

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JANUARY 4, 2024**

CASE No. 23991

CEDAR STATE 3231 FED COM #121H WELL

EDDY COUNTY, NEW MEXICO



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

**APPLICATIONS OF MRC PERMIAN
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 23991


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COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 23915	APPLICANT'S RESPONSE
Date	January 4, 2024
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 COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Cedar
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:	Shugard; Bone Spring, North [56405]
Well Location Setback Rules:	Statewide oil rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	313.23
Building Blocks:	40 acres
Orientation:	East-West
Description: TRS/County	N/2 N/2 of Sections 31 and 32, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> 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-3
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 BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: MRC Permian Company Hearing Date: January 4, 2024 Case No. 23991	Cedar State 3221 Fed Com 121H well SHL: 2,595' FNL, 357' FEL (Unit H) of Section 32 BHL: 990' FNL, 100' FWL (Lot 1) of irregular Section 31 Target: Bone Spring Orientation: East-West Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-4

A-FE 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-2
Tract List (including lease numbers and owners)	Exhibit C-2
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-3
Unlocatable Parties to be Pooled	Rodney O. Thompson
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
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-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
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:	12/29/2023

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

**APPLICATION OF MRC PERMIAN
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 23991

APPLICATION

MRC Permian Company ("MRC" or "Applicant"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the N/2 N/2 of Sections 31 and 32, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed 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 horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Cedar State 3231 Fed Com #121H** well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 32, with a first take point in the NE/4 NE/4 (Unit A) of Section 32 and a last take point in the NW/4 NW/4 (Unit D) of Section 31.
4. 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.

69: CF9'H<9'C=@7 CBG9FJ5 HCB'8 =J-G-CB'
GubHJ: YZBYk 'AYI Jw6
91\ Jv]hBc"6
Gi Va]HtX'Vm'AF7 'DYfa JUb'7 ca dUbm
<YUf]b['8 UHf.'>Ubi Ufm(z&\$&
7 UgY'Bc"&' - - %

5. The pooling of uncommitted mineral owners 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 December 7, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted mineral owners in the horizontal spacing unit;
- B. Designating Matador Production Company as operator of this 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% charge 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
Paula M. Vance
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Santa Fe, NM 87504
505-988-4421
505-983-6043 Facsimile
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ATTORNEYS FOR MRC PERMIAN COMPANY

CASE _____: **Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the N/2 N/2 of Sections 31 and 32, Township 17 South, Range 31 East, NMPPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Cedar State 3231 Fed Com #121H** well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 32, with a first take point in the NE/4 NE/4 (Unit A) of Section 32 and a last take point in the NW/4 NW/4 (Unit D) of Section 31. 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 9 miles southwest of Maljamar, New Mexico.

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

APPLICATIONS OF MRC PERMIAN
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 23991

SELF-AFFIRMED STATEMENT OF HAWKS HOLDER

Hawks Holder, of lawful age and being first duly sworn, declares as follows:

1. My name is Hawks Holder. 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 N/2 N/2 of Sections 31 and 32, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico and initially dedicate this Bone Spring spacing unit to the proposed **Cedar State 3231 Fed Com #121H** well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 32, with a first take point in the NE/4 NE/4 (Unit A) of Section 32 and a last take point in the NW/4 NW/4 (Unit D) of Section 31.

5. Matador understands this well will be placed in the Shugart; Bone Spring, North (56405) pool.

6. **Matador Exhibit C-1** contains the Form C-102 for the proposed well.

7. 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.

8. **Matador Exhibit C-2** identifies the tracts of land comprising the proposed horizontal spacing units. The land in the proposed spacing unit is comprised of state and federal lands.

9. **Matador Exhibit C-3** 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-3** also identifies the overriding royalty interest owners that Matador seeks to pool in this case.

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

11. 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-4** 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.

12. In addition to sending well proposal letters and AFEs, I have called or emailed each of the working interest owners Matador seeks to pool. As indicated in **Matador Exhibit C-5**, we have been able to contact and have discussions with all of the working interest owners we seek to pool.

13. **Matador Exhibit C-5** 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.

14. 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.

15. 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.

16. **Matador Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.

17. 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.



Hawks Holder

12/22/23

Date

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: (505) 748-1283 Fax: (505) 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

*API Number		*Pool Code	*Pool Name
		56405	Shugart; Bone Spring, North
*Property Code	*Property Name		*Well Number
	CEDAR 3231 FED COM		121H
*GRID No.	*Operator Name		*Elevation
228937 2370	MATADOR PRODUCTION COMPANY		3721'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	32	17-S	31-E	-	2595'	NORTH	537'	EAST	EDDY

11 Bottom 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
1	31	17-S	31-E	-	990'	NORTH	100'	WEST	EDDY

*Dedicated Acres	*Joint or Infill	*Consolidation Code	*Order No.
313.23			

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.

