

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING MAY 4, 2023**

CASE No. 23495

BO HOWARD 1211 FED COM #113H

EDDY COUNTY, NEW MEXICO



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

**APPLICATION OF MRC PERMIAN
COMPANY FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 23495

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23495	APPLICANT'S RESPONSE
Date	May 4, 2023
Applicant	MRC Permian Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company (OGRID No. 228937)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MRC PERMIAN COMPANY FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Bo Howard
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Avalon; Bone Spring, East [3713]
Well Location Setback Rules:	Statewide oil rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240
Building Blocks:	40 acres
Orientation:	East-West
Description: TRS/County	N/2 S/2 of Section 12 and the N/2 SE/4 of Section 11, Township 21 South, Range 27 East, NMPM, Eddy
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C-5
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1	Bo Howard 1211 Fed Com #113H well SHL: 1,693' FSL, 505' FEL (Unit I) of Section 12 FTP: 1,980' FSL, 100' FEL (Unit I) of Section 12 LTP: 1,980' FSL, 110' FWL (Unit J) of Section 11 BHL: 1,980' FSL, 110' FWL (Unit J) of Section 11 Target: Bone Spring Orientation: East-West Completion: Standard Location
Well #2	
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-6
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-4
Tract List (including lease numbers and owners)	Exhibit C-4, C-5
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-5
Unlocatable Parties to be Pooled	No
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-4, C-5
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-6
Cost Estimate to Drill and Complete	Exhibit C-6
Cost Estimate to Equip Well	Exhibit C-6
Cost Estimate for Production Facilities	Exhibit C-6
Geology	

Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D, D-3
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-4, C-5
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-4, C-5
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	5/3/2023

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

**APPLICATION OF MRC PERMIAN
COMPANY FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 23495

APPLICATION

MRC Permian Company (“MRC” or “Applicant”), through undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (a) approving a standard 240-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the N/2 S/2 of Section 12 and the N/2 SE/4 of Section 11, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed overlapping horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed overlapping horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced overlapping horizontal spacing unit to the proposed **Bo Howard 1211 Fed Com #113H** well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 12 to a bottom hole location in the NW/4 SW/E (Unit J) of Section 11.

4. This 240-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the N/2 S/2 of Section 11, Township 21 South, Range 27 East, dedicated to the Cedar 11 State #1H well (API: 30-015-42734) and the Cedar 11 State #2H well (API: 30-015-42737).

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

6. The pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 4, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the overlapping horizontal well spacing unit and pooling all uncommitted interests therein;
- B. Designating Matador Production Company as operator of this overlapping horizontal spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

- E. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Paula M. Vance
Post Office Box 2208
Santa Fe, NM 87504
505-998-4421
505-983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com
pmvance@hollandhart.com

ATTORNEYS FOR MRC PERMIAN COMPANY

CASE _____: **Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving a standard 240-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the N/2 S/2 of Section 12 and the N/2 SE/4 of Section 11, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Bo Howard 1211 Fed Com #113H** well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 12 to a bottom hole location in the NW/4 SW/E (Unit J) of Section 11. This 240-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the N/2 S/2 of Section 11, Township 21 South, Range 27 East, dedicated to the Cedar 11 State #1H well (API: 30-015-42734) and the Cedar 11 State #2H (API: 30-015-42737).

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 5 miles northeast of Carlsbad, New Mexico.

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

**APPLICATION OF MRC PERMIAN
COMPANY FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 23495

AFFIDAVIT OF NICHOLAS WEEKS

Nicholas Weeks, of lawful age and being first duly sworn, states the following:

1. My name is Nicholas Weeks and I am employed by MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Senior Landman.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Matador in this case and the status of the lands in the subject area.
4. In this case, Matador seeks to pool a standard 240-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the N/2 S/2 of Section 12 and the N/2 SE/4 of Section 11, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the above-referenced spacing unit to the proposed initial **Bo Howard 1211 Fed Com #113H** well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 12 to a bottom hole location in the NW/4 SW/E (Unit J) of Section 11.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: MRC Permian Company
Hearing Date: May 4, 2023
Case No. 23495**

5. **Matador Exhibit C-1** contains a draft Form C-102 for the proposed initial well in this standard horizontal spacing unit. This form demonstrates that the completed interval for the well will meet the standard setback requirements for horizontal oil wells.

6. Matador understands that this Bone Spring well will be placed in the Avalon; Bone Spring, East pool [pool code 3713].

7. This 240-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage:

- a. 160-acre, more or less, horizontal well spacing unit comprised of the N/2 S/2 of Section 11, Township 21 South, Range 27 East, dedicated to the Cedar 11 State #1H well (API: 30-015-42734) and the Cedar 11 State #2H well (API: 30-015-42737).
- b. A map showing each of the above-referenced overlapping spacing units is attached as **Matador Exhibit C-2**.
- c. **Matador Exhibit C-3** contains a copy of the notice that Matador sent to the working interest owners in the existing spacing unit for each of the above two listed wells (Cedar 11 State #1H and Cedar 11 State #2H) as well as in the proposed spacing unit in Matador's present application. Matador has not received written notice of any objection to the notice of overlapping spacing unit.

8. **Matador Exhibit C-4** identifies the tracts of land comprising the proposed horizontal spacing unit. The subject acreage is comprised of state and federal acreage. With respect to the N/2 SW/4 of Section 11, Devon has indicated that it will include this tract in future development.

9. There are no depth severances within the Bone Spring formation underlying this acreage.

10. **Matador Exhibit C-5** identifies the working interest owners that Matador is seeking to pool in this case.

11. **Matador Exhibit C-5** also identifies certain of the overriding royalty interest owner that Matador is seeking to pool in this case.

12. Matador has conducted a diligent search of the public records in the county where the property is located, reviewed telephone directories and conducted computer searches to locate contact information for each of these mineral owners. As indicated in **Exhibit C-7**, Matador has been able to locate and has had discussions with each working interest owners that it seeks to pool in this case in an effort to reach voluntary joinder.

13. **Matador Exhibit C-6** contains a sample of the well proposal letter and AFE sent to the working interest owners Matador is seeking to pool. The costs reflected in this AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area in these formations. Matador Exhibit C-6 also contains a copy of the supplement notice sent to those working interest owners in the well to clarify the location of the proposed last take point.

14. **Matador Exhibit C-7** contains a general summary of the contacts with the uncommitted working interest owners that Matador was able to locate. In my opinion, Matador has undertaken good faith efforts to reach an agreement with the uncommitted mineral owners.

15. Matador requests that the overhead and administrative costs for drilling and producing the proposed well be set at \$8,000 per month while drilling and \$800 per month while

producing. These costs are consistent with what other operators are charging in this area for similar wells.

16. Matador has provided the law firm of Holland & Hart LLP with the names and addresses (where able to locate) of the parties that Matador seeks to pool and instructed that they be notified of this hearing.

