BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING DECEMBER 5, 2024

CASE No. 24366

CIMARRON STATE COM #1143H & #1243H WELLS

LEA COUNTY, NEW MEXICO



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

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

CASE NO. 24366

TABLE OF CONTENTS

- Compulsory Pooling Application Checklist
- Application for Compulsory Pooling
- Matador Exhibit A: Self-Affirmed Statement of Hawks Holder, Landman

o Matador Exhibit A-1: Overlapping Spacing Unit

o Matador Exhibit A-2: C-102

Matador Exhibit A-3: Land Tract Map

o Matador Exhibit A-4: Uncommitted Working Interest Owners & ORRI

o Matador Exhibit A-5: Sample Well Proposal Letter with AFEs

o Matador Exhibit A-6: Chronology of Contacts

• Matador Exhibit B: Affidavit of Anna Thorson, Geologist

o Matador Exhibit B-1: Locator map

o Matador Exhibit B-2: Subsea structure & cross-section map

o Matador Exhibit B-3: Stratigraphic cross-section

- Matador Exhibit C: Self-Affirmed Statement of Notice
- **Matador Exhibit D:** Affidavit of Publication

COMPULSORY POOLING APPLICATION CHECKLIST ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS Case: 24366 **APPLICANT'S RESPONSE** Date: December 5, 2024 Applicant **MRC Permian Company** Designated Operator & OGRID (affiliation if applicable) **Matador Production Company [OGRID 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: E.G.L. Resources, Inc Well Family Cimarron Formation/Pool Formation Name(s) or Vertical Extent: **Bone Spring** Primary Product (Oil or Gas): Oil Pooling this vertical extent: N/A Pool Name and Pool Code: Quail Ridge; Bone Spring (50460) Well Location Setback Rules: Statewide Rules **Spacing Unit** Type (Horizontal/Vertical) Horizontal Size (Acres) 320-acres **Building Blocks:** Quarter-Quarter sections Orientation: North-South U-turn Description: TRS/County E2 of Section 16, T19S, R34E, NMPM, Lea County, New Mexico Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is Yes approval of non-standard unit requested in the application? Other Situations Depth Severance: Y/N. If yes, description No Proximity Tracts: If yes, description N/A N/A Proximity Defining Well: if yes, description Applicant's Ownership in Each Tract Exhibit A-4 Well(s) Name & API (if assigned), surface and bottom hole location, BEFORE THE OIL CONSERVATION DIVISION footages, completion target, orientation, completion status Santa Fe, New Mexico

CP Checklist
Submitted by: MRC Permian Company
Hearing Date: December 5, 2024
Case No. 24366

(standard or non-standard)

Exhibit A-5

elsared to Imaging of 1/27/2024 4:48:59 PM

Cost Estimate for Production Facilities	Exhibit A-5
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
A-202	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-4
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits A-2, B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information pr	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	Tichal & Tellewers 27-Nov-24

Received by OCD: 11/27/2024/10:45:52/AM

Page 6 lof 45

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. 24366

APPLICATION

MRC Permian Company ("MRC" or "Applicant"), through undersigned attorneys, hereby

files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978,

§ 70-2-17, for an order (a) approving a standard 320-acre, more or less, overlapping horizontal

well spacing unit in the Bone Spring formation comprised of the E2 of Section 16, Township 19

South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral

interests in this horizontal well spacing unit. In support of its application, MRC states:

Applicant is a working interest owner in the proposed horizontal spacing unit and 1.

has the right to drill thereon.

2. Applicant seeks to designate Matador Production Company (OGRID No. 228937)

as the operator of the proposed overlapping horizontal spacing unit.

3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit

to the proposed Cimarron State Com 1143H and the Cimarron State Com 1243H "u-turn" wells

to be horizontally drilled from a surface location in the NE4 of Section 16, with first take points in

the NE4NE4 (Unit A) of Section 16 and last take points in the NW4NE4 (Unit B) of Section 16.

