

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING SEPTEMBER 7, 2023**

CASE No. 23738

LESLIE 111H & 121H WELLS

LEA COUNTY, NEW MEXICO



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

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

CASE NO. 23738

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23738	APPLICANT'S RESPONSE	
Date	September 7, 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, LEA COUNTY, NEW MEXICO.	
Entries of Appearance/Intervenors:	Tap Rock Operating, LLC; COG Operating LLC and COG Acreage LP	
Well Family	Leslie Fed Com	
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:	WC-025 G-08 S2535240; Bone Spring (97088)	
Well Location Setback Rules:	Statewide oil rules	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	320-acres	
Building Blocks:	40 acres	
Orientation:	South-North	
Description: TRS/County	W2W2 of Sections 8 and 17, Township 25 South, Range 35 East, NMPM, Lea County	
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-4	
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	BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Matador Production Company Hearing Date: September 7, 2023 Case No. 23738

Well #1	Leslie Fed Com 111H (API pending) SHL: 295' FSL & 1012' FWL (Unit M) of Section 17 BHL: 60' FNL & 990' FWL (Unit D) of Section 8 Target: Bone Spring Orientation: South-North Completion: Standard Location
Well #2	Leslie Fed Com 121H (API pending) SHL: 295' FSL & 982' FWL (Unit M) of Section 17 BHL: 60' FNL & 330' FWL (Unit D) of Section 8 Target: Bone Spring Orientation: South-North Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit C-2
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-3
Tract List (including lease numbers and owners)	Exhibit C-3
List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-4 & C-5
Unlocatable Parties to be Pooled	N/A
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
Chronology of Contact with Non-Joined Working Interests	Exhibit C-7
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 C-2, D-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-2
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-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-4
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit C-2
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	Also seeks approval of overlapping horizontal well spacing units
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	9/5/2023

**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,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23738

APPLICATION

MRC Permian Company (“MRC” or “Applicant”), through undersigned attorneys, 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 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the W2W2 of Sections 8 and 17, Township 25 South, Range 35 East, NMPM, Lea 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 horizontal well 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 horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal well spacing unit to the proposed **Leslie 17&8 Fed Com 111H** and the **Leslie 17&8 Fed Com 121H** wells to be horizontally drilled from the SW4SW4 (Unit M) of Section 17 to a bottom hole location in the NW4NW4 (Unit D) of Section 8.
4. This proposed horizontal well spacing unit will overlap a horizontal spacing unit in the WC-025 G-09 S243532M; Wolfbone Pool (98098), an interval and pool different from that

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23738**

targeted by the proposed wells, comprised of the W2 of Sections 5 and 8, Township 25 South, Range 35 East, dedicated to the COG Deer Stalker Fed Com 606H (30-025-47204) and the COG Deer Stalker Fed Com 705H (30-025-47206) wells.

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. Approval of this overlapping horizontal well spacing unit 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 September 7, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving this overlapping horizontal well spacing unit and pooling all uncommitted interests therein;
- B. Designating Matador Production Company as operator of this horizontal well spacing unit and the wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;
- 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 wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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Adam G. Rankin
Julia Broggi
Paula M. Vance
Post Office Box 2208
Santa Fe, NM 87504
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505-983-6043 Facsimile
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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, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving an overlapping 320-acre, more or less, standard horizontal well spacing unit in the Bone Spring formation underlying the W2W2 of Sections 8 and 17, Township 25 South, Range 35 East, NMPM, Lea 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 **Leslie 17&8 Fed Com 111H** and the **Leslie 17&8 Fed Com 121H** wells to be horizontally drilled from the SW4SW4 (Unit M) of Section 17 to a bottom hole location in the NW4NW4 (Unit D) of Section 8. This proposed horizontal well spacing unit will overlap a horizontal spacing unit in the WC-025 G-09 S243532M; Wolfbone Pool (98098), an interval and pool different from by that targeted by the proposed wells, comprised of the W2 of Sections 5 and 8, Township 25 South, Range 35 East, dedicated to the COG Deer Stalker Fed Com 606H (30-025-47204) and the COG Deer Stalker Fed Com 705H (30-025-47206) wells. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 11 miles west of Jal, New Mexico.

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

**APPLICATIONS OF MRC PERMIAN COMPANY
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WELL SPACING UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 23738

SELF-AFFIRMED STATEMENT OF ISAAC EVANS

Isaac Evans, of lawful age and being first duly sworn, declares as follows:

1. My name is Isaac Evans. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a 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 public record.
3. I am familiar with the application filed by Matador in this case, and I am familiar with the status of the lands in the subject area.
4. In this case, Matador is seeking an order pooling all uncommitted interests in the Bone Spring formation in the standard 320-acre, more or less, horizontal well spacing unit comprised of the W/2 W/2 of Sections 8 and 17, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico, and initially dedicate this Bone Spring spacing unit to the proposed **Leslie 17&8 Fed Com 111H** and the **Leslie 17&8 Fed Com 121H** wells to be horizontally drilled from the SW4SW4 (Unit M) of Section 17 to a bottom hole location in the NW4NW4 (Unit D) of Section 8.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23738

5. Matador understands this well will be placed in the WC-025 G-08 S2535240; Bone Spring (97088) pool.

6. This 320-acre horizontal well spacing unit will overlap a horizontal spacing unit in the WC-025 G-09 S243532M; Wolfbone Pool (98098), an interval and pool different from by that targeted by the proposed wells, comprised of the W/2 of Sections 5 and 8, Township 25 South, Range 35 East, dedicated to the COG Deer Stalker Fed Com 606H (30-025-47204) and the COG Deer Stalker Fed Com 705H (30-025-47206) wells.

7. A map showing each of the above-referenced overlapping spacing units is attached as **Matador Exhibit C-1**.

8. Matador previously provided Holland and Hart with a list of the working interest owners in both Matador's proposed spacing unit in this case as well as the working interest owners in the COG Deer Stalker Fed Com 606H (30-025-47204) and the COG Deer Stalker Fed Com 705H (30-025-47206) wells, along with the Bureau of Land Management, and requested that they be provided with notice of this hearing.

9. **Matador Exhibit C-2** contains the Form C-102 for each of the proposed wells.

10. The completed intervals for the proposed well will remain within the standard setbacks required by the statewide rules set forth in 19.15.16.15 NMAC.

11. **Matador Exhibit C-3** identifies the tracts of land comprising the proposed horizontal spacing units. The land in the proposed spacing unit is comprised of fee and federal lands.

12. **Matador Exhibit C-4** identifies for the working interest owners that Matador is seeking to pool along with their respective ownership interest in the proposed horizontal spacing

unit. **Matador Exhibit C-4** also identifies the record title owners that Matador seeks to pool in this case.

13. **Matador Exhibit C-5** identifies the overriding royalty owners and nonparticipating minerals owners that Matador seeks to pool in this case.

14. There are no depth severances within the Bone Spring formation for this acreage.

15. While Matador was working to put this unit together, Matador proposed the above well to each of the working interest parties it seeks to pool. **Matador Exhibit C-6** contains a sample well proposal letter that was sent to those parties, along with the AFE sent to working interest owners for each well. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.

16. In addition to sending well proposal letters and AFEs, I have called or emailed each of the working interest owners Matador seeks to pool, to the extent we had contact information. As indicated in **Matador Exhibit C-7**, we have been able to contact and have discussions with all of the working interest owners we seek to pool except for two owners that we have not yet heard back from.

17. **Matador Exhibit C-7** contains a summary chronology of Matador's contacts and attempted contacts with the uncommitted working interest owners. In my opinion, Matador has undertaken good faith efforts to reach an agreement with the uncommitted mineral owners that Matador seeks to pool in this case.

18. Matador has made an estimate of overhead and administrative costs for drilling and producing the proposed well. It is \$8,000/month while drilling, and \$800/month while producing. These costs are consistent with what other operators are charging in this area for these types of

wells. Matador respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.

19. I provided Matador's outside counsel, Holland & Hart, a list of names and addresses for the parties that Matador is seeking to pool. In compiling this notice list, Matador conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches.

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

21. 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.