		<p>17 OPERATOR CERTIFICATION</p> <p>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 undivided mineral interest in the land including the proposed bottom hole location or has a right to drill the well at this location pursuant to a contract with an owner of such a mineral or working interest, or is a voluntary pooling agreement or a compulsory pooling under jurisdiction entered by the division.</p> <p><i>Angel M. Baeza</i> 12/7/23 Signature Date</p> <p>Hawks Holder Printed Name hawks.holder@matadorresources.com E-mail Address</p> <p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>12/02/2023 Date of Survey Signature and Seal of Professional Surveyor</p> <p>ANGEL M. BAEZA NEW MEXICO PROFESSIONAL SURVEYOR 26118</p> <p>Certificate Number</p>														
<p>NEW MEXICO EAST NAD 1983</p> <table border="1"> <tr> <td>SURFACE LOCATION (SHL)</td> <td>FIRST PERFORMANCE POINT (FPP)</td> <td>BLM PERF. POINT (BPP)</td> </tr> <tr> <td>2595' FNL - SEC. 32 537' FEL - SEC. 32 X=679127 Y=651812 LAT.: N 32.7910603 LONG.: W 103.8849436</td> <td>959' FNL - SEC. 32 100' FEL - SEC. 32 X=679565 Y=653446 LAT.: N 32.7956471 LONG.: W 103.8834966</td> <td>989' FNL - SEC. 32 ±0' FWL - SEC. 32 X=674376 Y=653412 LAT.: N 32.7955118 LONG.: W 103.9003824</td> </tr> </table> <p>LAST PERFORMANCE POINT (LPP) BOTTOM HOLE LOCATION (BHL)</p> <p>990' FNL - SEC. 31 100' FWL - SEC. 31 X=669419 Y=653379 LAT.: N 32.7954755 LONG.: W 103.9165140</p>		SURFACE LOCATION (SHL)	FIRST PERFORMANCE POINT (FPP)	BLM PERF. POINT (BPP)	2595' FNL - SEC. 32 537' FEL - SEC. 32 X=679127 Y=651812 LAT.: N 32.7910603 LONG.: W 103.8849436	959' FNL - SEC. 32 100' FEL - SEC. 32 X=679565 Y=653446 LAT.: N 32.7956471 LONG.: W 103.8834966	989' FNL - SEC. 32 ±0' FWL - SEC. 32 X=674376 Y=653412 LAT.: N 32.7955118 LONG.: W 103.9003824	<p>NEW MEXICO EAST NAD 1927</p> <table border="1"> <tr> <td>SURFACE LOCATION (SHL)</td> <td>FIRST PERFORMANCE POINT (FPP)</td> <td>BLM PERF. POINT (BPP)</td> <td>LAST PERFORMANCE POINT (LPP)</td> </tr> <tr> <td>X=67348 Y=651348 LAT.: N 32.7909421 LONG.: W 103.8844373</td> <td>X=679565 Y=653446 LAT.: N 32.7956471 LONG.: W 103.8834966</td> <td>X=674376 Y=653412 LAT.: N 32.7955118 LONG.: W 103.9003824</td> <td>X=669419 Y=653379 LAT.: N 32.7954755 LONG.: W 103.9165140</td> </tr> </table>	SURFACE LOCATION (SHL)	FIRST PERFORMANCE POINT (FPP)	BLM PERF. POINT (BPP)	LAST PERFORMANCE POINT (LPP)	X=67348 Y=651348 LAT.: N 32.7909421 LONG.: W 103.8844373	X=679565 Y=653446 LAT.: N 32.7956471 LONG.: W 103.8834966	X=674376 Y=653412 LAT.: N 32.7955118 LONG.: W 103.9003824	X=669419 Y=653379 LAT.: N 32.7954755 LONG.: W 103.9165140
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BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-1
Submitted by: MRC Permian Company
Hearing Date: January 4, 2024
Case No. 23991

Exhibit C-2

Cedar State 3132 Unit T17S-R31E

Section 31		Section 32		
Tract 2 (FED) NMNM 138864		Tract 5 (STATE) LH-1832	Tract 6 (STATE) LH-1832	Tract 5 (STATE) LH-1832
			Tract 5 (STATE) LH-1832	Tract 5 (STATE) LH-1832
Tract 2 (FED) NMNM 138864	Tract 1 (FED) NMNM 68039	Tract 3 (STATE) V-3018		
Tract 1 (FED) NMNM 68039				

CASE 23991
N/2 N/2

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-2
Submitted by: MRC Permian Company
Hearing Date: January 4, 2024
Case No. 23991

Exhibit C-3

Cedar State 3231 Fed Com #121H

MRC Permian

67.958029%

Voluntary Joinder / Anticipated Voluntary Joinder

15.676057%

Compulsory Pool

16.365914%

Compulsory Pool Interest Owner:	Description:	Tract:	Interest:
NexGen Capital*	WI	4, 5, 6	0.579625%
Northern Oil and Gas, Inc.*	WI	4, 5, 6	15.786289%
Gregg Alan Groves, Trustee of the Groves Family Trust*	ORRI		
Rodney O. Thompson*	ORRI		
Sally Jo Roberts (a/k/a Sally Meador-Roberts)*	ORRI		
Yates Energy Royalty Interests LLC*	ORRI		

