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

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

CASE NO. 15931

MATADOR'S PRE-HEARING STATEMENT

Matador Production Company, the applicant in the above-referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

| APPEARANCES | | \Box |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <u>APPLICANT</u> | ATTORNEY & | RECE |
| Matador Production Company 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240 | Michael H. Feldewert, Esq. Jordan L. Kessler, Esq. Holland & Hart, LLP Post Office Box 2208 Santa Fe, New Mexico 87504-220 (505) 988-4421 (505) 983-6043 Facsimile Email: mfeldewert@hollandhart.com Email: jlkessler@hollandhart.com | EIVED OCD |

APPLICANT'S STATEMENT OF CASE

Matador seeks an order from the Division (1) creating a 152.78-acre non-standard spacing and proration unit comprised of the N/2 S/2 of Section 19, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Matador proposes to dedicate the above-referenced spacing and proration unit as the project area for two proposed initial wells, to be drilled and completed simultaneously: the proposed Marbob 19 State Com No. 123H Well and the proposed Marbob 19 State Com No. 133H Well. These wells will be horizontally drilled from a surface location in

the NW/4 SW/4 (Lot 3) to a standard bottom hole location in NE/4 SE/4 (Unit I) of Section 19. The completed interval for each well will remain within the 330-foot standard offset required by the Division's Statewide Rules.

APPLICANT'S PROPOSED EVIDENCE

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS | |
|----------------------------|--------------------|-----------|--|
| Nick Weeks, Landman | Approx. 10 minutes | Approx. 5 | |
| Andy Juett, Geologist | Approx. 10 minutes | Approx. 4 | |

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

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~And~

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ATTORNEYS FOR MATADOR PRODUCTION COMPANY