Isaac Evans

9-1-2023

Date

Exhibit C-1

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-1
Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23738

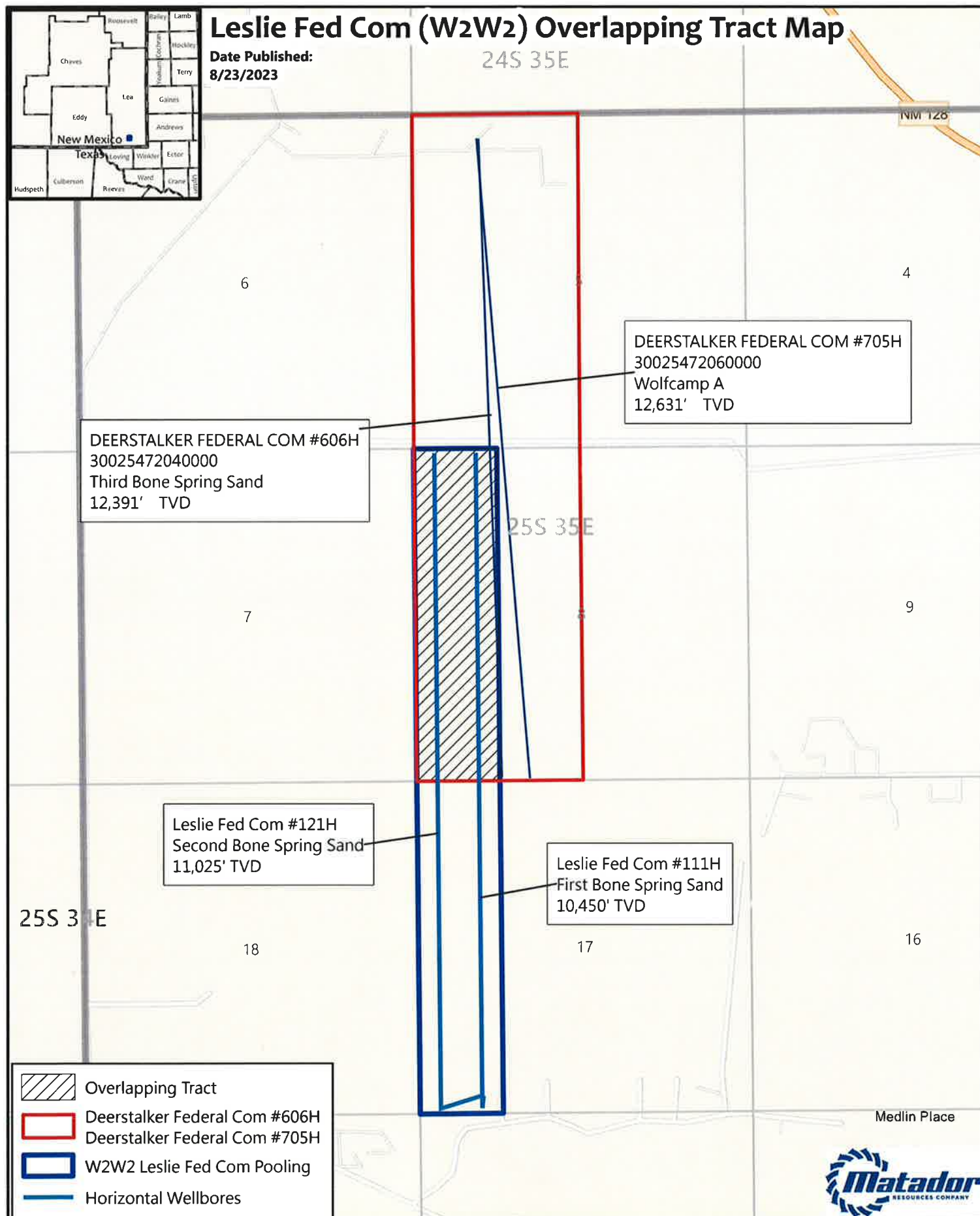


Exhibit C-2

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-2
Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23738**

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

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 97088	³ Pool Name WC-025 G-08 S2535340, BONE SPRING
⁴ Property Code	⁵ Property Name LESLIE FED COM		⁶ Well Number 111H
⁷ GRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY		⁹ Elevation 3314'

¹⁰Surface Location

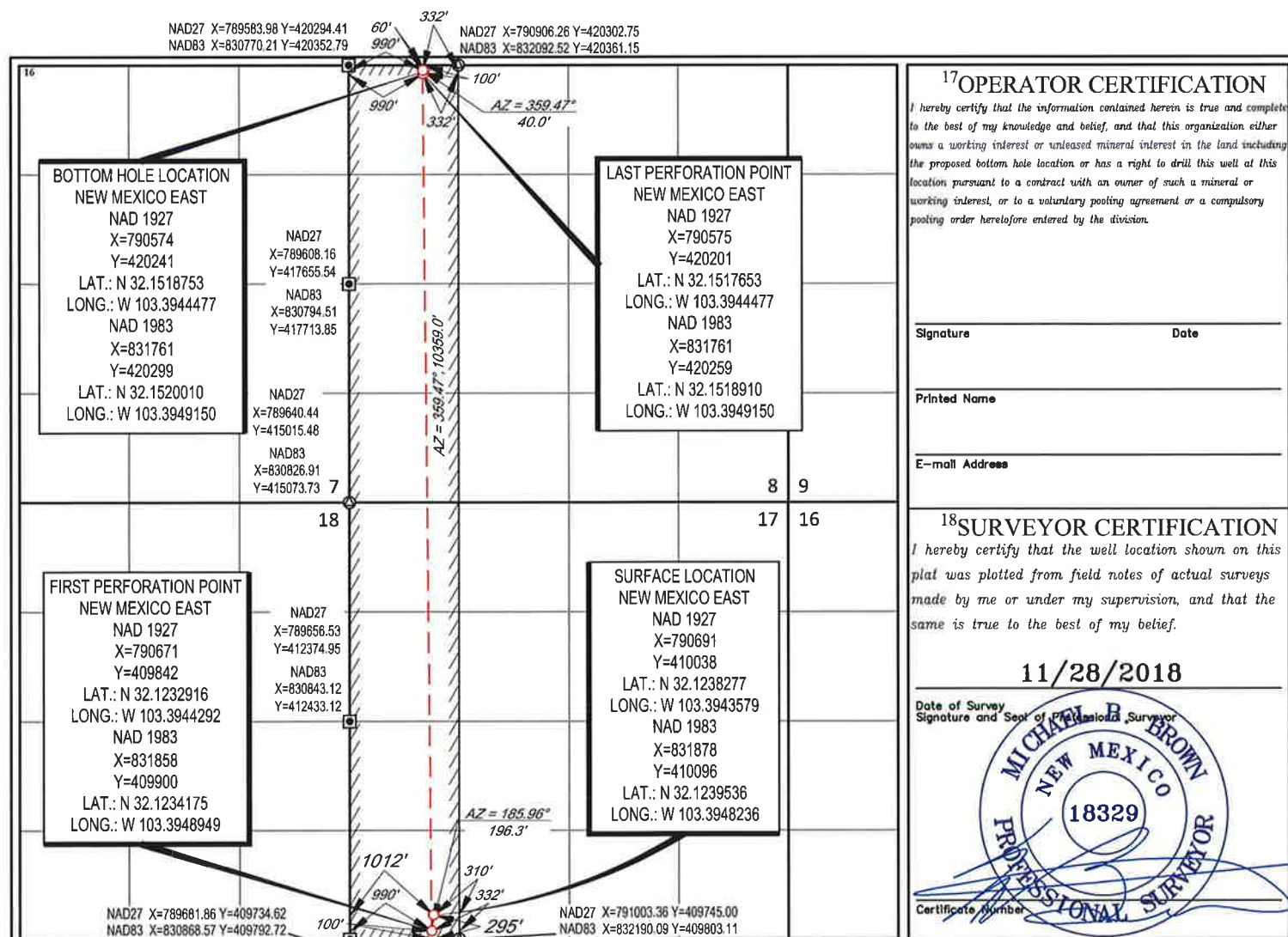
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	25-S	35-E	-	295'	SOUTH	1012'	WEST	LEA

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
D	8	25-S	35-E	-	60'	NORTH	990'	WEST	LEA

¹² Dedicated Acres 320	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.

¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

11/28/2018

Date of Survey _____ Signature and Seal of Professional Surveyor _____

MICHAEL B. BROWN
NEW MEXICO
18329
PROFESSIONAL SURVEYOR

Certificate Number _____

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

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 97088	³ Pool Name WL-025 G-08 525 35340; Bone Spring
⁴ Property Code	⁵ Property Name LESLIE FED COM	⁶ Well Number 121H
⁷ OGRID No. 228937	⁸ Operator Name MATADOR PRODUCTION COMPANY	⁹ Elevation 3314'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	25-S	35-E	-	295'	SOUTH	982'	WEST	LEA

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
D	8	25-S	35-E	-	60'	NORTH	330'	WEST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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.