4. This proposed horizontal well spacing unit will overlap the following existing

spacing units:

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico **Application**

- A 160-acre horizontal well spacing unit comprised of the W2E2 of Section 16 currently dedicated to the Cimarron 16 19S 34E RN State Com 133H (30-025-42979) operated by Matador Production Company in a different interval of the Bone Spring formation and assigned to the Quail Ridge; Bone Spring Pool (50460); and
- A 160-acre horizontal well spacing unit comprised of the E2E2 of Section 16 currently dedicated to the Cimarron 16 19S 34E RN State Com 134H (30-025-42352) operated by Matador Production Company in a different interval of the Bone Spring formation and assigned to the Quail Ridge; Bone Spring Pool (50460).
- 5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.
- 6. The approval of this overlapping horizontal well spacing unit and the pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 2, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the overlapping horizontal well spacing unit and pooling all uncommitted interests therein;
- B. Designating Matador Production Company as operator of this overlapping horizontal spacing unit and the horizontal 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

Michael H. Feldewert

Adam G. Rankin

Paula M. Vance

Post Office Box 2208

Santa Fe, NM 87504

505-988-4421

505-983-6043 Facsimile

mfeldewert@hollandhart.com

agrankin@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 a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the E2 of Section 16, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed Cimarron State Com 1143H and Cimarron State Com 1243H "u-turn" wells to be horizontally drilled from a surface location in the NE4 of Section 16, with first take points in the NE4NE4 (Unit A) of Section 16 and last take points in the NW4NE4 (Unit B) of Section 16. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:

- A 160-acre horizontal well spacing unit comprised of the W2E2 of Section 16 currently dedicated to the Cimarron 16 19S 34E RN State Com 133H (30-025-42979) operated by Matador Production Company in a different interval of the Bone Spring formation and assigned to the Quail Ridge; Bone Spring Pool (50460); and
- A 160-acre horizontal well spacing unit comprised of the E2E2 of Section 16 currently dedicated to the Cimarron 16 19S 34E RN State Com 134H (30-025-42352) operated by Matador Production Company in a different interval of the Bone Spring formation and assigned to the Quail Ridge; Bone Spring Pool (50460).

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. The subject area is located approximately 17 miles northwest of Monument, New Mexico.

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

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

CASE NOS. 24366

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 MRC

Permian Company ("MRC"), 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 MRC in this case, and I am familiar with

the status of the lands in the subject area.

4. In this case, MRC 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 E/2 of Section 16, Township 19 South, Range 34 East, NMPM, Lea

County, New Mexico, and initially dedicate this Bone Spring spacing unit to the proposed

Cimarron State Com 1143H and Cimarron State Com 1243H u-turn wells to be

horizontally drilled from surface locations in the NE/4 of Section 16, with first take points

in the NE/4 NE/4 (Unit A) of Section 16 and last take points in the NW/4 NE/4 (Unit B)

of Section 16.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: MRC Permian Company

Hearing Date: December 5, 2024 Case No. 24366

Released to Imaging: 11/27/2024 4:48:59 PM

- 5. MRC understands these wells will be placed in the Quail Ridge; Bone Spring (50460) pool.
- 6. This standard 320-acre horizontal well spacing unit will overlap the following two existing horizontal well spacing units:
 - a. a 160 acre horizontal well spacing unit comprised of the W/2 E/2 of Section
 16 that is currently dedicated to the Cimarron 16 19S 34E RN State Com
 133H (30-025-42979) operated by Matador Production Company; and
 - a 160 acre horizontal well spacing unit comprised of the E/2 E/2 of Section
 that is currently dedicated to the Cimarron 16 19S 34E RN State Com
 134H (30-025-42352) operated by Matador Production Company
- 7. A map showing the overlapping spacing units and TVDs of the existing and proposed wells is attached as MRC Exhibit A-1.
 - 8. MRC Exhibit A-2 contains the Form C-102s for the two proposed initial wells.
- 9. The completed intervals for the proposed wells will remain within the standard setbacks required by the statewide rules set forth in 19.15.16.15 NMAC.
- 10. MRC Exhibit A-3 identifies the tracts of land comprising the proposed horizontal spacing unit. The land in the proposed spacing unit is comprised entirely of two state leases.
- 11. MRC Exhibit A-4 identifies the working interest owner that MRC is seeking to pool along with its ownership interest in the proposed horizontal spacing unit. MRC Exhibit A-4 also includes a list of the overriding royalty interest owners that MRC seeks to pool in this case.
 - 12. There are no depth severances within the Bone Spring formation for this acreage.
- 13. While MRC was working to put this unit together, MRC proposed the above well to the working interest party it seeks to pool. MRC Exhibit A-5 contains a copy of the well