17. **Matador Exhibits C-1 through C-7** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.


Nicholas Weeks

STATE OF TEXAS)
)
COUNTY OF DALLAS)

SUBSCRIBED and SWORN to before me this 1st day of May 2023 by
Nicholas Weeks.



NOTARY PUBLIC

My Commission Expires:

3/23/2025

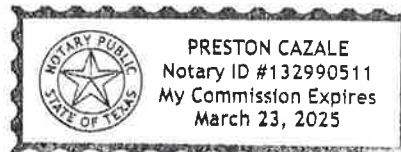


EXHIBIT C-1

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submitted by: MRC Permian Company
Hearing Date: May 4, 2023
Case No. 23495

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code Avalon Bone Spring	³ Pool Name Avalon Bone Spring East [3713]
⁴ Property Code	⁵ Property Name BO HOWARD 1211 FED COM	⁶ Well Number 113H
⁷ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 3170'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	12	21-S	27-E	-	1693'	SOUTH	505'	EAST	EDDY

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	11	21-S	27-E	-	1980'	SOUTH	2536'	EAST	EDDY

¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

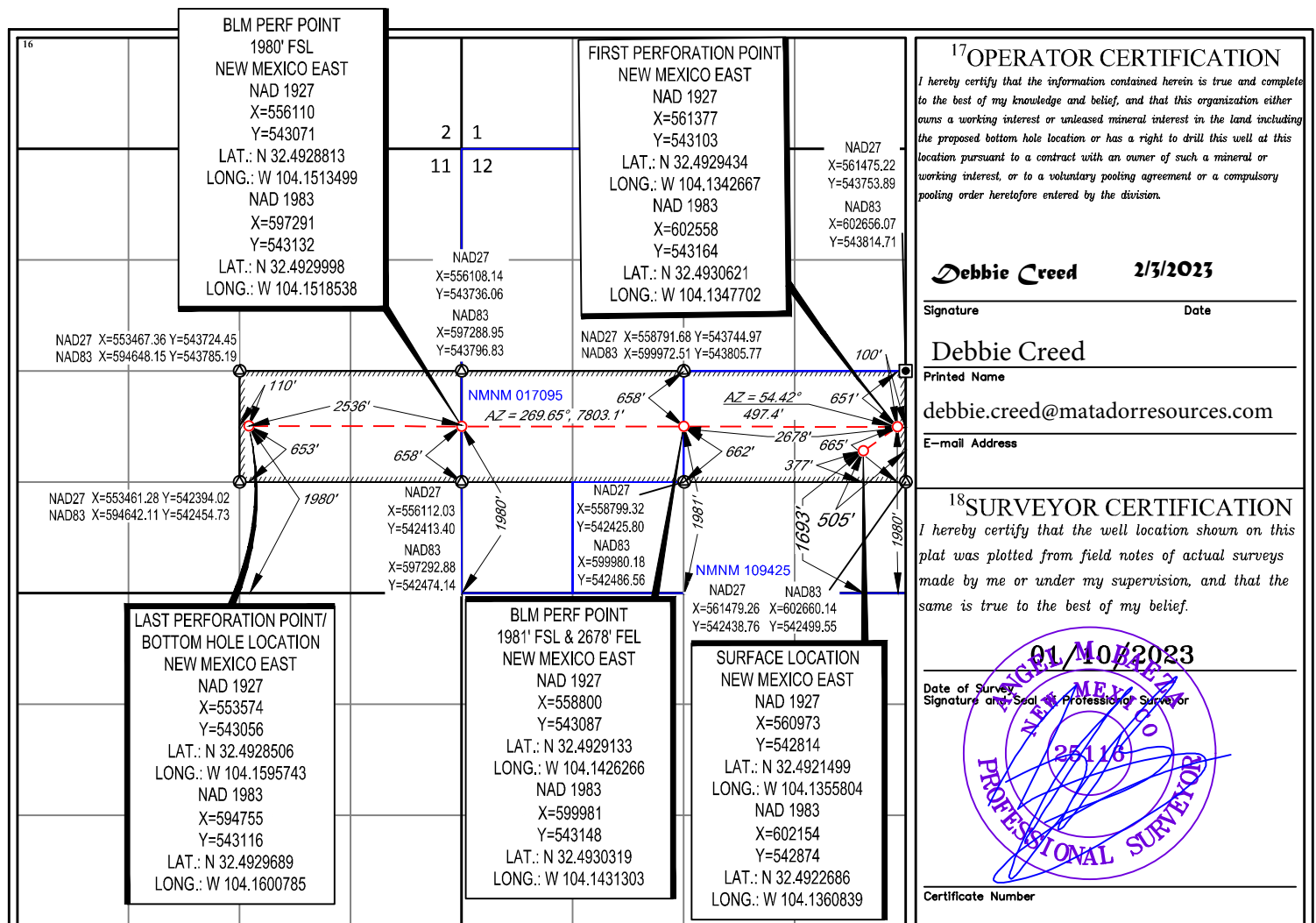
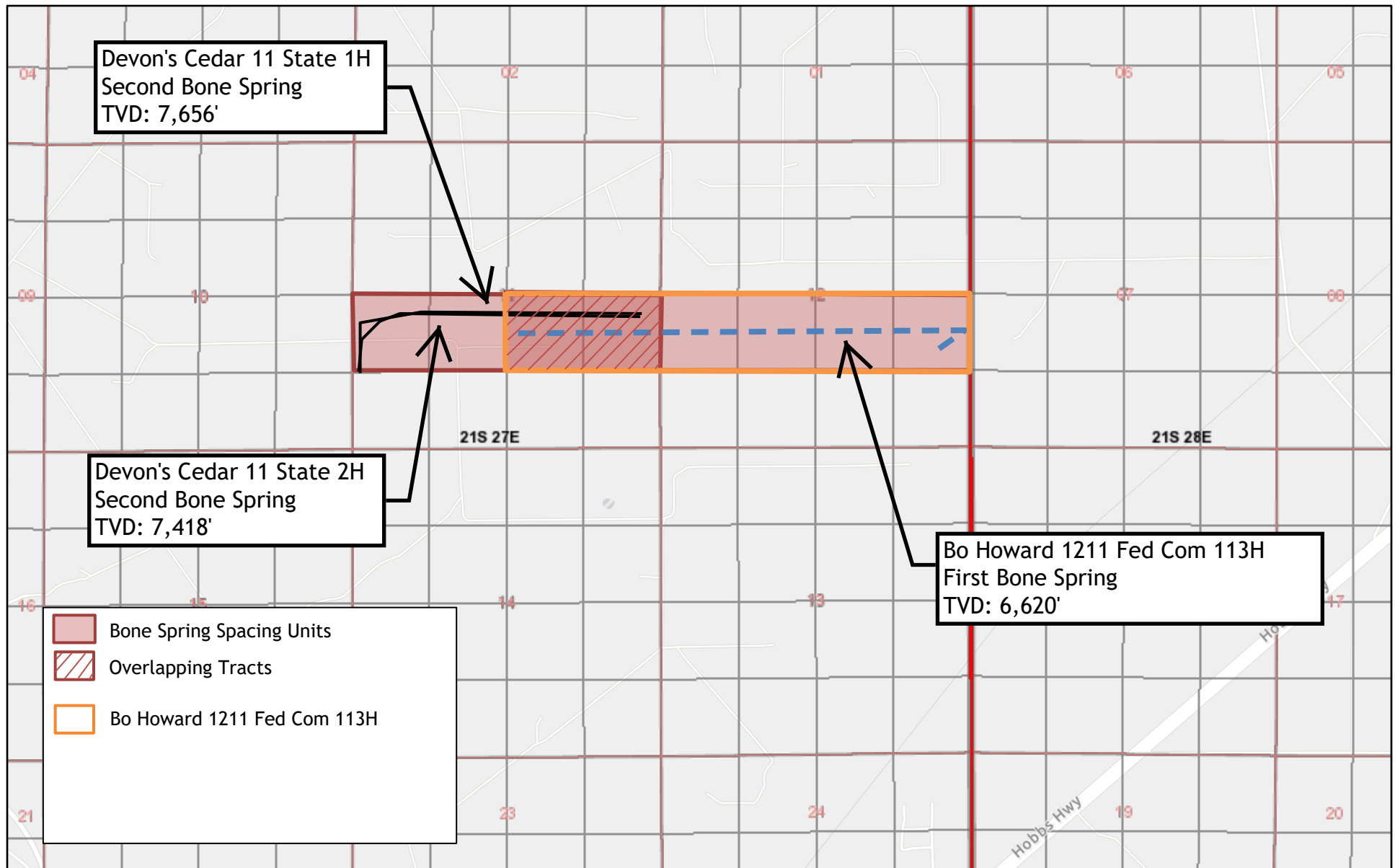