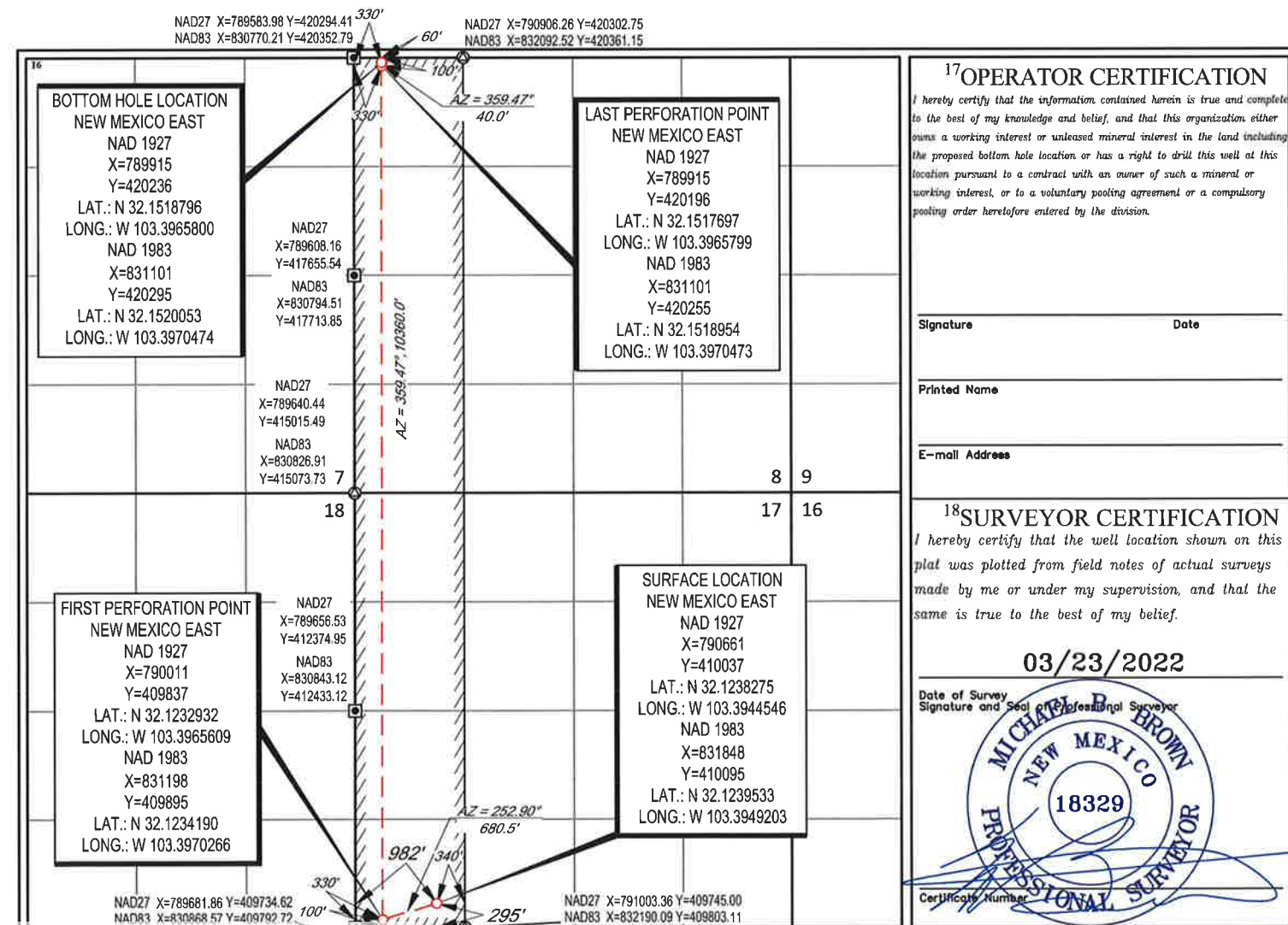


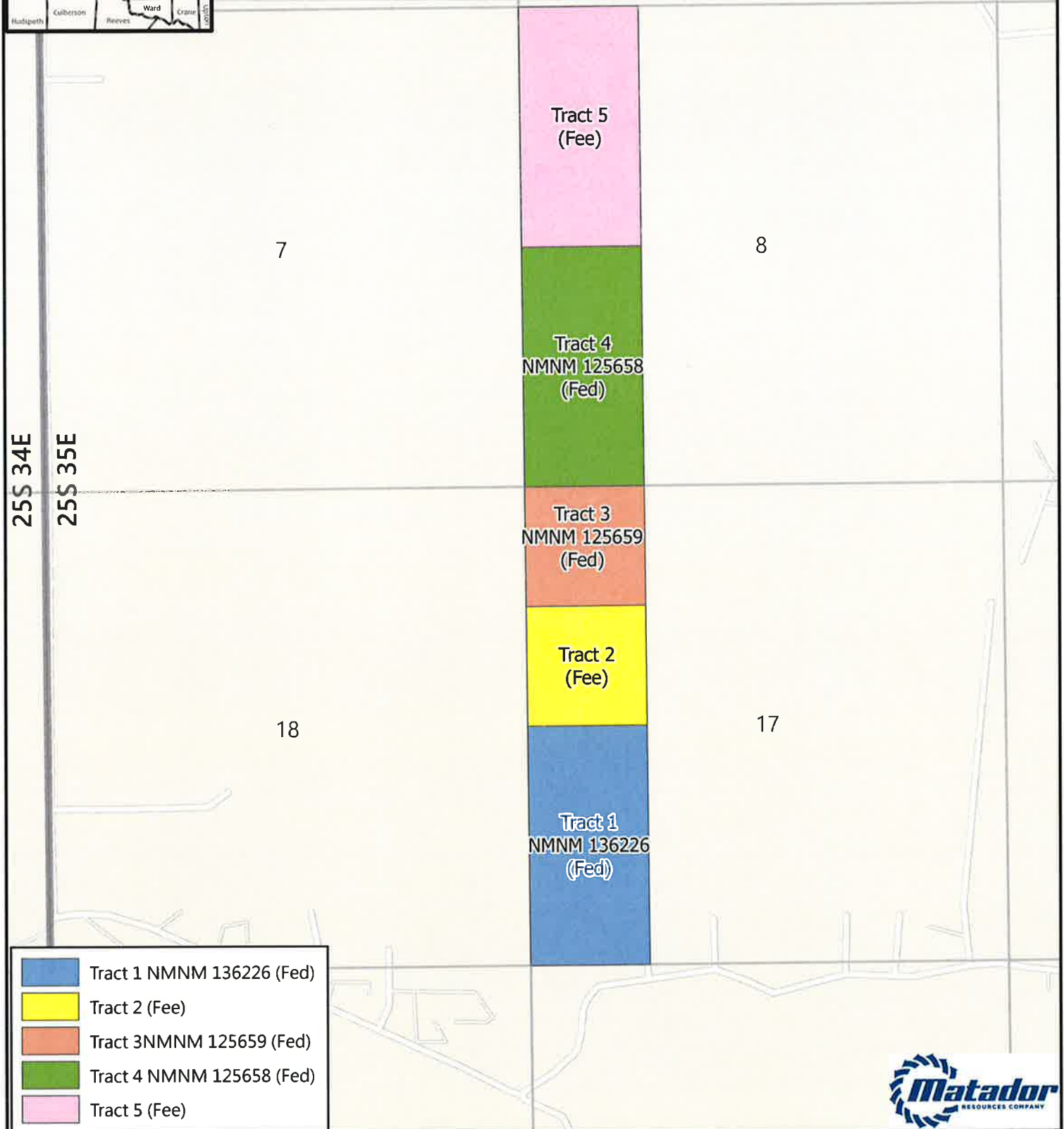
Exhibit C-3

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-3
Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23738**



Leslie Fed Com (W2W2) Tract Map

Date Published:
8/22/2023



N

GIS Standard Map Disclaimer:

This cartographic product is for informational purposes only and may not be used for engineering or legal purposes. Users of this information should consult the primary data and information sources to determine the validity of the information.

0 500 1,000 2,000 Feet

1:18,000

1 inch equals 1,500 feet

Map Prepared by: amercio.gamarral
Date: August 22, 2023

Project: \\gis\UserData\agamarra\temp\20230821 Leslie-Biggers Tract Map\Leslie-Biggers Tract Map.aprx
Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
Sources: IHS; ESRI; US DOI BLM Carlsbad, NM Field Office; GIS Department; Texas Cooperative Wildlife Collection; Texas A&M University; United States Census Bureau (TIGER);

Exhibit C-4

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-4
Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23738

Summary of Interests

MRC Permian Company Working Interest			45.277604%
Compulsory Pool Interest Total:			56.030729%
Interest Owner:	Description:	Tract	Interest:
COG Operating, LLC	Uncommitted Working Interest Owner	2, 4 & 5	36.637779%
COG Acreage, LP	Uncommitted Working Interest Owner	2 & 5	10.887222%
Tap Rock Resources II, LLC	Uncommitted Working Interest Owner	2	1.757812%
Franklin Mountain Energy 2, LLC	Uncommitted Working Interest Owner	2	1.041667%
Marathon Oil Permian, LLC	Uncommitted Working Interest Owner	2	2.725695%
Prime Rock Resources AssetCo, LLC	Uncommitted Working Interest Owner	2	0.781250%
Chief Capital (O&G) II LLC	Uncommitted Working Interest Owner	2	0.137500%



Summary of Interests Continued

Interest Owner:	Description:	Tract	Interest:
Ohio State University	Unleased Mineral Owner	2	0.031250%
The Estate of Richard Hosford, Jr.	Unleased Mineral Owner	5	0.055555%
COG Operating, LLC	Unleased Mineral Owner	5	0.666666%
COG Operating, LLC	Record Title Owner	4	N/A



Exhibit C-5

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-5
Submitted by: Matador Production Company
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ORRI Owners
Name
NILO Operating Company
Santo Royalty Company, LLC
Cayuga Royalties, LLC
Prevail Energy, LLC
Rheiner Holdings, LLC
Monticello Minerals, LLC
Franklin Mountain Royalty Investments, LLC
OGX Royalty Fund, LP
Tap Rock Minerals II LLC
BR2 Holdings LLC
NPMI Owners
Name
5588 Oil, LLC
Arrakis Holdings, LLC
Beverly Jean Renfro Barr, Trustee of the Family Trust created under the Last Will and Testament of Richard Kevin Barr
Bugling Bull Investments, LLC
Carrollton Mineral Partners IV, LP
Carrollton Mineral Partners IV, LP (for the duration of Lela Ellen Madera's life only)
Sitio Permian, LLC
CMP Permian, LP
CMP Permian, LP (for the duration of Lela Ellen Madera's life only)
TWR IV LLC
Foundation Minerals, LLC
G. Dan Thompson, as his separate property
GGM Exploration, Inc.
Good New Minerals, LLC
Katherine Woltz Aven, as her separate property
Post Oak Mavros II LLC
Sortida Resources, LLC
Post Oak Crown Minerals, LLC
Michael Fred Madera, as his separate property
Liberty Air, LLC
Oak Valley Mineral and Land, LP
Pamela Madera, Trustee of the Madera Trust under agreement dated July 20, 2016
Pegasus Resources, LLC

Riverbend Oil & Gas IX Investments, LLC
Sharyn M. Rash, Trustee of the Living Trust Agreement dated May 4, 1993
TD Minerals, LLC
Tilden Capital Minerals, LLC

Exhibit C-6

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-6
Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23738**

Matador Production Company

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

Voice 972.587.4628 • Fax 214.866.4883

isaac.evans@matadorresources.com

Isaac C. Evans
Senior Staff Landman

June 6, 2023

VIA CERTIFIED RETURN RECEIPT MAIL

COG Operating, LLC
600 W. Illinois Avenue
Midland, Texas 79701
Attn: NM OBO Land

Re: Leslie 17&8 Fed Com #111H, #112H, #121H, #122H, #221H & #222H (the "Wells")
Participation Proposal
NW/4, SW/4 of Section 8 & N/2NW/4, S/2NW/4, SW/4 of Section 17, Township 25 South, Range 35 East,
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company hereby rescinds the well proposals dated May 24, 2021 related to the Leslie 17&8 Fed Com #111H, Leslie 17&8 Fed Com #112H, Leslie 17&8 Fed Com #121H & Leslie 17&8 Fed Com #122H wells, located in the W/2 of Sections 17 and 8, Township 25 South, Range 35 East, Lea County, New Mexico.