proposal letter that was sent to the working interest partner, along with the AFE that was sent 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.

- MRC Exhibit A-6 contains a summary of MRC's contacts with the uncommitted working interest owner we seek to pool in this case. As indicated on MRC Exhibit A-6, MRC has made contact with the working interest owner we seek to pool in this case and has had discussions with that owner in an attempt to reach voluntary joinder. In my opinion, MRC has undertaken good faith efforts to reach an agreement with the uncommitted working interest owner that MRC seeks to pool in this case.
- 15. MRC 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. MRC respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.
- 16. I provided MRC's outside counsel, Holland & Hart, a list of names and addresses for the parties that MRC is seeking to pool, as well as those parties receiving notice due to the overlapping spacing units. In compiling this notice list, MRC conducted a diligent search of all public records in the county where the proposed wells are located, including computer searches.
- 17. MRC Exhibits A-1 through A-6 were either prepared by me or compiled under my direction and supervision.
- 18. 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

Date

Exhibit A-1

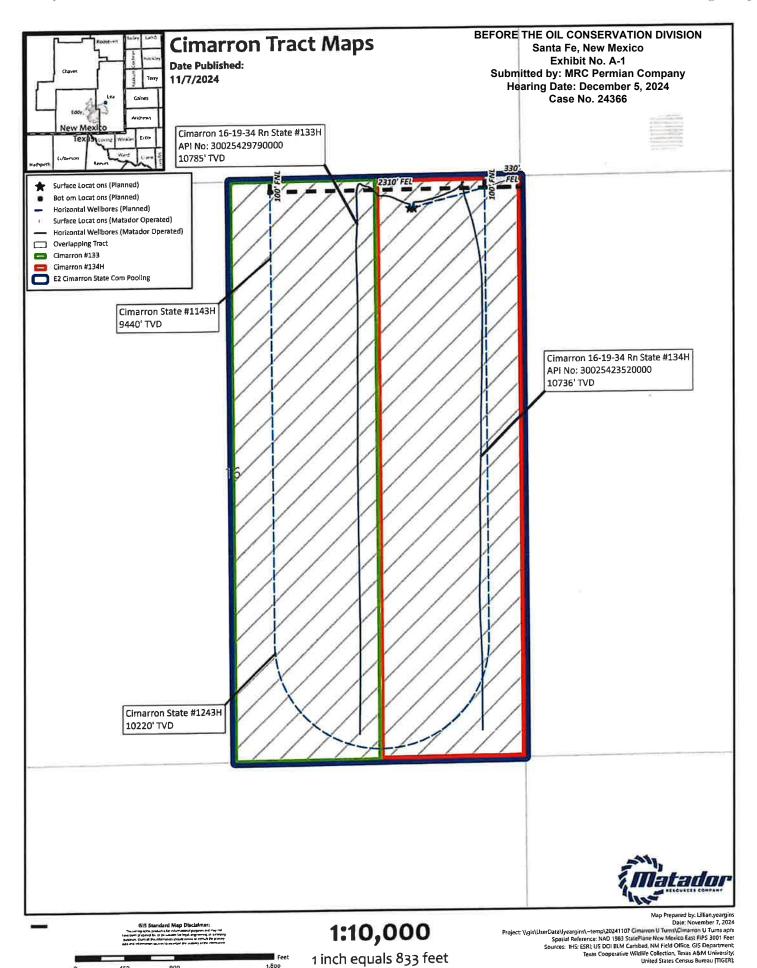


Exhibit A-2

Submit Electronically Via OCD Permitting OIL CONSERVATION DIVISION Submittal Type: Amended Report As Drilled	<u>C-102</u>			Energy	_	tate of New s & Natura	w Mexico Revised Jul al Resources Department				ed July 9, 2024		
WELL LOCATION AND ACREAGE DEDICATION PLAT Final Roads WELL LOCATION AND ACREAGE DEDICATION PLAT Final Roads Final Road				C	IL CON	ISERVAT	ION DIVIS	SION			Initial Submittal		
MELL LOCATION AND ACREAGE DEDICATION PLAT											Amended Report		
Post Number									-51		As Drilled		
Comparison Com			W	ELL LO	CATION	N AND AC	REAGE DE	DICATIO	ON PLA	T			
Command Number Comm	API Number						QUASE REDGE; BORE SPREPH (50460)						
Surface Orner_ Subject Su	Property Code			Property Name		CIMARRON	N STATE COM 114						
Surface Location UL or lot no. Section Trownship Range Lot lish Per frame to No. 1105 E N 32.6664374 W 103.5602919 LEA Bottom Hole Location UL or lot no. Section Trownship Range Lot lish Per frame to No. 120 E N 32.6664374 W 103.5602919 LEA Bottom Hole Location UL or lot no. Section Trownship Range Lot lish Per frame to No. 120 E N 32.6664374 W 103.5602919 LEA Bottom Hole Location Fee frame to No. 120 E N 32.6667377 W 103.5642083 LEA Declarated Across Infelliar Defining Well Defining Well API Section No. 120 E N 32.6672377 W 103.5642083 LEA Per licetated Across Infelliar Defining Well Defining Well API Section No. 120 E N 32.6673977 W 103.5642083 LEA First Take Point (KOP) UL or lot no. Section Township Range Lot lish Per from the No. 120 E N 32.6673922 W 103.5577745 LEA First Take Point (FTP) UL or lot no. Section Township Range Lot lish Per from the No. 120 Fee from the No. 120 E N 32.6673922 W 103.5577743 LEA First Take Point (FTP) UL or lot no. Section Township Range Lot lish Per from the No. 120 Fee fro	OGRID No. 2289	17		Operator Name	MATAI	OOR PRODU	JCTION CO	MPANY			Cara and the caracteristic and the	ALSO PERSON	
Decision County			Tribal Federal				Mineral Owner:	State Fee Tri	bal Federal				
A 16 19-S 34-E - 385 N 1105 E N 32.6664374 W 103.5602919 LEA Bottom Hole Location Longinude Long	E-DAK					Surface	Location						
Bottom Hole Location U. or lot no. Section Township Range Lot lde 19-S 34-E - 100' N 2310' E N 32.6672377 W 103.5642083 LEA Decidented Access 18-Fill or Declining Well Declining Well APT	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitud	de	I	ongitude		