EXHIBIT C-2

Bo Howard 1211 Fed Com 113H Pooling



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C2
 Submitted by: MRC Permian Company
 Hearing Date: May 4, 2023
 Case No. 23495

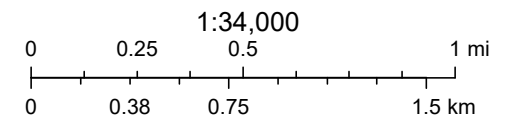


EXHIBIT C-3

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

**TO ALL WORKING INTEREST OWNERS IN THE AGREAGE AFFECTED BY
PROPOSED OVERLAPPING SPACING UNIT**

April 11, 2023

Re: Notice of Overlapping Spacing Unit
Matador's Bo Howard 1211 Fed Com #113H

To Whom It May Concern:

Matador Production Company has proposed the above-referenced wells for the initial development of the Bone Spring formation under the N/2 S/2 of Section 12 and the N/2 SE/4 of Section 11, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico.

This letter is to advise you that this proposed development plan will require the formation of the 240 acre, more or less, spacing unit comprised of the N/2 S/2 of Section 12 and the N/2 SE/4 of Section 11, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, which will initially be dedicated to:

- (i) Matador's **Bo Howard 1211 Fed Com #113H** well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 12, Township 21 South, Range 27 East, to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 11, Township 21 South, Range 27 East. This well is targeting the First Bone Spring of the Bone Spring formation, with an approximate TVD of 6,620'; and

Matador's proposed 240-acre spacing unit will overlap the following existing spacing units and wells:

- (i) Devon's Cedar 11 State #1H (API 30-015-42734), drilled from a surface location within NW/4 SW/4 of Section 11, T-21-S, R-27-E to a bottom hole location within NE/4 SE/4 of Section 11, T-21-S, R-27-E. This well is targeting the Second Bone Spring sand of the Bone Spring formation, with an approximate TVD of 7,656'; and
- (ii) Devon's Cedar 11 State #2H (API 30-015-42737), drilled from a surface location within SW/4 SW/4 of Section 11, T-21-S, R-27-E to a bottom hole location within NE/4 SE/4 of Section 11, T-21-S, R-27-E. This well is targeting the Second Bone Spring sand of the Bone Spring formation, with an approximate TVD of 7,418'.

Pursuant to NMAC 19.15.16.15.B(9) and 19.15.15.12.B, you have a right to object the overlapping spacing unit by delivering a written statement of objection to our office within twenty (20) days of the mailing of this notice. If no objection is received within this 20-day period, we will proceed with obtaining any remaining regulatory approvals for the proposed spacing unit.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C3
Submitted by: MRC Permian Company
Hearing Date: May 4, 2023
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If you have any questions about this matter, please contact me at your convenience.

Sincerely,

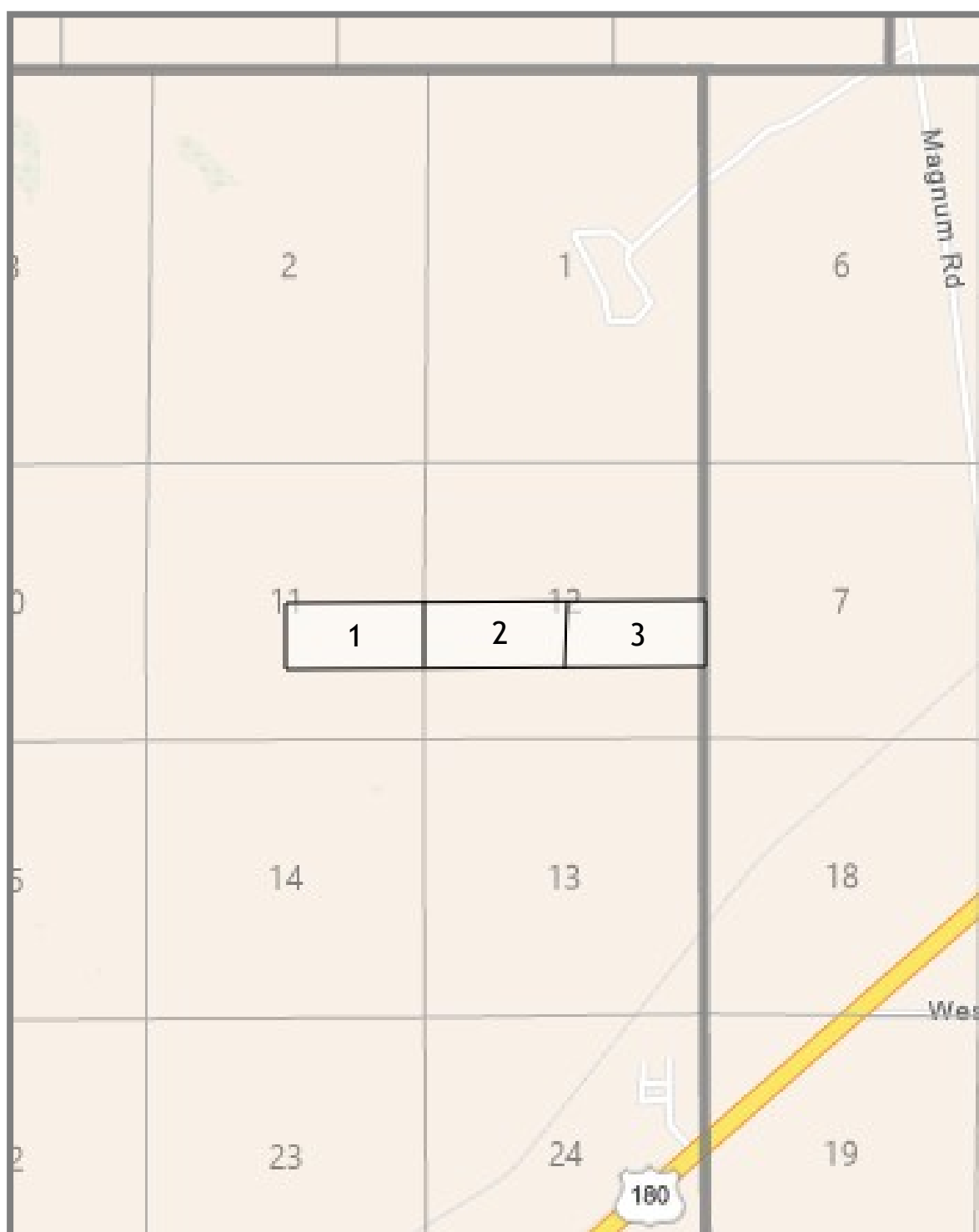
A handwritten signature in blue ink, appearing to read "Nicholas Weeks".