To provide further clarification and details, MRC Permian Company ("MRC") now proposes the drilling of Matador Production Company's Leslie 17&8 Fed Com #111H, Leslie 17&8 Fed Com #112H, Leslie 17&8 Fed Com #121H & Leslie 17&8 Fed Com #122H wells, located in the NW/4, SW/4 of Section 8 & N/2NW/4, S/2NW/4, SW/4 of Section 17, Township 25 South, Range 35 East, Lea County, New Mexico.

MRC also proposes the drilling of Matador Production Company's Leslie 17&8 Fed Com #221H & Leslie 17&8 Fed Com #222H wells, located in the NW/4, SW/4 of Section 8 & N/2NW/4, S/2NW/4, SW/4 of Section 17, Township 25 South, Range 35 East, Lea County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of the Leslie 17&8 Fed Com #111H, Leslie 17&8 Fed Com #112H, Leslie 17&8 Fed Com #121H & Leslie 17&8 Fed Com #122H is itemized on the four (4) enclosed Authority for Expenditures ("AFE") dated February 23, 2023.
- The estimated cost of drilling, testing, completing, and equipping of the Leslie 17&8 Fed Com #221H & Leslie 17&8 Fed Com #222H is itemized on the two (2) enclosed Authority for Expenditures ("AFE") dated May 25, 2023.
- **Leslie 17&8 Fed Com #111H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SW/4 of Section 17-25S-35E, a proposed first take point located at 100' FSL and 990' FWL of Section 17-25S-35E, and a proposed last take point located at 100' FNL and 990' FWL of Section 8-25S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,450' TVD) to a Measured Depth of approximately 20,421'.

- **Leslie 17&8 Fed Com #112H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SW/4 of Section 17-25S-35E, a proposed first take point located at 100' FSL and 2,310' FWL of Section 17-25S-35E, and a proposed last take point located at 100' FNL and 2,310' FWL of Section 8-25S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,460' TVD) to a Measured Depth of approximately 20,421'.
- **Leslie 17&8 Fed Com #121H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SW/4 of Section 17-25S-35E, a proposed first take point located at 100' FSL and 330' FWL of Section 17-25S-35E, and a proposed last take point located at 100' FNL and 330' FWL of Section 8-25S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,025' TVD) to a Measured Depth of approximately 20,976'.
- **Leslie 17&8 Fed Com #122H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SW/4 of Section 17-25S-35E, a proposed first take point located at 100' FSL and 1,650' FWL of Section 17-25S-35E, and a proposed last take point located at 100' FNL and 1,650' FWL of Section 8-25S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,030' TVD) to a Measured Depth of approximately 20,976'.
- **Leslie 17&8 Fed Com #221H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SW/4 of Section 17-25S-35E, a proposed first take point located at 100' FSL and 660' FWL of Section 17-25S-35E, and a proposed last take point located at 100' FNL and 660' FWL of Section 8-25S-35E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,930' TVD) to a Measured Depth of approximately 23,197'.
- **Leslie 17&8 Fed Com #222H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SW/4 of Section 17-25S-35E, a proposed first take point located at 100' FSL and 1,980' FWL of Section 17-25S-35E, and a proposed last take point located at 100' FNL and 1,980' FWL of Section 8-25S-35E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,880' TVD) to a Measured Depth of approximately 23,147'.

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 Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement, which is enclosed for your review. The proposed Operating Agreement is dated January 1, 2023, by and between Matador Production Company, as Operator and MRC Permian Company, et al as Non-Operators, covers certain depths in the NW/4, SW/4 of Section 8 & N/2NW/4, S/2NW/4, SW/4 of Section 17, Township 25 South, Range 35 East, Lea County, New Mexico, and has the following general provisions:

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

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFEs within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFEs are only an estimate of costs to be incurred and by electing to participate in the Wells, 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,

MRC PERMIAN COMPANY



Isaac C. Evans

COG Operating, LLC hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **Leslie 17&8 Fed Com #111H** well.

_____ Not to participate in the **Leslie 17&8 Fed Com #111H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **Leslie 17&8 Fed Com #112H** well.

_____ Not to participate in the **Leslie 17&8 Fed Com #112H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **Leslie 17&8 Fed Com #121H** well.

_____ Not to participate in the **Leslie 17&8 Fed Com #121H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **Leslie 17&8 Fed Com #122H** well.

_____ Not to participate in the **Leslie 17&8 Fed Com #122H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **Leslie 17&8 Fed Com #221H** well.

_____ Not to participate in the **Leslie 17&8 Fed Com #221H**

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador
Production Company's **Leslie 17&8 Fed Com #222H** well.

_____ Not to participate in the **Leslie 17&8 Fed Com #222H**

COG Operating, LLC

By: _____

Title: _____

Date: _____

Contact Number: _____

MATADOR PRODUCTION COMPANY

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:	February 23, 2023	AFE NO.:	
WELL NAME:	Leslie 17&8 Fed Com 111H	FIELD:	
LOCATION:	Sections 17&8-25S-35E	MD/TVD:	20421/10450'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	10,000
MRC WI:			
GEOLOGIC TARGET:	First Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 2 mile long First Bone Spring sand target with about 46 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 58,000		\$ 10,000	\$ 10,000	\$ 78,000
Location, Surveys & Damages	156,333	13,000	15,000	12,500	196,833
Drilling	1,091,703				1,091,703
Cementing & Float Equip	249,000				249,000
Logging / Formation Evaluation	-	3,780	3,000		6,780
Flowback - Labor			18,160		18,160
Flowback - Surface Rentals			153,950		153,950
Flowback - Rental Living Quarters			-		-
Mud Logging	22,500				22,500
Mud Circulation System	54,175				54,175
Mud & Chemicals	355,000	66,000	21,500		442,500
Mud / Wastewater Disposal	165,000	-	2,000	1,000	168,000
Freight / Transportation	12,750	40,150	3,000	-	55,900
Rig Supervision / Engineering	124,000	97,460	10,000	1,800	233,260
Drill Bits	73,700				73,700
Fuel & Power	195,000	475,588	3,000	-	673,588
Water	35,000	871,500	2,000	1,000	909,500
Drig & Completion Overhead	10,000	-		-	10,000
Plugging & Abandonment	-				-
Directional Drilling, Surveys	328,225				328,225
Completion Unit, Swab, CTU	-	189,750	12,000		201,750
Perforating, Wireline, Stickline	-	212,132	-		212,132
High Pressure Pump Truck	-	71,500	5,000	-	76,500
Stimulation	-	2,776,221			2,776,221
Stimulation Flowback & Disposal	-	17,050	195,000		212,050
Insurance	36,758				36,758
Labor	168,500	119,350	15,000	5,000	307,850
Rental - Surface Equipment	116,641	388,795	22,000	5,000	532,436
Rental - Downhole Equipment	193,750	113,300	-	-	307,050
Rental - Living Quarters	48,330	67,331	-	5,000	120,661
Contingency	279,549	283,551	49,061	4,130	616,292
TOTAL INTANGIBLES >	3,773,914	5,806,458	539,671	45,430	10,165,473
TANGIBLE COSTS					
Surface Casing	\$ 86,032				\$ 86,032
Intermediate Casing	653,703				653,703
Drilling Liner					
Production Casing	1,003,724				1,003,724
Production Liner	-				-
Tubing	-		200,000		200,000
Wellhead	73,000		45,000		118,000
Packers, Liner Hangers	-	94,341	6,000		100,341
Tanks	-			35,000	35,000
Production Vessels	-			126,181	126,181
Flow Lines	-			120,000	120,000
Rod string	-				-
Artificial Lift Equipment	-		30,000		30,000
Compressor	-			27,500	27,500
Installation Costs	-		-	110,500	110,500
Surface Pumps	-		5,000	15,000	20,000
Non-controllable Surface	-		-	2,000	2,000
Non-controllable Downhole	-		-		-
Downhole Pumps	-		-		-
Measurement & Meter Installation	-		11,000	37,000	48,000
Gas Conditioning / Dehydration	-		-	-	-
Interconnecting Facility Piping	-		-	62,500	62,500
Gathering / Bulk Lines	-		-	-	-
Valves, Dumps, Controllers	-		2,000	-	2,000
Tank / Facility Containment	-		-	8,750	8,750
Flare Stack	-		-	20,625	20,625
Electrical / Grounding	-		22,000	40,000	62,000
Communications / SCADA	-		5,000	5,000	10,000
Instrumentation / Safety	-		-	49,875	49,875
TOTAL TANGIBLES >	1,616,458	94,341	328,000	659,931	2,896,731
TOTAL COSTS >	5,590,372	5,900,799	865,671	705,361	13,062,203

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Blake Hermes
 Completions Engineer: Trace Saha
 Production Engineer: Jan Mosnes

Team Lead - WTX/NM

CSC

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO: DEL
 Executive VP, Legal: CA
 President: MVH

EVP COO- Drilling, Completion and Production: BG

SVP Geoscience: ELF

NON OPERATING PARTNER APPROVAL:

Company Name: Working Interest (%): Tax ID:
 Signed by: Date:
 Title: Approval: Yes No (mark one)

The tools on this AFE are submitted only and may not be construed as a contract or any specific item or the total cost of the project. Taking resolution 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 legal, currency, regulatory, bonding and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this work. Participants shall be bonded by and held proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of sign.