Decision Township Range Lot ldn Section Township Range Lot ldn Res from the NS Fact from the EW Latitude Longitude Longitude County	A	16	19-S	34-E	-			N 32.666	64374	W 10	3.5602919	LEA	
B 16 19-S 34-E - 100' N 2310' E N 32.6672377 W 103.5642083 LEA Dedicated Acres Infill or Defining Well Defining Well API Defining Well API												County	
Dedicated Acres 320 Infill or Defining Well Defining Well AFI Order Numbers Woll Sedadock are under Common Gwnechlip:	UL or lot no.				Lot Idn						- 1		
Deficient Across Infell or Defining Well Art Defining Well Art	В	16	19-S	34-E	-	100' N	2310 E	N 32.00	12311	VV 10	3.3042003		
Delection A Delection Section Township Range Lot lide Feet from the NS Feet from the EW Latitude Longitude County		Trell D-6	ning Woll Defini	ng Weli API			Overlapping Spacing	Unit (Y/N)	Co	nsolidated	Code		
Well Selbacks are under Common Ownership: Yes No					, , , , , , , , , , , , , , , , , , ,	-			-				
Ultor lot no. Section Township Range Lot lide Feet from the N/S Feet from the E/W Latitude Longitude Country							Well Selbacks are un	der Common Own	ership: Ye	s No			
Unitized Area or Area of Uniform Intrest Unitized Area or Area of Uniform Intrest OPERATOR CERTIFICATION I hardly certify that the information contained herein is true and complete to the land including the projected deficient half increating interest in the land uncluding the projected deficient half increating order herefore entered by the distustion. Signature Date Date of Surveyor Date First Take Point (FTP) Latitude Longitude Longi	Order Numbers					T. 1 O.C.	(V(OD)						
A 16 19-S 34-E - 50'N 330'E N 32.6673922 W 103.5577745 LEA First Take Point (FTP) UL or lot no. Section Township Range Lot idn Feet from the NS Feet from the E/N A 16 19-S 34-E - 100'N 330'E N 32.6672548 W 103.5577743 LEA Last Take Point (LTP) UL or lot no. Section Township Range Lot idn Feet from the NS Feet from the E/N A 330'E N 32.6672548 W 103.5577743 LEA Last Take Point (LTP) UL or lot no. Section Township Range Lot idn Feet from the NS Feet from the E/N A 330'E N 32.6672548 W 103.5577743 LEA Unitized Area or Area of Uniform intest Spacing Unity Type Horizontal Vertical Ground Floor Elevation OPERATOR CERTIFICATION I harriby certify that the information contained havein a servicul or divertional well and of my should get and working interest or united and interest of the land including the proposed bettern held in servicul or divertional well at this leader on purposed bettern held beating in the servicul or divertional well at this leader on purposed bettern held beating interest or working interest or computatory pooling order hartefore entered by the division. Pith we will be harteformed well of the location or has a right to drift this in the containing dispersement or a computatory pooling order hartefore entered by the division. Signature Date Date Signature Date Date Starvey Date Official Number Date Official Num			Township	Panna	I ot Idn			Latitud	de	I	ongitude	County	
Unitized Area or Area of Uniform Intrest OPERATOR CERTIFICATION I hereby certify that the information confassed herein is true and complete to the Inthe Interest or unlessed mineral interest or unlessed mineral interest or a contribution work of the facility and that the same in the land including the proposed bottom has a right to derill first swell at this facetion pursuant to a contributory pooling order herefore herefore received by that division. I hereby certify that it is information confassed herein is true and complete to the Inthe Interest or unlessed mineral interest in each tract (in the larget pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division Signature Date Order Foot Herwitz Lathur Lathur Country Date Date of Survey 11/07/2024					, m., s			N 32.667	73922	W 10	3.5577745	LEA	