Nicholas Weeks
Senior Staff Landman for Matador Production Company
972-371-5481
nweeks@matadorresources.com

EXHIBIT C-4

Bo Howard 1211 Fed Com 113H

T21S-R27E, Eddy County, NM

Tract 1: 80.00 acs – Sec. 11: N/2SE/4 (State - V-5010)Tract 2: 80.00 acs – Sec. 12: N/2SW/4 (Federal – NMNM-017095)Tract 3: 80.00 acs – Sec. 12: N/2SE/4 (Federal – NMNM-109425)

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C4
Submitted by: MRC Permian Company
Hearing Date: May 4, 2023
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EXHIBIT C-5

Summary of Interests

MRC Permian Company:	Working Interest		41.893352%
Voluntary Joinder:	Working Interest		9.989267%
Anticipated Voluntary Joinder	Working Interest		11.785714%
Compulsory Pool:	Working Interest		36.331667%
Interest Owner:	Description:	Tract:	Interest:
Devon Energy Production Company, L.P.	Working Interest	1	29.500000%
Sharbro Energy, LLC	Working Interest	3	6.665000%
Jami Huber Owen	Working Interest	3	0.166667%

BEFORE THE OIL CONSERVATION DIVISION
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 Exhibit No. C5
 Submitted by: MRC Permian Company
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Summary of Interests

Interest Owner:	Description:	Tract:
Devon Energy Production Company, L.P.	Overriding Royalty	1
Jami Huber Owen	Overriding Royalty	1

EXHIBIT C-6

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice (972)-371-5481 • Fax (214).866.4981

nweeks@matadorresources.com

Nicholas Weeks
Senior Landman

December 19, 2022

VIA CERTIFIED RETURN RECEIPT MAIL

Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

Re: Matador Production Company – Bo Howard 1211 Fed Com #113H (the “Well”) Participation Proposal
Sections 12 & 11, Township 21 South, Range 27 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Bo Howard 1211 Fed Com #113H well, located in Sections 12 & 11, Township 21 South, Range 27 East, Eddy County, New Mexico, to the Bone Spring formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping the Well is \$10,481,315 as found on the enclosed AFE dated December 2, 2022.
- The proposed surface location of the Well is approximately 665’ FSL and 255’ FEL of Section 12, Township 21 South, Range 27 East, Eddy County, New Mexico. The proposed bottom hole location of the subject well is approximately 661’ FSL and 2,530’ FEL of Section 11, Township 21 South, Range 27 East, Eddy County, New Mexico.
- The Well will have a targeted interval within the Bone Spring formation. We plan to drill the Well horizontally in the Bone Spring (~6,620’ TVD) to a Total Measured Depth of approximately 14,270’ resulting in a productive lateral of approximately 7,300’.

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications.

MRC requests that you indicate your election to participate in the drilling and completion of the Well in the space provided below, sign and return one (1) copy of this letter to the undersigned.

MRC is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement and will be provided at a later date and will have the following general provisions:

- 100/300/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- Matador Production Company named as Operator

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C6
Submitted by: MRC Permian Company
Hearing Date: May 4, 2023
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If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

Nicholas Weeks

Enclosure(s)

Devon Energy Production Company, L.P. hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Bo Howard 1211 Fed Com #113H** well.

_____ Not to participate in the **Bo Howard 1211 Fed Com #113H**

Devon Energy Production Company, L.P.

By: _____

Title: _____

Date: _____.

Contact Number: _____

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240
Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	12/2/2022	AFE NO.:	
WELL NAME:	Bo Howard 1211 Fed Com #113H	FIELD:	
LOCATION:	N2S2 Sec 12 & N2SE4 Sec 11 - 21S - 27E	MD/TVD:	14270/6620'
COUNTY/STATE:	Eddy, NM	LATERAL LENGTH:	7,300'
MRC Wt:			
GEOLOGIC TARGET:	First Bone Spring		
REMARKS:	Drill and complete a horizontal 1.5 mile long lateral targeting the First Bone Spring Sand.		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ 10,000	\$ 10,000	\$ 78,000
Location, Surveys & Damages	168,000	13,000	15,000	12,500	208,500
Drilling	729,475	-	-	-	729,475
Cementing & Float Equip	264,000	-	-	-	264,000
Logging / Formation Evaluation	-	3,780	3,000	-	6,780
Flowback - Labor	-	-	18,160	-	18,160
Flowback - Surface Rentals	-	-	127,850	-	127,850
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	22,500	-	-	-	22,500
Mud Circulation System	50,175	-	-	-	50,175
Mud & Chemicals	280,000	53,900	21,500	-	355,400
Mud / Wastewater Disposal	165,000	-	2,000	1,000	168,000
Freight / Transportation	12,750	182,600	3,000	-	198,350
Rig Supervision / Engineering	89,175	94,380	10,000	1,800	195,355
Drill Bits	134,400	-	-	-	134,400
Fuel & Power	145,800	404,250	2,000	-	552,050
Water	35,000	680,400	2,000	1,000	716,400
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	244,780	-	-	-	244,780
Completion Unit, Swab, CTU	-	154,000	9,000	-	163,000
Perforating, Wireline, Stickline	-	148,500	-	-	148,500
High Pressure Pump Truck	-	98,250	5,000	-	101,250
Stimulation	-	1,852,430	-	-	1,852,430
Stimulation Flowback & Disp	-	17,050	112,500	-	129,550
Insurance	8,990	-	-	-	8,990
Labor	201,500	65,450	16,000	5,000	288,950
Rental - Surface Equipment	89,760	298,452	10,000	20,000	418,212
Rental - Downhole Equipment	153,188	94,800	-	-	252,788
Rental - Living Quarters	38,565	42,394	-	5,000	85,959
Contingency	146,172	241,872	36,501	5,630	430,276
Operations Center	17,388	-	-	-	17,388
TOTAL INTANGIBLES >	3,069,617	4,443,308	402,611	61,930	7,977,467