MATADOR PRODUCTION COMPANY

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:	February 23, 2023	AFE NO.:	
WELL NAME:	Leslie 17&8 Fed Com 121H	FIELD:	
LOCATION:	Sections 17&8-25S-35E	MD/TVD:	20976/11025'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	10,000
MRC WI:			
GEOLOGIC TARGET:	Second Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 2 mile long Second Bone Spring sand target with about 46 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ 10,000	\$ 10,000	\$ 78,000
Location, Surveys & Damages	156,333	13,000	15,000	12,500	196,833
Drilling	1,021,243				1,021,243
Cementing & Float Equip	249,000				249,000
Logging / Formation Evaluation	-	3,780	3,000		6,780
Flowback - Labor			18,160		18,160
Flowback - Surface Rentals			153,950		153,950
Flowback - Rental Living Quarters			-		-
Mud Logging	22,500				22,500
Mud Circulation System	50,625				50,625
Mud & Chemicals	355,000	66,000	21,500		442,500
Mud / Wastewater Disposal	165,000	-	2,000	1,000	168,000
Freight / Transportation	12,750	40,150	3,000	-	55,900
Rig Supervision / Engineering	116,000	97,460	10,000	1,800	225,260
Drill Bits	73,700				73,700
Fuel & Power	180,000	475,588	3,000	-	658,588
Water	35,000	671,500	2,000	1,000	909,500
Drig & Completion Overhead	10,000	-			10,000
Plugging & Abandonment					
Directional Drilling, Surveys	336,167				336,167
Completion Unit, Swab, CTU	-	189,750	12,000		201,750
Perforating, Wireline, Slickline	-	212,132	-		212,132
High Pressure Pump Truck	-	71,500	5,000	-	76,500
Stimulation	-	2,899,750			2,899,750
Stimulation Flowback & Disp	-	17,050	195,000		212,050
Insurance	37,757				37,757
Labor	168,500	119,350	15,000	5,000	307,850
Rental - Surface Equipment	107,779	388,795	22,000	5,000	523,574
Rental - Downhole Equipment	187,250	113,300	-	-	300,550
Rental - Living Quarters	46,470	67,331	-	5,000	118,801
Contingency	271,126	283,551	49,061	4,130	607,868
TOTAL INTANGIBLES >	3,660,200	5,929,987	539,671	45,430	10,175,288
TANGIBLE COSTS					
Surface Casing	\$ 86,032	\$ -	\$ -	\$ -	\$ 86,032
Intermediate Casing	653,703				653,703
Drilling Liner	-				-
Production Casing	1,030,595				1,030,595
Production Liner	-				-
Tubing	-		200,000		200,000
Wellhead	73,000		45,000		118,000
Packers, Liner Hangers	-	94,341	8,000		100,341
Tanks	-			35,000	35,000
Production Vessels	-			126,181	126,181
Flow Lines	-			120,000	120,000
Rod string	-				-
Artificial Lift Equipment	-		30,000		30,000
Compressor	-			27,500	27,500
Installation Costs	-			110,500	110,500
Surface Pumps	-		5,000	15,000	20,000
Non-controllable Surface	-			2,000	2,000
Non-controllable Downhole	-				-
Downhole Pumps	-				-
Measurement & Meter Installation	-		11,000	37,000	48,000
Gas Conditioning / Dehydration	-				-
Interconnecting Facility Piping	-			62,500	62,500
Gathering / Bulk Lines	-				-
Valves, Dumps, Controllers	-		2,000		2,000
Tank / Facility Containment	-			8,750	8,750
Flare Stack	-			20,625	20,625
Electrical / Grounding	-		22,000	40,000	62,000
Communications / SCADA	-		5,000	5,000	10,000
Instrumentation / Safety	-			49,875	49,875
TOTAL TANGIBLES >	1,843,330	94,341	326,000	659,931	2,923,602
TOTAL COSTS >	5,503,529	6,024,329	865,671	705,361	13,098,890

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Blake Hermes	Team Lead - WTX/NM	CSC
Completions Engineer:	Trace Saha		CSC
Production Engineer:	Jan Mosnea		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	DEL	EVP COO- Drilling, Completion and Production	BG
Executive VP, Legal	CA	SVP Geoscience	ELF
President	MVH		

NON OPERATING PARTNER APPROVAL:

Company Name:		Working Interest (%):		Tax ID:	
Signed by:		Date:			
Title:		Approval:	Yes	No (mark one)	

The costs set forth in this AFE are estimates only and may not be reimbursed as costs on any specific term in the total cost of the project. Tubing installation approved under this 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, legal, corporate, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement governing this well. Participants shall be covered by and listed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spend.

Exhibit C-7

Summary of Communications – W2W2 Leslie Fed Com

Uncommitted Working Interest:

1. COG Operating, LLC

In addition to sending well proposals, Matador has had discussions with COG Operating, LLC regarding this project and potential voluntary joinder or leasing.

2. COG Acreage, LP

In addition to sending well proposals, Matador has had discussions with COG Acreage, LP regarding this project and potential voluntary joinder.

3. Tap Rock Resources II, LLC

In addition to sending well proposals, Matador has had discussions with Tap Rock Resources II, LLC regarding this project and potential voluntary joinder.

4. Franklin Mountain Energy 2, LLC

In addition to sending well proposals, Matador has had discussions with Franklin Mountain Energy 2, LLC regarding this project and potential voluntary joinder.

5. Marathon Oil Permian, LLC

In addition to sending well proposals, Matador has had discussions with Marathon Oil Permian, LLC regarding this project.

6. Prime Rock Resources AssetCo, LLC

In addition to sending well proposals, Matador has had discussions with Prime Rock Resources AssetCo, LLC regarding this project and potential voluntary joinder.

7. Chief Capital (O&G) II, LLC

In addition to sending well proposals, Matador has had discussions with Chief Capital (O&G) II, LLC regarding this project.

8. Ohio State University

In addition to sending well proposals, Matador has attempted to contact Ohio State University regarding this project to discuss potential voluntary joinder or leasing.

9. The Estate of Richard Hosford, Jr.

In addition to sending well proposals, Matador has attempted to contact the Estate of Richard Hosford, Jr. regarding this project to discuss potential voluntary joinder or leasing.

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

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

CASE NOS. 23738 & 23739

AFFIDAVIT OF LIZ OLSON

Liz Olson, of lawful age and being first duly sworn, declares as follows:

1. My name is Liz Olson and I am employed by MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Senior Geologist.

2. I graduated from Washington and Lee University in 2014 with a bachelor's degree in geology. Following graduation, I worked for Advanced Resources International, an energy research and consulting firm, for about one year before attending Louisiana State University where I earned a master's degree in geology and geophysics and a graduate certificate in Applied Depositional Systems in 2017. During the Summer of 2016, I worked as a geoscience intern for Indigo Natural Resources. After receiving my master's degree, I interned with Anadarko Petroleum Corporation during the Summer of 2018 and then started as an employee of Anadarko following my internship in January 2019. While at Anadarko, I worked as a geologist in the Delaware Basin. I left Anadarko (then Occidental Petroleum) in December 2019 and started working for Matador in February 2020 as a geologist. Since I have been at Matador, I have been working as a geologist in the Delaware Basin, including in Eddy and Lea Counties, New Mexico. As part of my employment for Matador, I am also required to complete at least 40 hours of

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D

Submitted by: Matador Production Company

Hearing Date: September 7, 2023

Case No. 23738

continuing education each year. I am also a member of the American Association of Petroleum Geologists and the West Texas Geological Society.

3. I am familiar with the applications filed by Matador in these cases and 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 units with a black box shaded in yellow, with the larger area identified in a red box.

5. The target intervals for the initial wells in these proposed spacing units are the First Bone Spring and Second Bone spring of the Bone Spring formation.

6. **Matador Exhibit D-2** is a subsea structure map that I prepared for 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 west-southwest. The structure appears consistent across the proposed spacing units and I do not observe any faulting, pinch outs, or other geologic impediments to horizontal drilling.

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 that I prepared displaying open-hole logs run over the Bone Spring formation from the three representative wells denoted from A to A'. For each well in the cross-section, the following logs are included, when available: gamma ray, caliper, resistivity, and porosity. The proposed target interval of each of the respective proposed wells is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted intervals, within the Bone Spring formation, are consistent in thickness across the entirety of the proposed spacing units.

