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

CASE NO. 12877

APPLICATION OF MATABOR E & P COMPANY FOR COMPULSORY POPULING, LEA COUNTY, NEW MEXICO.

RE-HEARING STATEMENT

This pre-hearing statement is submitted by Matador E & P Company, as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

ATTORNEY

Matador E & P Company 8340 Meadow Road #150 Dallas, Texas 79231 (214) 987-3650 Attn: Mark Virant

OPPONENT

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

ATTORNEY

STATEMENT OF CASE

Matador E & P Company has a the working interest ownership in the oil and gas minerals from the Monument Tubb Pool and proposed to dedicated this Laughlin "5" Well No. 1 to a standard 22-acre spacing and proration unit consisting of E/2SE/4 of Section 5, T20S, R37E, NHEM, Lea County, New Mexico.

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Matador has certain leases in this spacing unit which do not contain pooling clauses. There are 59 royalsy and overriding royalty owners and Matador has obtained written approval from 40 owner agreeing to pool their respective interest in this spacing unit. Despite its good faith efforts, Matador has not be able to obtain the consent of all royalty and overriding royalty 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.

Matador seek to designate Matador Operating Company as the operator

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

EST. TIME EXHIBITS

Jay Beavers (landman)

15-20 Min. @ 6 exhibits

PROCEDURAL MATTERS

None anticipated at this time

KELLAHIN AND KELLAHIN

Bv:

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