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 48,989	\$ -	\$ -	\$ -	\$ 48,989
Intermediate Casing	101,616	-	-	-	101,616
Drilling Liner	259,818	-	-	-	259,818
Production Casing	600,400	-	-	-	600,400
Production Liner	-	-	-	-	-
Tubing	-	-	67,500	-	67,500
Wellhead	129,000	-	70,000	-	193,000
Packers, Liner Hangers	-	54,450	-	-	54,450
Tanks	-	-	-	64,375	64,375
Production Vessels	-	-	-	148,125	148,125
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	315,000	-	315,000
Compressor	-	-	-	18,525	18,525
Installation Costs	-	-	-	120,000	120,000
Surface Pumps	-	-	5,000	27,000	32,000
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	100,500	111,500
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	87,500	87,500
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	10,000	10,000
Flare Stack	-	-	-	26,250	26,250
Electrical / Grounding	-	-	2,000	70,550	72,550
Communications / SCADA	-	-	5,000	10,000	15,000
Instrumentation / Safety	-	-	-	33,250	33,250
TOTAL TANGIBLES >	1,133,823	64,460	477,600	838,075	2,503,848
TOTAL COSTS >	4,203,440	4,497,758	880,111	900,005	10,481,315

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Patrick Walsh
Completions Engineer:	Daniel M
Production Engineer:	Josh B

Team Lead - WTX/NM

5450

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, Reservoir/Asset _____
TE

SVP - Operations

CC

Executive VP, Legal _____

SVP Geoscience

NLF

President _____

NON OPERATING PARTNER APPROVAL:

Company Name:

Working Interest (%):

Tax ID:

Signed by:

Date:

Title:

Approval: Yes

No (mark one)

The costs of this AFE are estimates only and may not be considered as budgets in any specific item in the total cost of the project. Tuning installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, but not limited to, exploration, development and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and bind proportionately for Operator's well costs and general facility costs, including participant's proportionate share of the costs of the well, and shall be bound by the terms of the well completion agreement.

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice (972) 371-5481 • Fax (214) 866-4981

nweeks@matadorresources.com

Nicholas Weeks
Senior Staff Landman

April 3, 2023

VIA CERTIFIED RETURN RECEIPT MAIL

Sharbro Energy, LLC
P.O. Box 840
Artesia, NM 88211-0840

Re: Matador Production Company – Bo Howard 1211 Fed Com #113H (the “Well”)
Participation Proposal
Sections 12 & 11, Township 21 South, Range 27 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) previously proposed the drilling of Matador Production Company’s Bo Howard 1211 Fed Com #113H well, located in Sections 12 & 11, Township 21 South, Range 27 East, Eddy County, New Mexico, to the Bone Spring formation.

In connection with the above, please note that the subject participation proposal identified the Wells’ proposed bottom hole location as being located 661’ FSL & 2,530’ FEL of Section 11, Township 21 South, Range 27 East. I am writing to clarify that the proposed bottom hole location is actually 1,980’ FSL & 2,530’ FEL of Section 11, Township 21 South, Range 27 East. The proposed first take point for the Well is located 1,980’ FSL & 100’ FEL of Section 12, Township 21 South, Range 27 East and the proposed last take point for the Well is located 1,980’ FSL & 2,530’ FEL of Section 11, Township 21 South, Range 27 East.

No other clarification was made to the proposal and no modification has been made to the AFE previously included in the original proposal.

Please contact me if you have any questions.

Sincerely,

MRC Permian Company


Nicholas Weeks

Enclosure(s)

EXHIBIT C-7

Bo Howard 1211 Fed Com 113H

Summary of Communication

Devon Energy Production Company

- 12/20/2022: Proposals and Operating Agreement mailed via certified mail.
- 12/22/2022: Proposals delivered. (Received signed return receipt)
- 12/22/2022 – present: In addition to sending proposals and a JOA to Devon, Matador has made contact with Devon and discussed potential voluntary joinder.

Jami Huber Owen

- 12/20/2022: Proposals and Operating Agreement mailed via certified mail.
- 12/27/2022: Proposals delivered. (Received USPS Proof of Delivery, no green card returned).
- 4/13/2023: In addition to sending proposals and a JOA to Mrs. Owen, Matador has made contact with Mrs. Owen and discussed potential voluntary joinder.

Sharbro Energy, LLC

- 12/20/2022: Proposals and Operating Agreement mailed via certified mail.
- 12/27/2022: Proposals delivered. (Received signed return receipt).
- 12/27/2022 – 4/27/2023: In addition to sending proposals and a JOA to Sharbro, Matador has made contact with Sharbro and discussed potential voluntary joinder. Investigating alternatives to participation.

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

**APPLICATION OF MRC PERMIAN
COMPANY FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 23495

AFFIDAVIT OF ANDREW PARKER

Andrew Parker, of lawful age and being first duly sworn, declares as follows:

1. My name is Andrew Parker. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Senior Vice President of Geoscience.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Matador in this case, and I have conducted a geologic study of the lands in the subject area.
4. **Matador Exhibit D-1** is a locator map outlining the horizontal spacing unit with a black box shaded in yellow, with the larger area identified in a red box.
5. In this case, Matador intends to develop the First Bone Spring of the Bone Spring formation.
6. **Matador Exhibit D-2** is a subsea structure map prepared off the top of the Bone Spring formation. The contour interval is 50 feet. The structure map shows the Bone Spring formation gently dipping to the east. The structure appears consistent across the proposed wellbore path. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: MRC Permian Company
Hearing Date: May 4, 2023
Case No. 23495**

7. Also included on Matador Exhibit D-2 is a line of cross section from A to A'.

8. **Matador Exhibit D-3** is a structural cross-section prepared displaying open-hole logs run over the Bone Spring formation from the five representative wells denoted from A to A'. For each well in the cross-section, the following logs are included: gamma ray, caliper, porosity, and resistivity, where available. The proposed target interval for the proposed well is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted interval, within the Bone Spring formation, is consistent in thickness, across the entirety of the proposed spacing unit.

9. In my opinion, the laydown orientation is the preferred orientation for development in this area for Bone Spring wells based on the orientation of maximum horizontal stress in this area.

10. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells within the Bone Spring formation in the area of the spacing unit proposed in this case.

11. In my opinion, each quarter-quarter section will be productive and contribute more-or-less equally to production from this horizontal spacing unit.

12. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery.

13. Approving Matador's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

14. **Matador Exhibits D-1 through D-3** were either prepared by me or compiled under my direction and supervision.

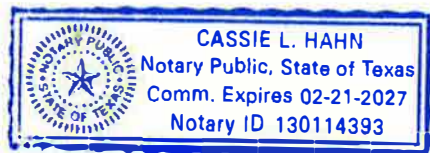
FURTHER AFFIANT SAYETH NAUGHT.



ANDREW PARKER

STATE OF TEXAS)
)
COUNTY OF DALLAS)

SUBSCRIBED and SWORN to before me this 25th day of April 2023 by
Andrew Parker.

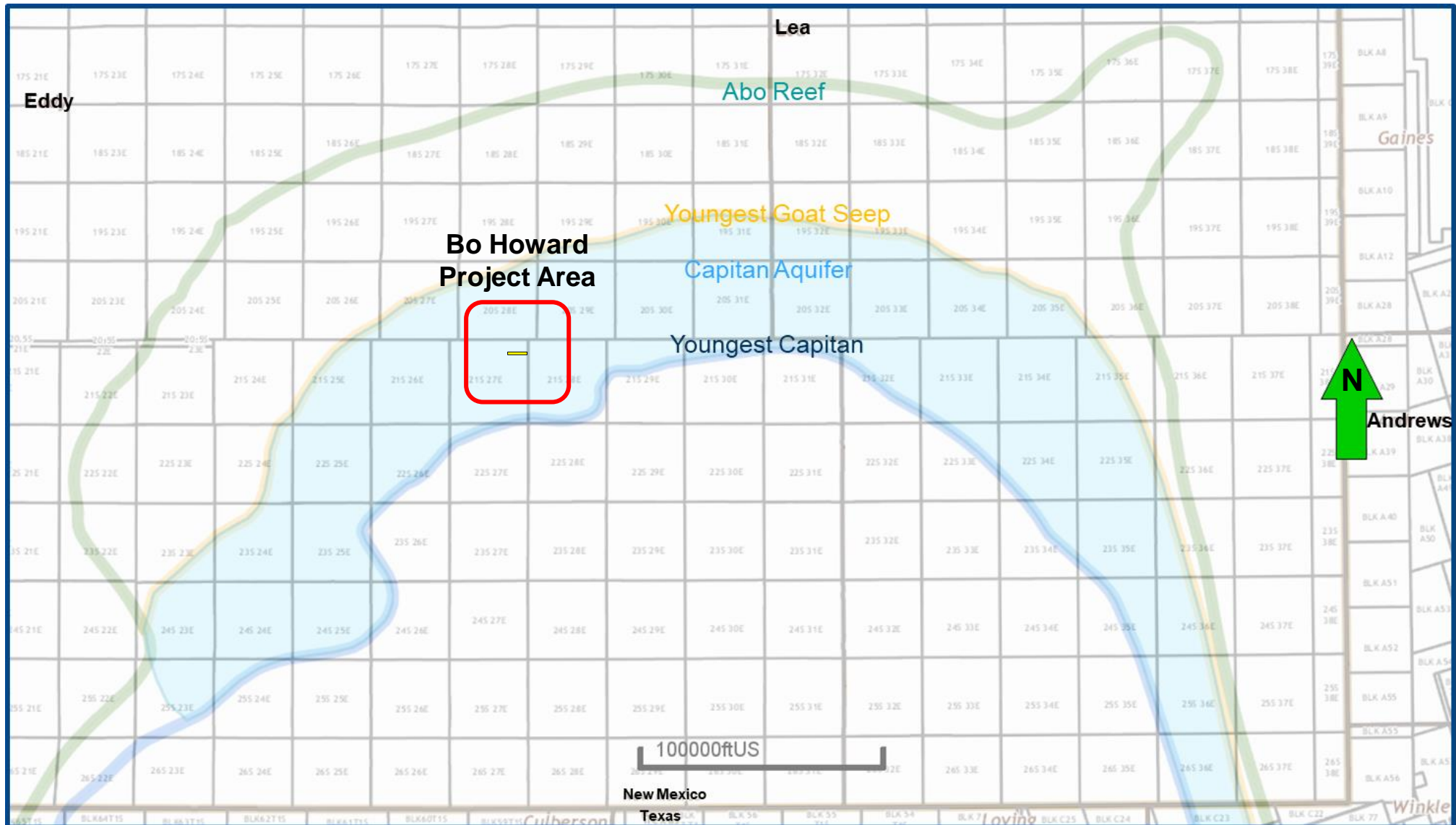


NOTARY PUBLIC

My Commission Expires:

2-21-2027

Locator Map



Received by: 0001 5/2/2023 9:25:46 PM

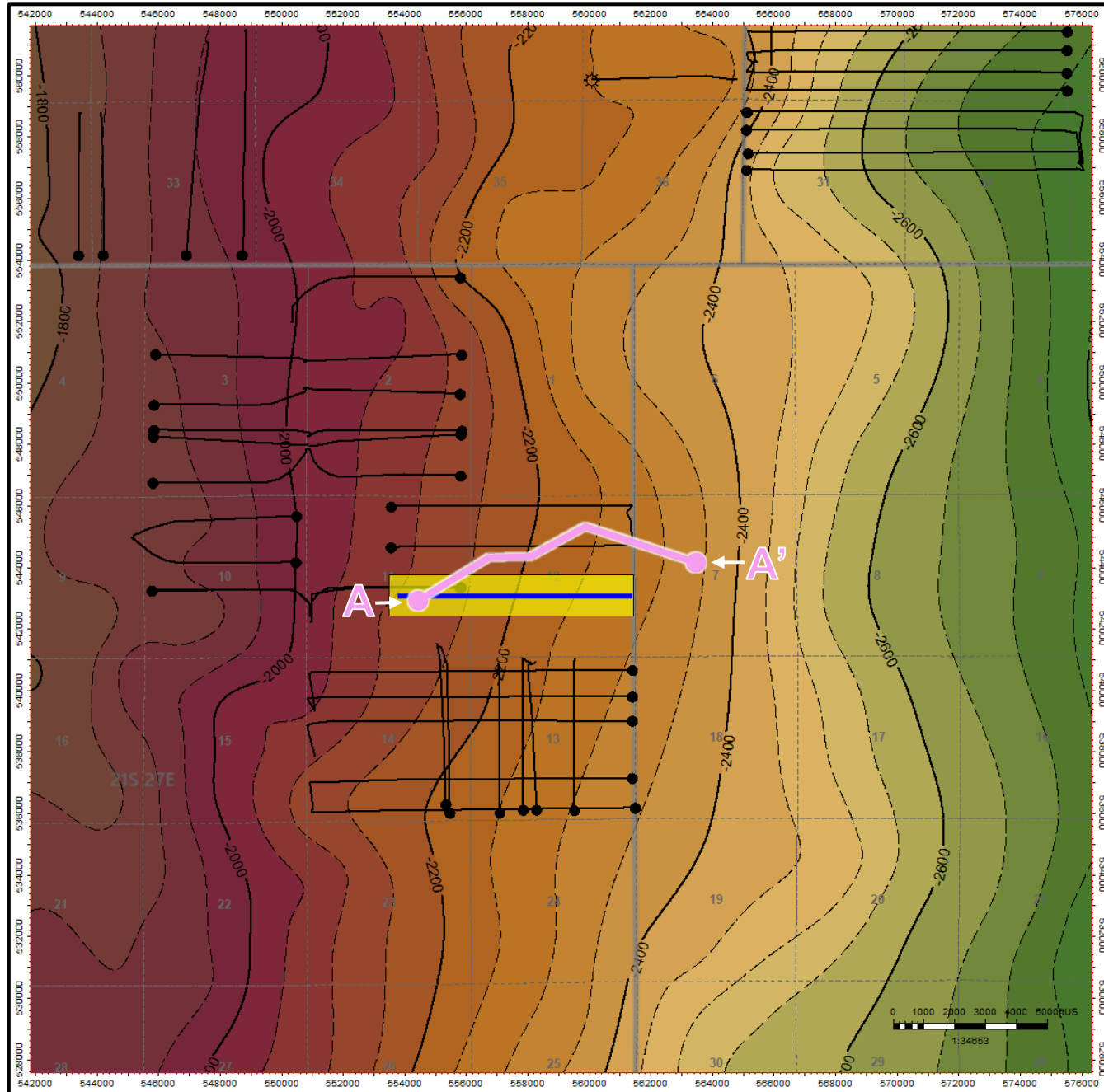
Avalon, Bone Spring, East (Pool Code 3713)