9. 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 units proposed in these cases.

10. In my opinion, each quarter-quarter section will be productive and contribute more-or-less equally to production from these horizontal spacing units.

11. 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.

12. In my opinion, the standup orientation is the preferred orientation for development in this area for the target intervals of these wells because the maximum horizontal stress is approximately east-west in this area.

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

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

FURTHER AFFIANT SAYETH NOT



LIZ OLSON

STATE OF TEXAS)
)
COUNTY OF Dallas)

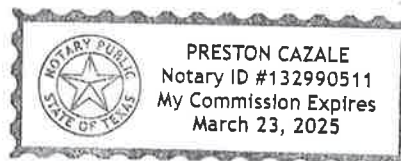
SUBSCRIBED and SWORN to before me this 30th day of August 2023 by Liz Olson.



NOTARY PUBLIC

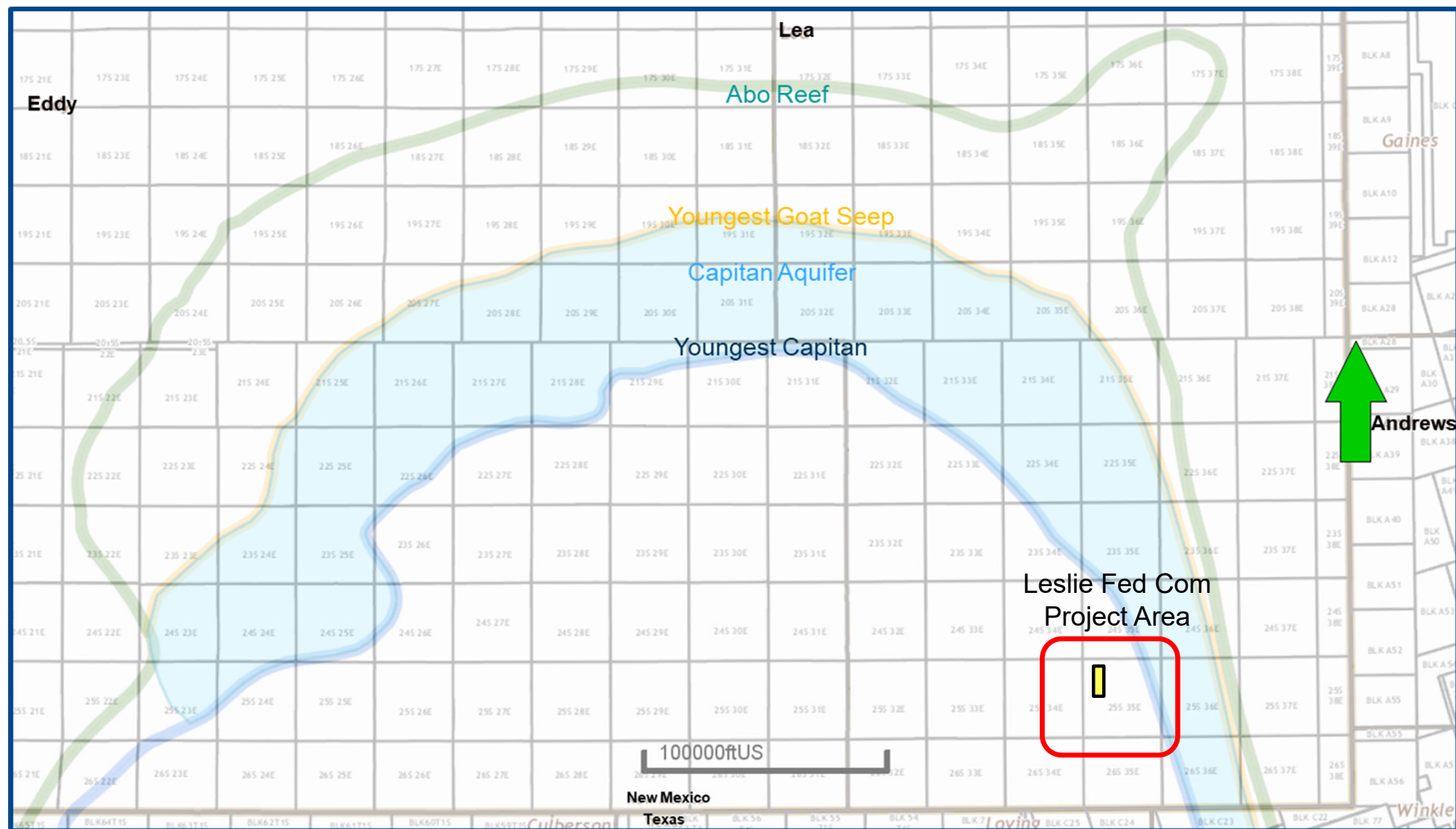
My Commission Expires:

3/23/2025

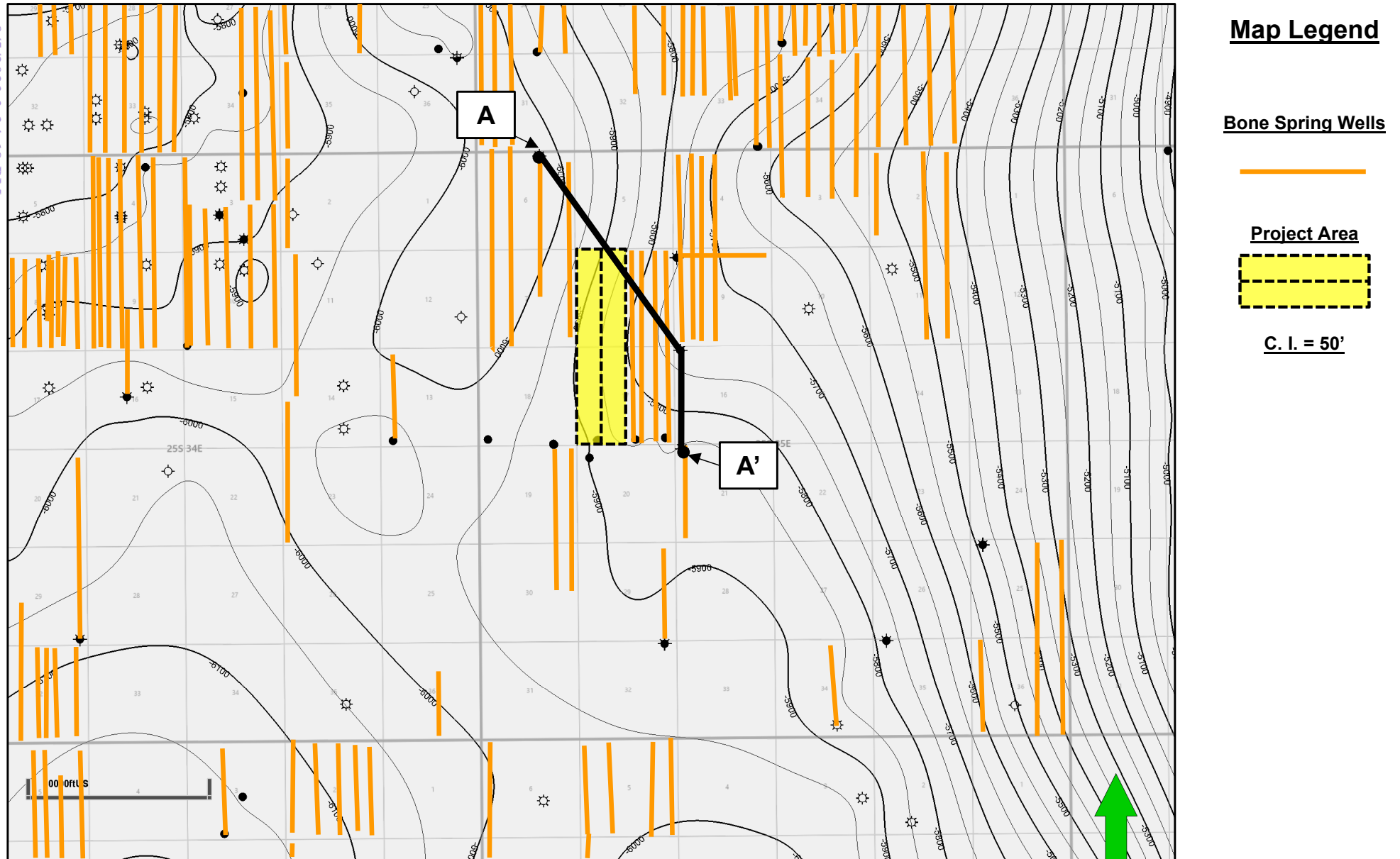


Locator Map

Exhibit D-1



WC-025 G-08 S253534O; Bone Spring (Pool Code 97088) Exhibit D-2 Structure Map (Top Bone Spring Subsea) A – A' Reference Line