Each party MRC seeks to pool is denoted with an *

Exhibit C-4

Matador Production Company

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

Cell 806.282.6846 • Office 972.619.4336 • Fax 972-371-5201

hawks.holder@matadorresources.com

Hawks Holder
Senior Landman

December 6, 2023

VIA CERTIFIED RETURN RECEIPT MAIL

NexGen Capital
20405 State Highway 249, Suite 820
Houston, TX 77070

Re: Cedar State 3231 Fed Com #121H, #122H, #123H & #124H (the "Wells")
Participation Proposal
All of Sections 32 and 31, Township 17 South, Range 31 East
Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Cedar State 3231 Fed Com #121H, Cedar State 3231 Fed Com #122H, Cedar State 3231 Fed Com #123H and Cedar State 3231 Fed Com #124H, wells, located in All of Sections 32 and 31, Township 17 South, Range 31 East, Eddy County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the four (4) enclosed Authority for Expenditures ("AFE") dated October 10, 2023 (#121H & #122H) and August 29, 2023 (#123H & #124H).
- **Cedar State 3231 Fed Com #121H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 32-17S-31E, with a proposed first take point 100' FEL and 990' FNL of Section 32-17S-31E and a proposed last take point 100' FWL and 990' FNL of Section 31-17S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,900' TVD) to a Measured Depth of approximately 18,204'.
- **Cedar State 3231 Fed Com #122H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 32-17S-31E, with a proposed first take point 100' FEL and 2,310' FNL of Section 32-17S-31E and a proposed last take point 100' FWL and 2,310' FNL of Section 31-17S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,900' TVD) to a Measured Depth of approximately 18,204'.
- **Cedar State 3231 Fed Com #123H:** to be drilled from a legal location with a proposed surface hole location located in the SE/4SE/4 of Section 32-17S-31E, a proposed first take point located at 1,650' FSL and 100' FEL of Section 32-17S-31E, and a proposed last take point located at 1,650' FSL and 100' FWL of Section 31-17S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,900' TVD) to a Measured Depth of approximately 18,204'.

- **Cedar State 3231 Fed Com #124H:** to be drilled from a legal location with a proposed surface hole location located in the SE/4SE/4 of Section 32-17S-31E, a proposed first take point located at 330' FSL and 100' FEL of Section 32-17S-31E, and a proposed last take point located at 330' FSL and 100' FWL of Section 31-17S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,900' TVD) to a Measured Depth of approximately 18,204'.

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, dated October 1, 2023, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators, covering All of Sections 32 and 31, Township 17 South, Range 31 East, Eddy County, New Mexico, and has the following general provisions:

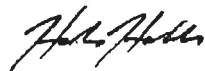
- 100/300/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- Matador Production Company named as Operator

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



Hawks Holder

NexGen Capital hereby elects to:

- ☐ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Cedar State 3231 Fed Com #121H well.
☐ Not to participate in the Cedar State 3231 Fed Com #121H
- ☐ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Cedar State 3231 Fed Com #122H well.
☐ Not to participate in the Cedar State 3231 Fed Com #122H
- ☐ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Cedar State 3231 Fed Com #123H well.
☐ Not to participate in the Cedar State 3231 Fed Com #123H
- ☐ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Cedar State 3231 Fed Com #124H well.
☐ Not to participate in the Cedar State 3231 Fed Com #124H

NexGen Capital

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:	October 10, 2023	AFE NO.:	
WELL NAME:	Cedar State 3231 Fed Com 121H	FIELD:	
LOCATION:	Sec. 32 & 31 17S-31E	MD/TVD:	18,204' / 7,900'
COUNTY/STATE:	Eddy, Co	LATERAL LENGTH:	9,837
MRC WL:			
GEOLOGIC TARGET:	Second Bone Spring		
REMARKS:	Drill and complete a horizontal 2 mile long Second Bone Spring sand target.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 58,000			\$ 10,000	\$ 68,000
Location, Surveys & Damages	186,333	13,000	15,000	75,000	289,333
Drilling	987,654				987,654
Cementing & Float Equip	300,000				300,000
Logging / Formation Evaluation		8,000	3,000		11,000
Flowback - Labor			18,160		18,160
Flowback - Surface Rentals			127,850		127,850
Flowback - Rental Living Quarters					
Mud Logging	26,100				26,100
Mud Circulation System	80,588				80,588
Mud & Chemicals	355,000	65,000	25,000		445,000
Mud / Wastewater Disposal	160,000			1,000	161,000
Freight / Transportation	22,500	36,500	7,000	\$-	66,000
Rig Supervision / Engineering	137,500	96,400	6,000	3,600	243,500
Drill Bits	101,600				101,600
Fuel & Power	141,750	535,685	15,000		692,435
Water	45,000	603,750	3,000	1,000	652,750
Drig & Completion Overhead	10,000				10,000
Plugging & Abandonment					
Directional Drilling, Surveys	268,754				268,754
Completion Unit, Swab, CTU		170,000	9,000		179,000
Perforating, Wireline, Silckline		233,024			233,024
High Pressure Pump Truck		122,000	6,000	\$-	128,000
Stimulation		2,411,469			2,411,469
Stimulation Flowback & Disp		15,500	50,400		65,900
Insurance	32,767				32,767
Labor	198,500	60,250	15,000	5,000	278,750
Rental - Surface Equipment	85,623	334,410	10,000	5,000	435,033
Rental - Downhole Equipment	294,400	91,000			385,400
Rental - Living Quarters	45,075	55,040		5,000	105,115
Contingency	284,710	182,967	31,041	10,560	509,278
Operations Center	21,735				21,735
TOTAL INTANGIBLES >	3,843,589	5,033,995	341,451	116,160	9,335,195
TANGIBLE COSTS					
Surface Casing	\$ 33,289				\$ 33,289
Intermediate Casing					
Drilling Liner					
Production Casing	791,016				791,016
Production Liner					
Tubing			97,300		97,300
Wellhead	108,000		70,000		178,000
Packers, Liner Hangers		65,265			65,265
Tanks				147,000	147,000
Production Vessels				203,200	203,200
Flow Lines				120,000	120,000
Rod string					
Artificial Lift Equipment			315,000		315,000
Compressor				55,000	55,000
Installation Costs				110,000	110,000
Surface Pumps			5,000	57,500	62,500
Non-controllable Surface				2,000	2,000
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation			11,000	155,000	166,000
Gas Conditioning / Dehydration					
Interconnecting Facility Piping				200,000	200,000
Gathering / Bulk Lines				\$-	
Valves, Dumps, Controllers				\$-	
Tank / Facility Containment				21,000	21,000
Flare Stack				39,000	39,000
Electrical / Grounding			30,000	170,200	200,200
Communications / SCADA			12,000	32,500	44,500
Instrumentation / Safety				82,000	82,000
TOTAL TANGIBLES >	932,305	65,265	540,300	1,394,400	2,932,269
TOTAL COSTS >	4,775,894	5,099,260	881,751	1,510,560	12,267,464