Structure Map (Bone Spring Subsea) A – A'

Reference Line

Page 27 of 46

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D2
Submitted by: MRC Permian Company
Hearing Date: May 4, 2023
Case No. 23495



Map Legend

Bo Howard 113H

Bone Spring Wells

Project Area

C. I. = 50'



D-2

Avalon; Bone Spring, East (Pool Code 3713)

Structural Cross-Section A – A'

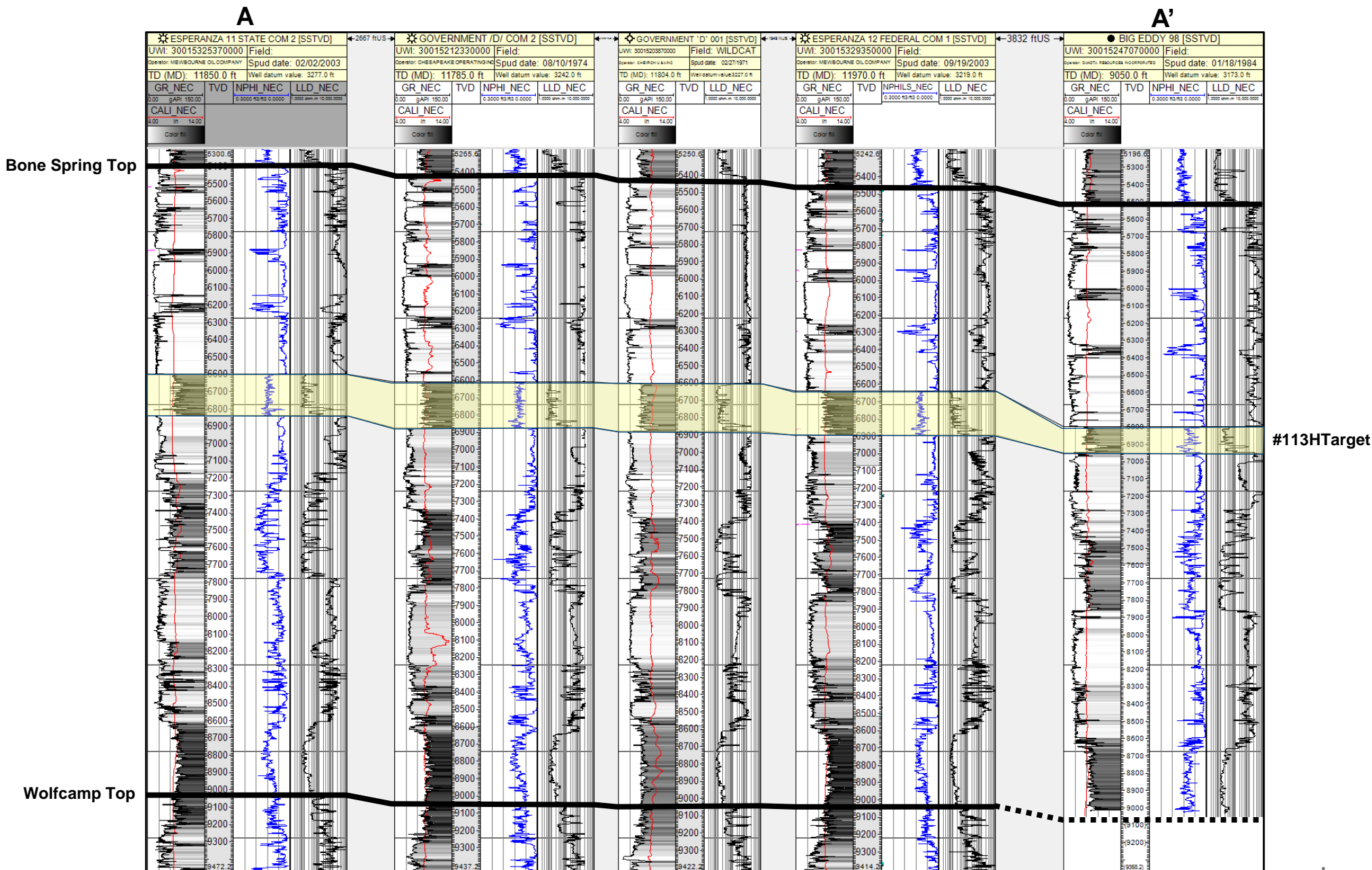
Santa Fe, New Mexico

Exhibit No. D3

Submitted by: MRC Permian Company

Hearing Date: May 4, 2023

Case No. 23495



D-3

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

**APPLICATION OF MRC PERMIAN
COMPANY FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 23495

**SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of MRC Permian Company (“MRC”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of May 1, 2023.