Leslie Fed Com 17 & 8 #111H, #121H, #112H and #122H

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D-2

Submitted by: Matador Production Company

Hearing Date: September 7, 2023

Case No. 23738

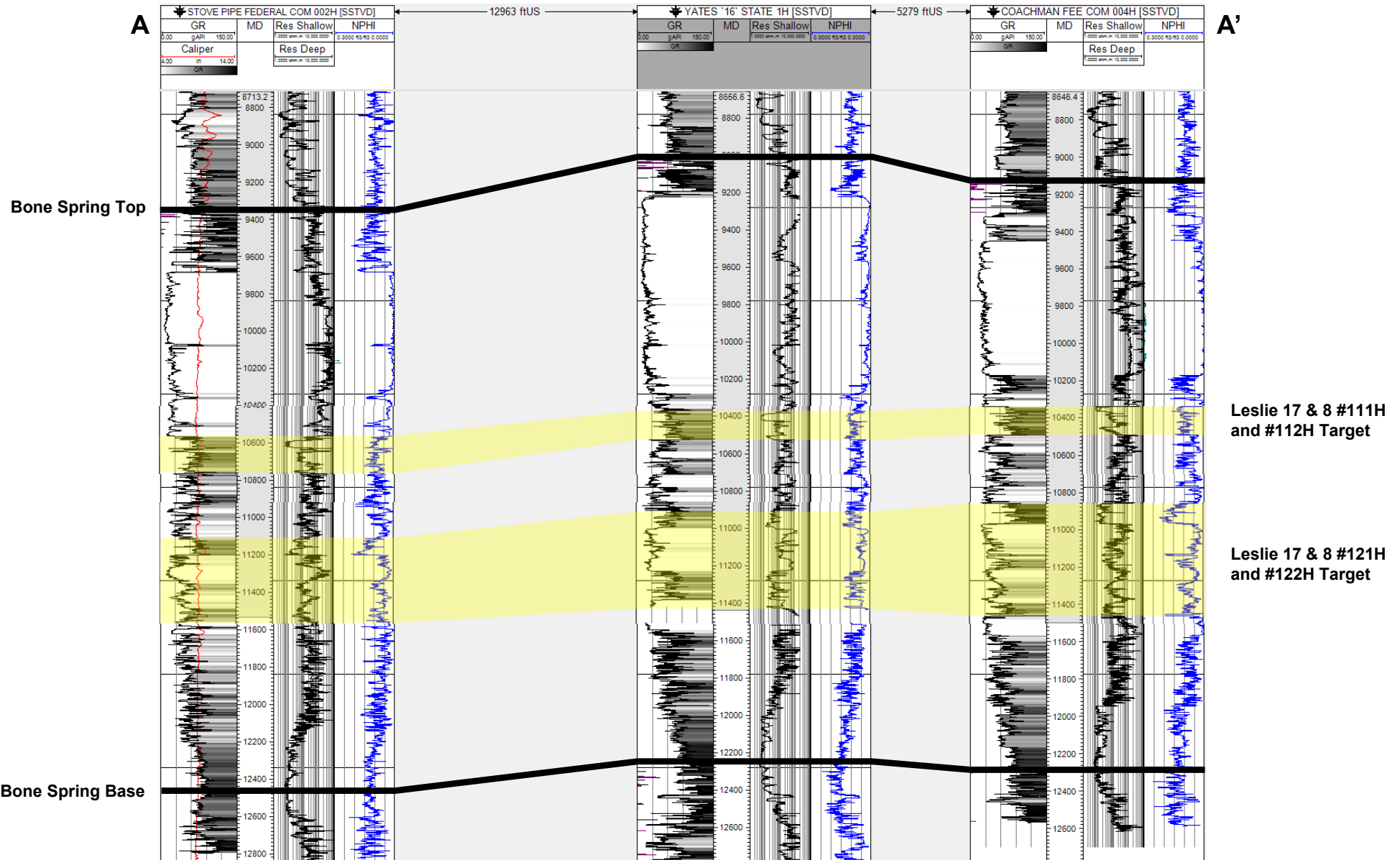


D-2

WC-025 G-08 S253534O; Bone Spring (Pool Code 97088)

Structural Cross-Section A – A'

Exhibit D-3



Leslie Fed Com 17 & 8 #111H, #121H, #112H and #122H

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D-3
Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23738



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,
LEA COUNTY, NEW MEXICO.**


CASE NO. 23738

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Michael H. Feldewert, attorney in fact and authorized representative of the Applicant herein, being first duly sworn, upon oath, states

1. The above-referenced application and notice of the hearing on this application was sent by certified mail to the affected parties on the date set forth in the letter attached hereto.
2. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.
3. 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 August 31, 2023.
4. I caused a notice to be published to all parties subject to these compulsory pooling proceedings on August 24, 2023. An affidavit of publication from the publication's legal clerk with a copy of the notice publication is attached as Exhibit F.

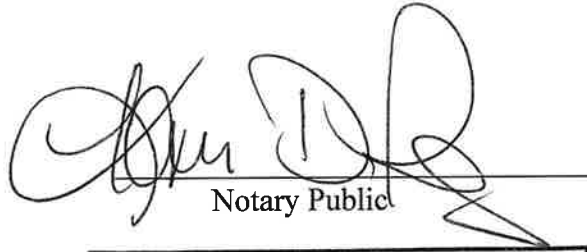

Michael H. Feldewert

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23738

SUBSCRIBED AND SWORN to before me this 5th day of September 2023 by Michael H.
Feldewert.

My Commission Expires:

6/28/26


Notary Public

STATE OF NEW MEXICO
NOTARY PUBLIC
KARI D PEREZ
COMMISSION # 1138272
COMMISSION EXPIRES 06/28/2026



Michael Feldewert
Partner
Phone (505) 988-4421
Email mhfeldewert@hollandhart.com

August 18, 2023

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico: Leslie 17&8 Fed Com 111H and 121H wells

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 September 7, 2023, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

Due to the remodeling of the state building where the New Mexico Oil Conservation Division is located, hearings will be conducted remotely beginning at 8:15 a.m. 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 Isaac Evans at (972) 587-4628 or at Isaac.evans@matadorresources.com.

Sincerely,

A handwritten signature in blue ink that reads 'Michael H. Feldewert'.

Michael H. Feldewert
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 - Leslie 111H and 121H wells Case no. 23738
Postal Delivery Report

9414811898765410124784	COG Acreage, LP	600 W Illinois Ave	Midland	TX	79701-4882	Your item was delivered to the front desk, reception area, or mail room at 8:02 am on
9414811898765410124739	COG Operating, LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was delivered to the front desk, reception area, or mail room at 8:02 am on
9414811898765410124777	Tap Rock Resources II, LLC	523 Park Point Dr Ste 200	Golden	CO	80401-9387	Your item was delivered to the front desk, reception area, or mail room at 12:15 pm on
9414811898765410124913	Franklin Mountain Energy 2, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 1:17 pm on
9414811898765410124951	Marathon Oil Permian, LLC	990 Town And Country Blvd	Houston	TX	77024-2217	Your item was delivered to the front desk, reception area, or mail room at 1:05 pm on
9414811898765410124920	Prime Rock Resources AssetCo, LLC	203 W Wall St Ste 1000	Midland	TX	79701-4525	Your item was delivered to an individual at the address at 10:30 am on August 22, 2023 in
9414811898765410124906	Chief Capital O&G II LLC	8111 Westchester Dr Ste 900	Dallas	TX	75225-6146	Your item was delivered to the front desk, reception area, or mail room at 10:29 am on
9414811898765410124944	NILO Operating Company	PO Box 4362	Houston	TX	77210-4362	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77210 on August
9414811898765410124982	Santo Royalty Company, LLC	PO Box 1020	Artesia	NM	88211-1020	Your item was picked up at the post office at 10:43 am on August 22, 2023 in ARTESIA, NM
9414811898765410124937	Cayuga Royalties, LLC	PO Box 540711	Houston	TX	77254-0711	This is a reminder to pick up your item before September 5, 2023 or your item will be returned on September 6, 2023. Please pick up
9414811898765410124616	Prevail Energy, LLC	521 Dexter St	Denver	CO	80220-5035	Your item was delivered to an individual at the address at 2:35 pm on August 22, 2023 in
9414811898765410124661	Rheiner Holdings, LLC	PO Box 980552	Houston	TX	77098-0552	Your item was delivered at 7:31 am on August 23, 2023 in HOUSTON, TX 77098.
9414811898765410124623	Monticello Minerals, LLC	4128 Bryn Mawr Dr	Dallas	TX	75225-6736	Your package will arrive later than expected, but is still on its way. It is currently in transit to
9414811898765410124609	Franklin Mountain Royalty Investments, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 1:16 pm on
9414811898765410124692	OGX Royalty Fund, LP	PO Box 2064	Midland	TX	79702-2064	Your item was delivered to the front desk, reception area, or mail room at 11:06 am on
9414811898765410124647	BR2 Holdings LLC	PO Box 980552	Houston	TX	77098-0552	Your item was delivered at 7:31 am on August 23, 2023 in HOUSTON, TX 77098.
9414811898765410124685	Ohio State University	281 W Lane Ave	Columbus	OH	43210-1132	Your item was delivered to the front desk, reception area, or mail room at 11:03 am on
9414811898765410124630	The Estate of Richard Hosford, Jr.	1528 Shady Oaks Cir	Glen Rose	TX	76043-6261	Your item was delivered to an individual at the address at 1:36 pm on August 23, 2023 in GLEN
9414811898765410124678	5588 Oil, LLC	PO Box 470925	Fort Worth	TX	76147-0925	Your item was delivered at 9:16 am on August 22, 2023 in FORT WORTH, TX 76107.
9414811898765410124111	Arrakis Holdings, LLC	1202 Cherrywood Ct	Allen	TX	75002-2305	This is a reminder to arrange for redelivery of your item or your item will be returned to
9414811898765410124166	Beverly Jean Renfro Barr, Trustee of the Family Trust created under the Last Will and and Testament of	804 Park Vista Cir	Southlake	TX	76092-4342	Your item was delivered to an individual at the address at 1:34 pm on August 23, 2023 in SOUTHLAKE, TX 76092.