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: PH Team Lead -WTXNM
 Completions Engineer: DM
 Production Engineer: GL

MATADOR RESOURCES COMPANY APPROVAL:

President: BEG Chief Geologist: NLF
 EVP, Co-CEO: CA Co-CEO, EVP Operations: CC
 EVP, Reservoir: WTE

NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be considered as ceilings on any specific item or the total cost of the project. Telling information approved under the AFE may be subject to a final audit after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, regulatory, insurance and cost under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be bound by and liable 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.

Exhibit C-5

Summary of Communication

NexGen Capital:

- 10/31/2023: Proposals and operating agreement mailed via Certified Mail to prior owner.
- 11/4/2023: Proposals delivered to prior owner (received signed return receipt).
- 11/21-12/15/2023: Learned interest has transferred to NexGen Capital Resources. Sent well proposal to NexGen and have discussed with NexGen them potentially participating in the proposed wells and signing the JOA.

Northern Oil and Gas, Inc.

- 10/31/2023: Proposals and operating agreement mailed via Certified Mail to prior owner.
- 11/4/2023: Proposals delivered (received signed return receipt) to prior owner.
- 11/17/2023: Learned interest has transferred to Northern Oil and Gas, Inc.
- 12/1/2023: Resent proposals to Northern Oil and Gas.
- 11/17-12/15/2023: Discussed Northern potentially participating in proposed wells and signing JOA.

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

**APPLICATIONS OF MRC PERMIAN
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23915, 23916, 23991, and 23992

SELF-AFFIRMED STATEMENT 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 Geosciences.
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 applications filed by Matador in these cases, 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 units with a black box shaded in yellow, with the larger area identified in a red box.
5. In these cases, Matador intends to develop the Second Bone Spring Sand of the Bone Spring formation, respectively.
6. **Matador Exhibit D-2** is a subsea structure map prepared off the base of the Second Bone Spring Sand of the Bone Spring formation. The contour interval is 100 feet. The structure map shows the Bone Spring formation gently dipping to the south. The structure appears consistent across the proposed wellbore paths. 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: January 4, 2024
Case Nos. 23915-23916 & 23991-23992**

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 four representative wells denoted from A to A'. For each well in the cross-section, the following logs are included: gamma ray, caliper, resistivity, and porosity, where available. The proposed target interval for each of the proposed wells 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 units.

9. In my opinion, the laydown orientation is the preferred orientation for development in this area for Bone Spring wells because the maximum horizontal stress is north-south 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 units proposed in these cases.

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

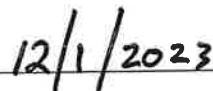
13. Approving Matador's applications will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

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

15. 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.

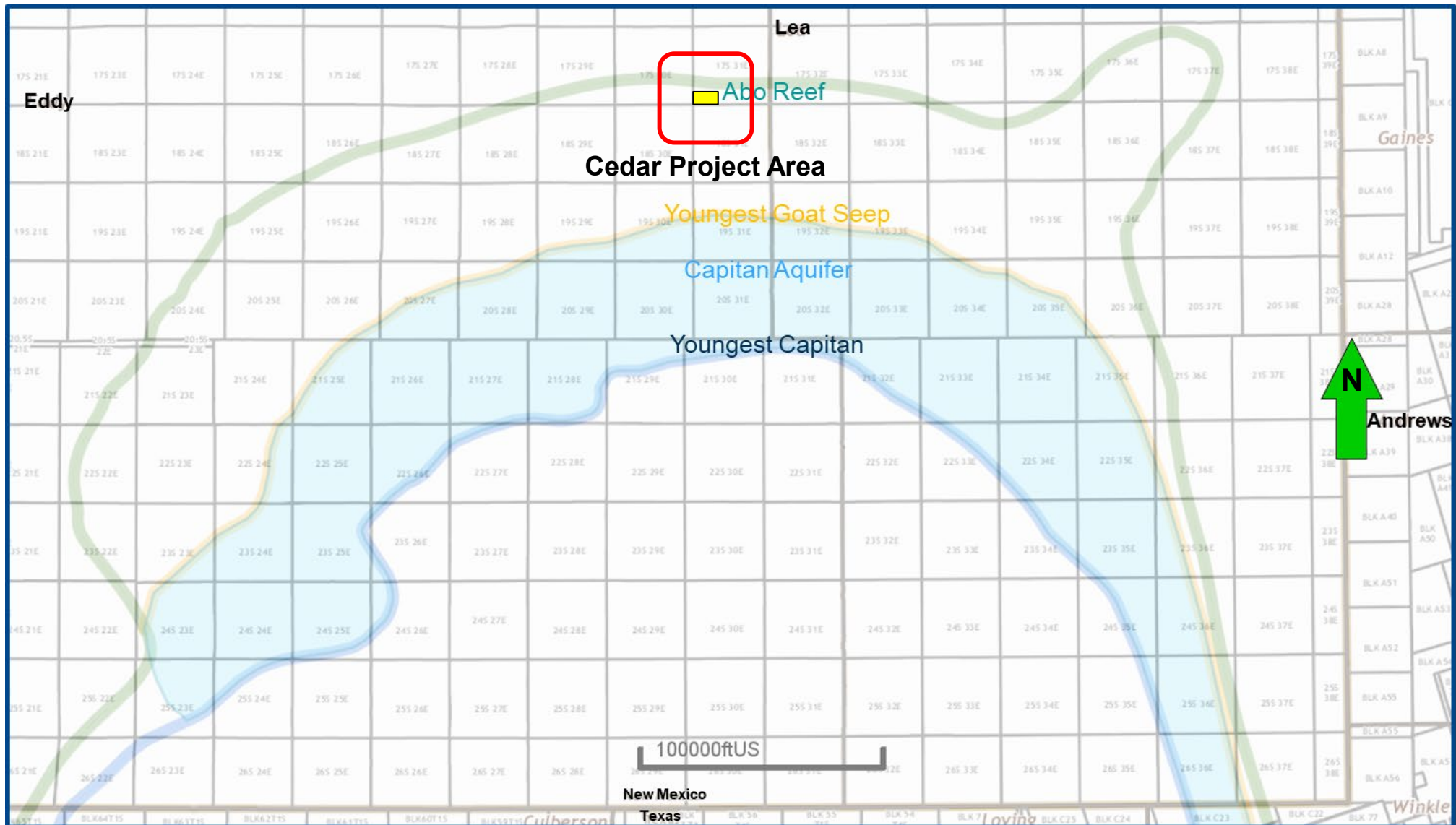
A handwritten signature in black ink, appearing to read "A. Parker", written over a horizontal line.