Last Take Point (LTP) Under lot no. Section Township Range Lot Idn Feet from the NS Feet from the EN Latitude Longitude County B 16 19-S 34-E - 100'N 2310'E N 32.6672548 W 103.5577743 LEA Untilized Area or Area of Uniform Intrest Spacing Unity Type Horizontal Vertical County N 13.5642083 LEA OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either sunes a lettern hele location or has a right te drill this suell is a horizontal interest, or to a veluntary pooling order herefore network by the division. If this well is a horizontal well, I further certify that this organization has pooling order herefore network by the division. Frint Name Date Signature Date Certificate Number Date Of Survey 11/07/2024						First Take	Point (FTP)						
Last Take Point (LTP) UI. or lot no. Section Township Range Lot Idn Feet from the NS Feet from the ENV Latitude Longitude County B 16 19-S 34-E - 100' N 2310' E N 32.6672377 W 103.5642083 LEA Unitized Area or Area of Uniform Intrest Spacing Unity Type Horizontal Vertical Ground Floor Elevation OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well. That this organization either curse a working interest or has a right to drait this organization either curse as working interest or unleased mineral interest, or to a voluntary pooling order herefore neutrod by the division. If this well is a horizonfal well, Jurther certify that this organization has received The feets of the well's constent of a townton floor some of a working interest or unleased mineral interest, or to a voluntary pooling order herefore neutred by the division. If this well is a horizonfal well, Jurther certify that this organization has received The consent of a toest one lesses or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval well be leasted or obtained a compulsory pooling order from the division. Signature and Seal of Professional Surveyor Date Print Name BEFORE THE OIL CONSERVATION DIVISION Certificate Number Date Certificate Number Date	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S							
Unitized Area or Area of Uniform Intrest Spacing Unity Type	Α	16	19-S	34-E	180	100' N	330' E	N 32.667	72548	W 10	3.5577743	LEA	
Unitized Area or Area of Uniform Intrest Spacing Unity Type						Last Take	Point (LTP)						
Unitized Area or Area of Uniform Intrest Spacing Unity Type	UL or lot no.	Section	Township	Range	Lot Idn			Latitud	de		Longitude		
OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and beltef and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a weluntary pooling agreement or a compulsory pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the larget pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division Signature Date Signature Date Certificate Number Date of Survey 11/07/2024	В	16	19-S	34-E	121	100' N	2310' E	N 32.667	72377	W 10	3.5642083	LEA	
OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a weluntery pooling agreement or a compulsory pooling order herefore entered by the division. If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the larget pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division Signature Date Signature Date Certificate Number Date of Survey 11/07/2024													
OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and betief, and, if the well is a vertical or directional well, that this missing method to unleased mineral interest in the and including the proposed bottom hole location or has a right to drill this would this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order hereof pore entered by the division. Signature Date Signature Date Surveyors Certification I hereby certify that it is a well to the investion shown on this plat was plotted from field notes of activation shown or unleased mineral interest, and a contract with an owner of a working interest is true and a contract with an owner of a working interest or unleased mineral interest in cach tract (in the larget pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division Date Certificate Number Date Certificate Number Date of Survey	Unitized Area or A	rea of Uniform I	ntrest		Spacing Unity	Type Harizont	al DVertical	Gre	ound Floor Elev	ration			