5. I caused a notice to be published to all parties subject to this compulsory pooling proceedings. An affidavit of publication from the publication’s legal clerk with a copy of the notice publication is attached as Exhibit F.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: MRC Permian Company
Hearing Date: May 4, 2023
Case No. 23495**



Paula M. Vance

5/2/23

Date



Paula M. Vance
Associate
Phone (505) 988-4421
Email pmvance@hollandhart.com

April 14, 2023

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS AND ALL WORKING INTEREST OWNERS AFFECTED BY THE PROPOSED OVERLAPPING SPACING UNIT

Re: Application of MRC Permian Company for Approval of an Overlapping Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico: *Bo Howard 1211 Fed Com #113H well*

Ladies & Gentlemen:

This letter is to advise you that MRC Permian Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on May 4, 2023, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

The hearing will be conducted on May 4, 2023, beginning at 8:15 a.m. Due to ongoing construction and associated space limitations at the Wendell Chino Building, Parties, Counsel for Parties, and the public are encouraged to attend/participate via the Webex Meeting platform. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Nicholas Weeks at (972) 371-5481 or nweeks@matadorresources.com.

Sincerely,

Paula M. Vance
ATTORNEY FOR MRC PERMIAN COMPANY

T 505.988.4421 F 505.983.6043
 110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
 Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

MRC_Bo Howard 113H
Case No. 23495 Postal Delivery Report

TrackingNo	ToName	City	State	Zip	USPS_Status
9414811898765425991807	Fillenwarth & Stolle, LLC, Successor Trustee Of The Brian D. Woehler Trust U/W/O William B. Oliver	Indianapolis	IN	46256-3368	Your item was picked up at the post office at 5:37 pm on April 27, 2023 in SANTA FE, NM 87501.
9414811898765425991784	Devon Energy Production Company, L.P.	Oklahoma City	OK	73102-5010	Your item was picked up at a postal facility at 8:09 am on April 17, 2023 in OKLAHOMA CITY, OK 73102.
9414811898765425991739	Betsy H. Keller	San Francisco	CA	94123-4628	Your item was delivered to an individual at the address at 2:23 pm on April 18, 2023 in SAN FRANCISCO, CA 94123.
9414811898765425991777	Dr. Isaac A. Kawasaki	Honolulu	HI	96814	Your item was picked up at the post office at 5:37 pm on April 27, 2023 in SANTA FE, NM 87501.
9414811898765425991913	EOG Resources Inc.	Midland	TX	79706-2843	Your item was picked up at a postal facility at 7:53 am on April 18, 2023 in MIDLAND, TX 79702.
9414811898765425991890	J. Frederick Van Vranken, Jr	Jericho	NY	11753-0264	The return on your item was processed on April 26, 2023 at 11:01 am in JERICHO, NY 11753.
9414811898765425991838	Jami Huber Owen	Midland	TX	79707-4813	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765425991876	Sharbro Energy, LLC	Artesia	NM	88211-0840	Your item was picked up at the post office at 10:44 am on April 18, 2023 in ARTESIA, NM 88210.
9414811898765425991715	Trustee of the E. G. Holden Testamentary Trust	San Francisco	CA	94123-4628	Your item was delivered to an individual at the address at 2:23 pm on April 18, 2023 in SAN FRANCISCO, CA 94123.
9414811898765425991753	Turtle Creek Trust Company, Trustee of the Agnes Cluthe Oliver Foundation	Dallas	TX	75219-4552	Your item was delivered to an individual at the address at 10:01 am on April 18, 2023 in DALLAS, TX 75219.
9414811898765425991722	Turtle Creek Trust Company, Trustee of the Judith C. Devine Trust U/W/O William B. Oliver	Dallas	TX	75219-4552	Your item was delivered to an individual at the address at 10:01 am on April 18, 2023 in DALLAS, TX 75219.
9414811898765425991791	Turtle Creek Trust Company, Trustee of the Robert A. Oliver Trust U/W/O William B. Oliver	Dallas	TX	75219-4552	Your item was delivered to an individual at the address at 10:01 am on April 18, 2023 in DALLAS, TX 75219.

MRC_Bo Howard 113H
Case No. 23495 Postal Delivery Report

9414811898765425991746	Mewbourne Oil Company	Midland	TX	79701-4279	Your item was delivered to an individual at the address at 1:51 pm on April 17, 2023 in MIDLAND, TX 79701.
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Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005666904

This is not an invoice

HOLLAND & HART

POBOX 2208

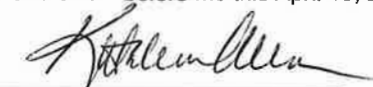
SANTA FE, NM 87504

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

04/19/2023


Legal Clerk

Subscribed and sworn before me this April 19, 2023:



State of WI, County of Brown
NOTARY PUBLIC

1-7-25

My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005666904
PO #: Case# 23495
of Affidavits 1

This is not an invoice

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: MRC Permian Company
Hearing Date: May 4, 2023
Case No. 23495

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. The hearing will be conducted remotely on Thursday, May 4, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@emnrd.nm.gov. Documents filed in the case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than April 24, 2023.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=me869a41eb04a5ebfdcd9609414ba2334>
Webinar number: 2488 854 4343

Join by video system: 24888544343@nmemnrd.webex.com
You can also dial 173.243.2.68 and enter your webinar number

Join by phone: 1-844-992-4726 United States Toll Free
+1-408-418-9388 United States Toll
Access code: 2488 854 4343

Panelist password: yRsMVTM76t9 (97768867 from phones and video systems)

**STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All interest owners subject to pooling proceedings and all working interest owners affected by the proposed overlapping spacing unit, including: Fillenwarth & Stolle, LLC, Successor Trustee of the Brian D. Woehler Trust u/w/o William B. Oliver; J. Frederick Van Vranken, Jr, his heirs and devisees; Jami Huber Owen, his or her heirs and devisees; Sharbro Energy, LLC; Trustee of the E. G. Holden Testamentary Trust; Turtle Creek Trust Company, Trustee of the Agnes Cluthe Oliver Foundation; Turtle Creek Trust Company, Trustee of the Judith C. Devine Trust u/w/o William B. Oliver; Turtle Creek Trust Company, Trustee of the Robert A. Oliver Trust u/w/o William B. Oliver; Mewbourne Oil Company; Devon Energy Production Company, L.P.; Betsy H. Keller, her heirs and devisees; Dr. Isaac A. Kawasaki, his heirs and devisees; and EOG Resources Inc.

Case No. 23495: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 240-acre, more or less, overlapping hori-

zontal well spacing unit in the Bone Spring formation comprised of the N/2 S/2 of Section 12 and the N/2 SE/4 of Section 11, Township 21 South, Range 27 East, NMPPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Bo Howard 1211 Fed Com #113H** well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 12 to a bottom hole location in the NW/4 SW/E (Unit J) of Section 11. This 240-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the N/2 S/2 of Section 11, Township 21 South, Range 27 East, dedicated to the Cedar 11 State #1H well (API: 30-015-42734) and the Cedar 11 State #2H (API: 30-015-42737).

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 5 miles northeast of Carlsbad, New Mexico.

#5666904, Current Argus, April 19, 2023