Andrew Parker

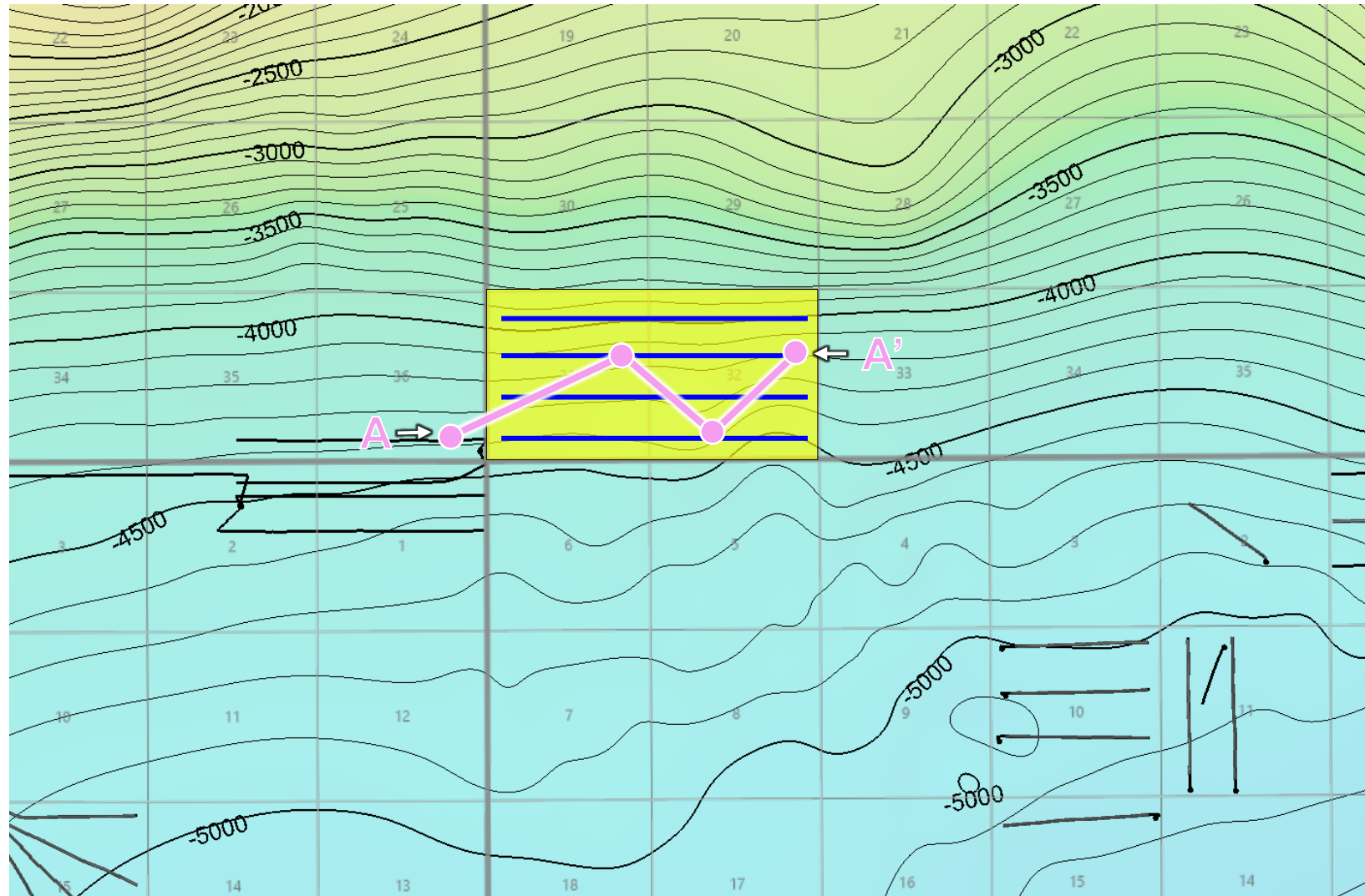
A handwritten date "12/1/2023" in black ink, written over a horizontal line.