MRC - Leslie 111H and 121H wells Case no. 23738
Postal Delivery Report

9414811898765410124104	Bugling Bull Investments, LLC	4747 Research Forest Dr unit 180-315	The Woodlands	TX	77381-4912	Your item was delivered to an individual at the address at 2:18 pm on August 22, 2023 in
9414811898765410124197	Carrollton Mineral Partners IV, LP	5950 Berkshire Ln Ste 1125	Dallas	TX	75225-5846	Your item was delivered to an individual at the address at 10:38 am on August 22, 2023 in
9414811898765410124142	Carrollton Mineral Partners IV, LP for the duration of Lela Ellen Maderas life	5950 Berkshire Ln Ste 1125	Dallas	TX	75225-5846	Your item was delivered to an individual at the address at 10:38 am on August 22, 2023 in
9414811898765410124180	Sitio Permian, LLC	1401 Lawrence St Ste 1750	Denver	CO	80202-3074	Your item was delivered to an individual at the address at 9:47 am on August 21, 2023 in
9414811898765410124135	CMP Permian, LP	5950 Berkshire Ln Ste 1125	Dallas	TX	75225-5846	Your item was delivered to an individual at the address at 10:38 am on August 22, 2023 in
9414811898765410124173	CMP Permian, LP for the duration of Lela Ellen Maderas life only	5950 Berkshire Ln Ste 1125	Dallas	TX	75225-5846	Your item was delivered to an individual at the address at 10:37 am on August 22, 2023 in
9414811898765410124319	TWR IV LLC	3724 Hulen St	Fort Worth	TX	76107-6816	Your item was delivered to an individual at the address at 10:22 am on August 22, 2023 in
9414811898765410124357	Foundation Minerals, LLC	PO Box 50820	Midland	TX	79710-0820	Your item was delivered to the front desk, reception area, or mail room at 10:19 am on
9414811898765410124364	G. Dan Thompson, as his separate property	12107 Lueders Ln	Dallas	TX	75230-2376	Your item was delivered at 12:01 pm on August 28, 2023 in DALLAS, TX 75230.
9414811898765410124326	GGM Exploration, Inc.	PO Box 123610	Fort Worth	TX	76121-3610	Your item was delivered at 5:12 am on August 22, 2023 in FORT WORTH, TX 76121.
9414811898765410124302	Good New Minerals, LLC	PO Box 50820	Midland	TX	79710-0820	Your item was delivered to the front desk, reception area, or mail room at 10:19 am on
9414811898765410124395	Katherine Woltz Aven, as her separate property	2512 Doris Dr	Brighton	MI	48114-8935	Your item was returned to the sender at 9:06 am on August 23, 2023 in BRIGHTON, MI 48114 because the forwarding order for this address
9414811898765410124340	Post Oak Mavros II LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	Your package will arrive later than expected, but is still on its way. It is currently in transit to
9414811898765410124388	Sortida Resources, LLC	PO Box 50820	Midland	TX	79710-0820	Your item was delivered to the front desk, reception area, or mail room at 10:19 am on
9414811898765410124333	Post Oak Crown Minerals, LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	Your package will arrive later than expected, but is still on its way. It is currently in transit to
9414811898765410124371	Michael Fred Madera, as his separate property	PO Box 645	La Pine	OR	97739-0645	Your item was picked up at the post office at 10:53 am on August 22, 2023 in LA PINE, OR
9414811898765410124012	Liberty Air, LLC	147 Topside Dr	Ruidoso	NM	88345-5522	Your item arrived at the SANTA FE, NM 87501 post office at 10:13 am on August 30, 2023 and
9414811898765410124050	Oak Valley Mineral and Land, LP	PO Box 50820	Midland	TX	79710-0820	Your item was delivered to the front desk, reception area, or mail room at 10:19 am on
9414811898765410124067	Pamela Madera, Trustee of the Madera Trust under agreement dated	3 Rayos De Luz	Placitas	NM	87043-9460	Your item arrived at the SANTA FE, NM 87501 post office at 10:13 am on August 30, 2023 and
9414811898765410124029	Pegasus Resources, LLC	PO Box 733980	Dallas	TX	75373-3980	Your item was picked up at a postal facility at 6:22 pm on August 24, 2023 in DALLAS, TX
9414811898765410124005	Riverbend Oil & Gas IX Investments, LLC	1200 Smith St Ste 1950	Houston	TX	77002-4322	Your item was delivered to the front desk, reception area, or mail room at 10:09 am on

MRC - Leslie 111H and 121H wells Case no. 23738
Postal Delivery Report

9414811898765410124098	Sharyn M. Rash, Trustee of the Living Trust Agreement dated May 4, 1993	3595 Canton Rd unit A-9166	Marietta	GA	30066-2658	Your item was returned to the sender at 12:24 pm on August 23, 2023 in MARIETTA, GA 30066 because the forwarding order for this address
9414811898765410124043	TD Minerals, LLC	8111 Westchester Dr Ste 900	Dallas	TX	75225-6146	Your item was delivered to the front desk, reception area, or mail room at 10:29 am on
9414811898765410124081	Tilden Capital Minerals, LLC	PO Box 470857	Fort Worth	TX	76147-0857	Your item was delivered at 9:10 am on August 22, 2023 in FORT WORTH, TX 76107.
9414811898765410124036	The Estate of Richard Hosford, Jr.	1528 Shady Oaks Cir	Glen Rose	TX	76043-6261	Your item was delivered to an individual at the address at 1:20 pm on August 22, 2023 in GLEN
9414811898765410124418	The United States of America	620 E Greene St	Carlsbad	NM	88220-6292	Your item was delivered to an individual at the address at 11:42 am on August 22, 2023 in

Affidavit of PublicationSTATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
August 24, 2023
and ending with the issue dated
August 24, 2023.



Publisher

Sworn and subscribed to before me this
24th day of August 2023.



Business Manager

My commission expires
January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE
August 24, 2023**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, September 7, 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 August 27, 2023.

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

<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m83c3ecf5b757a93f26a029c5b871606d>
Webinar number: 2484 767 1008

Join by video system: 24847671008@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: 2484 767 1008

Panelist password: edC57GzhwV8 (33257494 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 affected interest owners, including: COG Acreage, LP; COG Operating, LLC; Tap Rock Resources II, LLC; Franklin Mountain Energy 2, LLC; Marathon Oil Permian, LLC; Prime Rock Resources AssetCo, LLC; Chief Capital (O&G) II LLC; NILO Operating Company; Santo Royalty Company, LLC; Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Franklin Mountain Royalty Investments, LLC; OGX Royalty Fund, LP; BR2 Holdings LLC; Ohio State University; The Estate of Richard Hosford, Jr., his heirs and devisees; 5588 Oil, LLC; Arrakis Holdings, LLC; Beverly Jean Renfro Barr, Trustee of the Family Trust created under the Last Will and Testament of Richard Kevin Barr; Bugling Bull Investments, LLC; Carrollton Mineral Partners IV, LP; Carrollton Mineral Partners IV, LP (for the duration of Lela Ellen Madera's life only); Sitio Permian, LLC; CMP Permian, LP; CMP Permian, LP (for the duration of Lela Ellen Madera's life only); TWR IV LLC; Foundation Minerals, LLC; G. Dan Thompson, as his separate property, his heirs and devisees; GGM Exploration, Inc.; Good New Minerals, LLC; Katherine Woltz Aven, as her separate property, her heirs and devisees; Post Oak Mavros II LLC; Sortida Resources, LLC; Post Oak Crown Minerals, LLC; Michael Fred Madera, as his separate property, his heirs and devisees; Liberty Air, LLC; Oak Valley Mineral and Land, LP; Pamela Madera, Trustee of the Madera Trust under agreement dated July 20, 2016; Pegasus Resources, LLC; Riverbend Oil & Gas IX Investments, LLC; Sharyn M. Rash, Trustee of the Living Trust Agreement dated May 4, 1993; TD Minerals, LLC; Tilden Capital Minerals, LLC; The Estate of Richard Hosford, Jr., his heirs and devisees; and The United States of America.

Case No. 23738: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving an overlapping 320-acre, more or less, standard horizontal well spacing unit in the Bone Spring formation underlying the W2W2 of Sections 8 and 17, Township 25 South, Range 35 East, NMPM, Lea 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 Leslie 17&8 Fed Com 111H and the Leslie 17&8 Fed Com 121H wells to be horizontally drilled from the SW4SW4 (Unit M) of Section 17 to a bottom hole location in the NW4NW4 (Unit D) of Section 8. This proposed horizontal well spacing unit will overlap a horizontal spacing unit in the WC-025 G-09 S243532M; Wolfbone Pool (98098), an interval and pool different from by that targeted by the proposed wells, comprised of the W2 of Sections 5 and 8, Township 25 South, Range 35 East, dedicated to the COG Deer Stalker Fed Com 606H (30-025-47204) and the COG Deer Stalker Fed Com 705H (30-025-47206) wells. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 11 miles west of Jal, New Mexico.

#00281892

HOLLAND & HART LLC
PO BOX 2208
SANTA FE, NM 87504-2208

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F

Submitted by: Matador Production Company
Hearing Date: September 7, 2023
Case No. 23738