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either enums 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 a working interest or unleased mineral interest, or to a voluntary peoling agreement or a compulsory pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the larget pool or formation) in which any part of the well is completed interval will be located or obtained a compulsory pooling order from the division Signature Date Signature and Scal of Professional Surveyor Date of Survey Third Name Date of Survey Certificate Number Date of Survey		25											
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either enums 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 a working interest or unleased mineral interest, or to a voluntary peoling agreement or a compulsory pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the larget pool or formation) in which any part of the well is completed interval will be located or obtained a compulsory pooling order from the division Signature Date Signature and Scal of Professional Surveyor Date of Survey Third Name Date of Survey Certificate Number Date of Survey													
If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division Signature Date Signature and Seal of Professional Surveyor Date	OPERATO	OR CERTII	FICATION				SURVEYOR	RS CERTIFIC	CATION	un on th	is plat was plotte	d from field	
If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division Signature Date Signature and Seal of Professional Surveyor Date	I hereby certi	fy that the ir souledge and	iformation cons belief, and, if	ained herein the well is a tine interest	is true and o vertical or a or unleased n	complete to the lirectional well, nineral interest	notes of actual	Carlo the ord	me or wi	ider my	supervision, and	that the same	
If this well is a horizontal well, I further certify that this organization has received The consent of at least one tessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division Signature	in the land in	ncluding the scation pursu	proposed bottom	n hole location act with an o	or has a rig wher of a wo	ght to drill this rking interest	1 / F/	MEX	X	,			
Signature Date D	pr unleased m pooling order	ineral interes hereto fore ent	st, or to a volt ered by the di	uision	agreement o	, a compaisory	1/2	2 /2 /X	0				
Signature Date Signature and Scal of Professional Surveyor Date Print Name BEFORE THE OIL CONSERVATION DIVISION Date of Survey The state of Surveyor and Scal of Professional Surveyor and Scal of S	If this well is received The c	a horizontal onsent of at	well. I furthe	r certify that or owner of	this organize a working in	ation has nterest or nten) in which	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	13397	15				
Signature Date Signature and Seal of Professional Surveyor Date Print Name BEFORE THE OIL CONSERVATION DIVISION Date of Survey 11/07/2024	any part of to	he well's com from the disn	pleted interval	will be locate	d or obtained	i a compulsory	\\\	14/8/24					
Frint Name BEFORE THE OIL CONSERVATION DIVISION BEFORE THE OIL CONSERVATION DIVISION BEFORE THE OIL CONSERVATION DIVISION	posting view	3/1						STOWAL S	Or				
Frint Name BEFORE THE OIL CONSERVATION DIVISION BEFORE THE OIL CONSERVATION DIVISION BEFORE THE OIL CONSERVATION DIVISION	-			Data			Signature and Seal	of Professional Sur	veyor	Date			
BEFORE THE OIL CONSERVATION DIVISION 11/07/2024	Signature			Date			and and and						
	Print Name						Certificate Number	D	ate of Survey				
F-mail Address		BEFOR				SION			11/07/	2024			