Date

Locator Map



Shugart; Bone Spring, North [56405] Structure Map (Base 2nd B.S. Sand) A – A' Reference Line

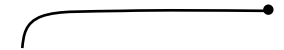


Map Legend

Cedar Wells



Bone Spring Wells



Project Area



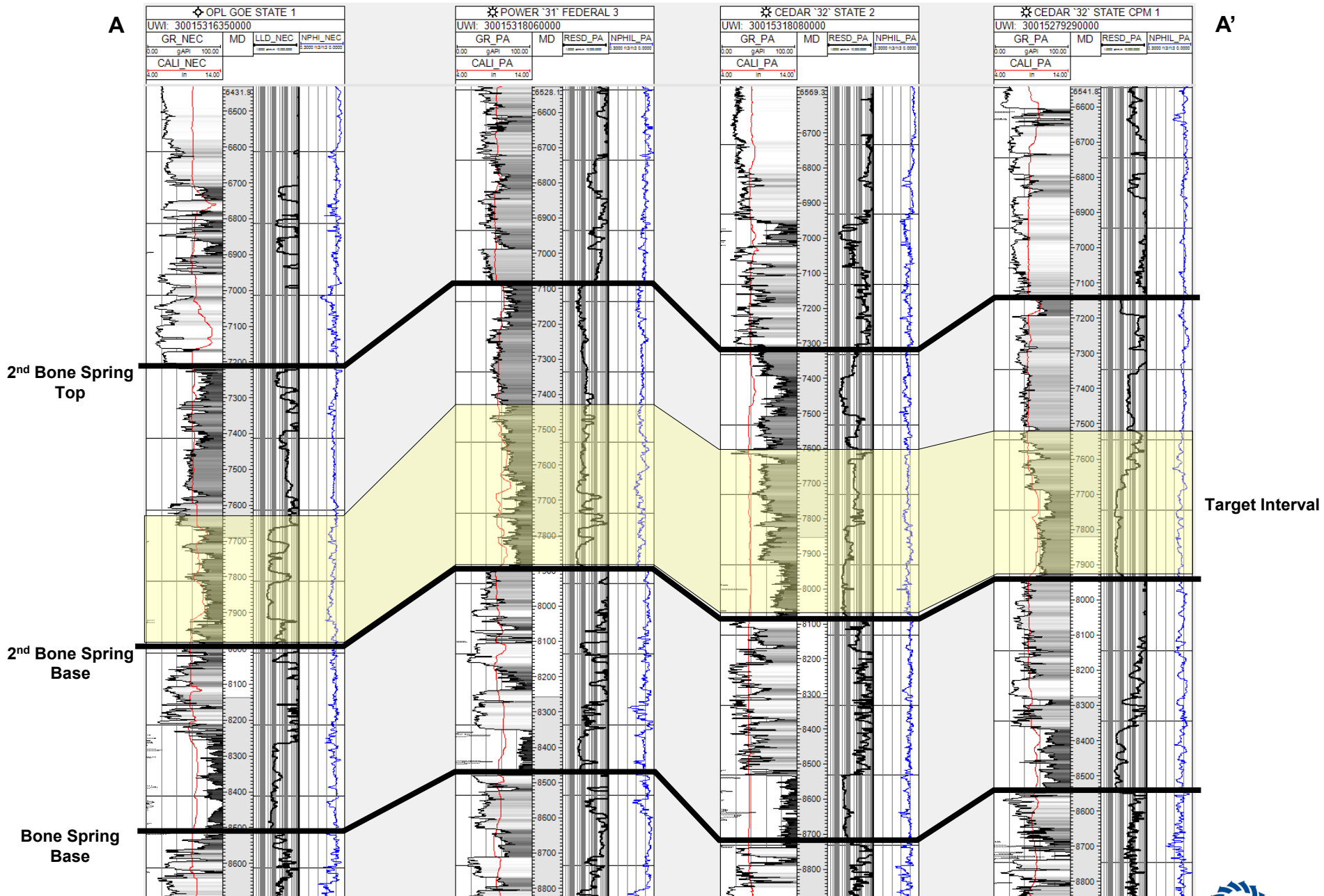
C. I. = 100'



Shugart; Bone Spring, North [56405]

Structural Cross-Section A – A'

Santa Fe, New Mexico
Exhibit No. D-3
Submitted by: MRC Permian Company
Hearing Date: January 4, 2024
Case Nos. 23915-23916 & 23991-23992



D-3

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

**APPLICATIONS OF MRC PERMIAN
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 23991

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

1. I am attorney in fact and authorized representative of MRC Permian Company (“Matador”), 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 December 29, 2023.

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

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: January 4, 2024
Case No. 23991**



Paula M. Vance

12/29/2023

Date



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

November 17, 2023

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico: Cedar State 3231 Fed Com #121H 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 December 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 Hawks Holder at (972) 619-4336 or hawks.holder@matadorresources.com.

Sincerely,

A handwritten signature in blue ink that appears to read "Paula M. Vance".

