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

CASE NO. 12115

**APPLICATION OF MATADOR PETROLEUM  
CORPORATION FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

OIL CONSERVATION DIV.  
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**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Matador Petroleum Corporation, as required by the Oil Conservation Division.

**APPEARANCE OF PARTIES**

**APPLICANT**

Matador Petroleum Corporation  
8340 Meadow Road, Ste 158  
Dallas, Texas 75231  
(214) 987-3650  
attn: Barry Osborne

**ATTORNEY**

W. Thomas Kellahin  
KELLAHIN AND KELLAHIN  
P.O. Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285

**OPPONENT**

None

**ATTORNEY**

**STATEMENT OF CASE**

Matador Petroleum Corporation has a working interest ownership in the oil and gas minerals from the surface to the base of the Morrow formation underlying the S/2 Section 31, T18S, R31E, NMPM, Eddy County, New Mexico.

The subject tract is located within one-mile of the current boundaries of the North Shugart-Morrow Gas Pool.

Matador proposes to drill its Shugart Deep Federal "31" Well No. 1 at a standard gas well location in Unit K of Section 31 to test any and all formations in the pooled interval to be dedicated to a standard 320-acre spacing unit consisting of the S/2 of this section and to be dedicated to the SW/4 for any pools spaced on 160-acre spacing.

Despite its good faith efforts, Matador has been unable to obtain a written voluntary agreement from all of the working interest/mineral owners.

Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, the applicant needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

### **PROPOSED EVIDENCE**

#### **APPLICANT:**

#### **WITNESSES**

#### **EST. TIME EXHIBITS**

Mona Ables (landman)

20 Min. @ 6 exhibits

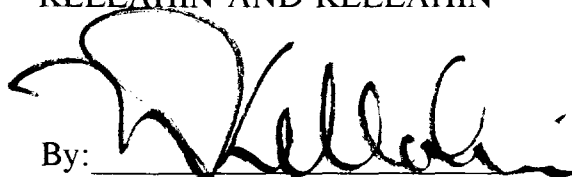
Mike Miller (geologist)

20 Min. @ 5 exhibits

### **PROCEDURAL MATTERS**

None anticipated at this time

KELLAHIN AND KELLAHIN



By:

W. Thomas Kellahin

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