fe, New Mexico 87504
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Attorney for Matador Production Company