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
Colorado
Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming



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

December 15, 2023

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico: Cedar State 3231 Fed Com #121H well

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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
Colorado
Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming

MRC - Cedar 121H well - Case no. 23991
Postal Delivery Report

9414811898765498247481	Yates-US Inc.	PO Box 2323	Roswell	NM	88202-2323	Your item was picked up at the post office at 1:24 pm on November 24, 2023 in
9414811898765498247535	Colkelan Corporation	906 S St Francis Dr Ste C	Santa Fe	NM	87505-3097	Your item was delivered to an individual at the address at 4:04 pm on November 24, 2023 in
9414811898765498247573	Grasslands Energy LP	5128 Apache Plume Rd Ste 300	Fort Worth	TX	76109-1506	Your item was delivered to an individual at the address at 11:22 am on November 21, 2023 in
9414811898765498246255	Pearson-Sibert Oil Co. of Texas	136 El Camino Dr Ste 216	Beverly Hills	CA	90212-2705	Your item has been delivered to the original sender at 10:52 am on December 14, 2023 in
9414811898765498246262	A. F. Gilmore Company	PO Box 480314	Los Angeles	CA	90048-1314	Your package will arrive later than expected, but is still on its way. It is
9414811898765498246224	Janet Barr Fitting, Trustee of the Robert D. Fitting	PO Box 50582	Midland	TX	79710-0582	Your item could not be delivered on December 28, 2023 at 10:08 am in MIDLAND, TX 79705. It was held for the required
9414811898765498246200	Fort Worth Royalty Company	1315 W 10th St	Fort Worth	TX	76102-3437	Your item was delivered to the front desk, reception area, or mail room at 12:49 pm on November 21, 2023
9414811898765498246293	Gregg Alan Groves, Trustee of	3404 Woodhaven Dr	Midland	TX	79707-4535	Your item was delivered to an individual at the address at 2:59 pm on November 22, 2023 in
9414811898765498246248	Sally Jo Roberts a/k/a Sally Meador-Roberts	PO Box 4245	Midland	TX	79704-4245	Your item has been delivered to the original sender at 1:26 pm on
9414811898765498246286	Yates Energy Royalty Interests LLC	PO Box 2323	Roswell	NM	88202-2323	Your item was picked up at the post office at 1:24 pm on November 24, 2023 in
9414811898765498247436	Yates Energy Corporation	PO Box 2323	Roswell	NM	88202-2323	Your item was picked up at the post office at 1:24 pm on November 24, 2023 in

MRC - Cedar 121H well - Case no. 23991
Postal Delivery Report

9414811898765498247474	OXY USA WTP Limited Partnership	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on November 21,
9414811898765498247511	Jalapeno Corporation	PO Box 1608	Albuquerque	NM	87103-1608	Your item was picked up at the post office at 11:29 am on November 27, 2023 in
9414811898765498247559	Petro-Yates, Inc.	PO Box 1608	Albuquerque	NM	87103-1608	Your item was picked up at the post office at 11:29 am on November 27, 2023 in
9414811898765498247566	Rejar, L.L.C.	1903 Ward St	Midland	TX	79705-8437	Your item was delivered to an individual at the address at 1:54 pm on November 22, 2023 in
9414811898765498247504	Harry B. Hinkle	PO Box 8805	Midland	TX	79708-8805	Your item was picked up at the post office at 10:47 am on November 27, 2023 in
9414811898765498247597	Nadel and Gussman Capitan, LLC	15 E 5th St Ste 3200	Tulsa	OK	74103-4340	Your item was delivered to the front desk, reception area, or mail room at 12:23 pm on November 22, 2023
9414811898765498247580	Finley Production Co., L.P.	1308 Lake St	Fort Worth	TX	76102-4505	Your item was delivered to the front desk, reception area, or mail room at 1:43 pm on November 21, 2023

MRC - Cedar 124H well - Case no. 23991
Postal Delivery Report

9414811898765496131324	OXY USA WTP Limited Partnership	5 GREENWAY PLZ STE 110	HOUSTON	TX	77046-0521	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on December 20, 2023 at 10:46 am.
9414811898765496131089	Sally Jo Roberts a/k/a Sally Meador-Roberts	PO BOX 4245	MIDLAND	TX	79704-4245	Your item was returned to the sender on December 19, 2023 at 8:52 am in MIDLAND, TX 79704 because the addressee moved and left no forwarding address.
9414811898765496131034	Yates Energy Royalty Interests LLC	PO BOX 2323	ROSWELL	NM	88202-2323	Your item was picked up at the post office at 10:09 am on December 20, 2023 in ROSWELL, NM 88201.
9414811898765496131348	CJM Resources	508 W WALL ST STE 1250	MIDLAND	TX	79701-5069	Your item was delivered to an individual at the address at 2:44 pm on December 19, 2023 in MIDLAND, TX 79701.
9414811898765496131331	NexGen Capital	20405 STATE HIGHWAY 249 STE 820	HOUSTON	TX	77070-2893	Your item was delivered to an individual at the address at 12:17 pm on December 21, 2023 in HOUSTON, TX 77070.
9414811898765496131379	Northern Oil and Gas, Inc.	4350 BAKER RD STE 400	MINNETONKA	MN	55343-8628	Your item has been delivered to an agent for final delivery in HOPKINS, MN 55343 on December 19, 2023 at 11:47 am.
9414811898765496131010	Pearson-Sibert Oil Co. of Texas	136 EL CAMINO DR STE 216	BEVERLY HILLS	CA	90212-2705	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