E-mail Address

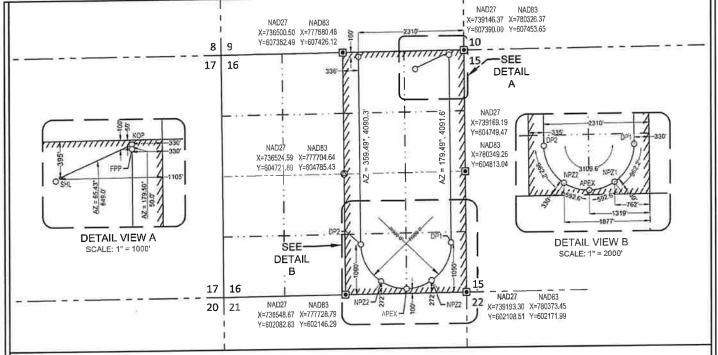
Exhibit No. A-2

Submitted by: MRC Permian Company

Hearing Date: December 5, 2024

Released to Imaging: 11/27/2024 Cests No. 24366

<u>C-102</u>	State of New Mexico Energy, Minerals & Natural Resources Department		Revised July 9, 2024
Submit Electronically Via OCD Permitting	OIL CONSERVATION DIVISION		Initial Submittal
		Submittal Type:	Amended Report
		1900	As Drilled
Property Name and Well Number	CIMARRON STATE COM 1143H		



SURFACE LOCATION (SHL)

NEW MEXICO EAST NAD 1983 X=779225 Y=607047 LAT.: N 32.6664374 LONG.: W 103.5602919 NAD 1927 X=738045 Y=606984 LAT.: N 32.6663141 LONG.: W 103.5597982 395' FNL 1105' FEL

DEFLECTION POINT (DP1)

NEW MEXICO EAST NAD 1983 X=780034 Y=603259 LAT.: N 32.6560088 LONG.: W 103.5577534 NAD 1927 X=738853 Y=603195 LAT.: N 32.6558854 LONG.: W 103.5572599 1090' FSL 330' FEL

NON PERF. ZONE (NPZ2)

NEW MEXICO EAST NAD 1983 X=778494 Y=602426 LAT.: N 32.6537512 LONG.: W 103.5627759 NAD 1927 X=737314 Y=602363 LAT.: N 32.6536279 LONG.: W 103.5622823 272' FSL 1877' FEL

KICK OFF POINT (KOP)

NEW MEXICO EAST NAD 1983 X=779997 Y=607400 LAT.: N 32.6673922 LONG.: W 103.5577745 NAD 1927 X=738817 Y=607337 LAT.: N 32.6672689 LONG.: W 103.5572806 50' FNL 330' FEL

NON PERF. ZONE (NPZ1)

NEW MEXICO EAST NAD 1983 X=779609 Y=602437 LAT.: N 32.6537587 LONG.: W 103.5591511 NAD 1927 X=738429 Y=602373 LAT.: N 32.6536353 LONG.: W 103.5586576 272' FSL 762' FEL

DEFLECTION POINT (DP2)