MRC - Cedar 124H well - Case no. 23991
Postal Delivery Report

9414811898765496131058	A. F. Gilmore Company	PO BOX 480314	LOS ANGELES	CA	90048-1314	Your item was picked up at a postal facility at 4:54 pm on December 21, 2023 in LOS ANGELES, CA 90048.
9414811898765496131027	Janet Barr Fitting, Trustee of The Robert D. Fitting Trust	PO BOX 50582	MIDLAND	TX	79710-0582	Your item arrived at our EL PASO TX DISTRIBUTION CENTER destination facility on December 28, 2023 at 4:33 pm. The item is currently in transit to the destination.
9414811898765496131096	Fort Worth Royalty Company	1315 W 10TH ST	FORT WORTH	TX	76102-3437	Your item was delivered to an individual at the address at 1:42 pm on December 20, 2023 in FORT WORTH, TX 76102.
9414811898765496131041	Gregg Alan Groves, Trustee of Gregg Alam Groves Family Trust	3404 WOODHAVEN DR	MIDLAND	TX	79707-4535	Your item was delivered to an individual at the address at 2:26 pm on December 19, 2023 in MIDLAND, TX 79707.

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005860076

This is not an invoice

HOLLAND AND HART
PO BOX 2208

SANTA FE, NM 87504-2208

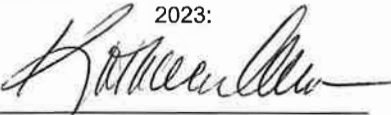
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements 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:

11/22/2023

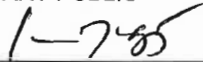


Legal Clerk

Subscribed and sworn before me this November 22,
2023:



State of WI, County of Brown
NOTARY PUBLIC



My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005860076
PO #: 23991
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: January 4, 2024
Case No. 23991

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 cases. The hearings will be conducted remotely on Thursday, December 7, 2023, beginning at 8:15 a.m. To participate in the hearings, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Sheila Apodaca, at Sheila.Apodaca@emnrd.nm.gov. Documents filed in these cases 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 Sheila Apodaca at Sheila.Apodaca@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than November 27, 2023.

Persons may view and participate in the hearings through the following link:
<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m8e2efa70128b8314f91bf0542ac8df6c>

Webinar number:
2497 742 0771

Join by video system: 24977420771@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: 2497 742 0771
Panelist password:
b2WcDzPfe47 (22923973 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: Yates-US Inc.; Yates Energy Corporation; OXY USA WTP Limited Partnership; Jala-peno Corporation; Petro-Yates, Inc.; Rejar, L.L.C.; Harry B. Hinkle, his heirs and devisees; Nadel and Gussman Capitan, LLC; Finley Production Co., L.P.; Colkelan Corporation; Grasslands Energy LP; Pearson-Sibert Oil Co. of Texas; A. F. Gilmore Company; Janet Barr Fitting, Trustee of the Robert D. Fitting Trust; Fort Worth Royalty Company; Gregg Alan Groves, Trustee of the Groves Family Trust; Sally Jo Roberts (a/k/a Sally Meador-Roberts), her heirs and devisees, and Yates Energy Royalty Interests LLC.

Case No. 23991: Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the N/2 N/2 of Sec-

tions 31 and 32, Township 17 South, Range 31 East, NMMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Cedar State 3231 Fed Com #121H well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 32, with a first take point in the NE/4 NE/4 (Unit A) of Section 32 and a last take point in the NW/4 NW/4 (Unit D) of Section 31. 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 9 miles southwest of Maljamar, New Mexico. #5860076, Current Argus, November 22, 2023

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

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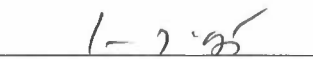
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements 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:

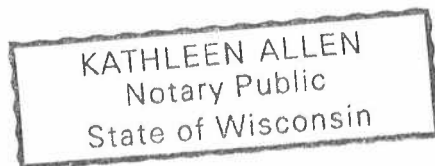
12/19/2023


Legal Clerk

Subscribed and sworn before me this December 19,
2023:


State of WI, County of Brown
NOTARY PUBLIC


My commission expires



Ad # 0005867021
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of Affidavits 1

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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 cases. The hearings will be conducted remotely on Thursday, January 4, 2024, beginning at 8:15 a.m. To participate in the hearings, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Sheila Apodaca, at Sheila.Apodaca@emnrd.nm.gov. Documents filed in these cases may be viewed at <https://ocdimage.emnrd.nm.gov/imag/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 Sheila Apodaca at Sheila.Apodaca@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than December 24, 2023.

Persons may view and participate in the hearings through the following link: <https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mdc8645ccf2c0febe64ceac720dd750a3>

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Access code: 2484 878 5178
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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: OXY USA WTP Limited Partnership; CJM Resources; NexGen Capital; Northern Oil and Gas, Inc.; Pearson-Sibert Oil Co. of Texas; A. F. Gilmore Company; Janet Barr Fitting, Trustee of the Robert D. Fitting Trust; Fort Worth Royalty Company; Gregg Alan Groves, Trustee of the Groves Family Trust; Sally Jo Roberts (a/k/a Sally Meador-Roberts), her heirs and devisees; Yates Energy Royalty Interests LLC; E. B. Hall, his or her heirs and devisees, and Rodney O. Thompson, his heirs and devisees.

Case No. 23991: Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the N/2 N/2 of Sections 31 and 32, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed Cedar State 3231 Fed Com #121H well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 32, with a first take point in the NE/4 NE/4 (Unit A) of Section 32 and a last take point in the NW/4 NW/4 (Unit D) of Section 31. 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 9 miles southwest of Maljamar, New Mexico. #5867021, Current Argus, Dec. 19, 2023