NEW MEXICO EAST NAD 1983 X=778054 Y=603240 LAT.: N 32.6559955 LONG.: W 103.5641865 NAD 1927 X=736874 Y=603176 LAT.: N 32.6558722 LONG.: W 103.5636928 1090' FSL 2310' FEL

PROPOSED TAKE POINT (PTP)

NEW MEXICO EAST NAD 1983 X=779997 Y=607350 LAT.: N 32.6672548 LONG.: W 103.5577743 NAD 1927 X=738817 Y=607287 LAT.: N 32.6671314 LONG.: W 103.5572804 100' FNL 330' FEL

U-TURN APEX (APEX)

NEW MEXICO EAST NAD 1983 X=779053 Y=602259 LAT.: N 32.6532818 LONG.: W 103.5609621 NAD 1927 X=737873 Y=602196 LAT.: N 32.6531585 LONG.: W 103.5604686 100' FSL 1319' FEL

LAST PERF. POINT (LPP) **BOTTOM HOLE LOCATION (BHL)**

NEW MEXICO EAST NAD 1983 X=778017 Y=607330 LAT.: N 32.6672377 LONG.: W 103.5642083 NAD 1927 X=736837 Y=607266 LAT.: N 32.6671145 LONG.: W 103.5637141 100' FNL 2310' FEL

SURVEYORS CERTIFICATION I hereby certify that the well location shawn on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the

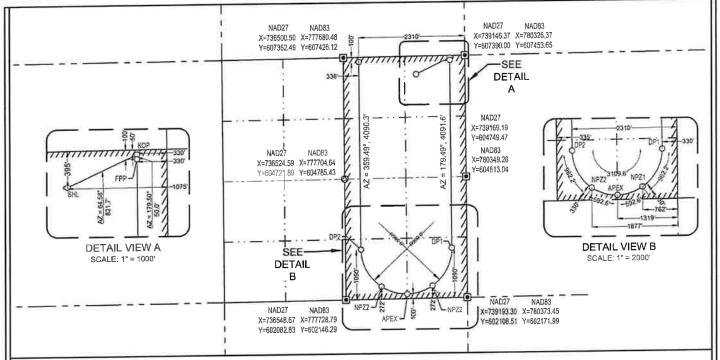
is true and correct to the best of my belief. 11/07/2024

Date of Survey



C-102 Submit Electronic	oally.		Energy	, Mineral	State of New ls & Natural	al Resources Department				Revised July 9, 2024			
Via OCD Permitt				OIL CON	NSERVAT	ION DIVIS	SION	6	omittal	Initial Submittal			
								Ty		Amended Report			
										As Drilled			
		V		CATIO		REAGE DE	DICATIO	N PL	AT				
API Number			Pool Code		Pool Na		COGE; BON	e Spai	ing ls	0460) Well Number			
Property Code			Property Name		CIMARRON						243H		
OGRID No.	847		Operator Name	MATA	OOR PRODU	JCTION CO	MPANY				8825'		
Surface Owner:	State Fee	Tribal Federal				Mincrel Owner:	State Fcc Trib	al Fede	-al				
					Surface 1	Location							
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitud		1	Longitude	County		
Α	16	19-S	34-E		395' N	1075' E	N 32.666	4378	W 10	03.5601946	LEA		
					Bottom Ho	le Location	Latitud	-		Longitude	County		
UL or lot no.	Section 16	Township 19-S	Range 34-E	Lot Idn	100' N	2310' E	N 32.667			03.5642083	LEA		
	10	100	0.2										
Dedicated Acres	Infill or Defi		Overlapping Spacing	Unit (Y/N)		Consolidate	ed Code						
320		-				-		. 🗆					
Order Numbers						Well Setbacks are un	der Common Owne	rship:	Yes No				
					Kick Off P					Yanaisula T	County		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitud N 32.667		l	Longitude 03.5577745	LEA		
Α	16	19-S	34-E	*?:		000 1 1102011							
					First Take	Point (FTP) Fect from the E/W	Latitud	0		Longitude	Сошпту		
UL or lot no.	Section 16	Township 19-S	Range 34-E	Lot Idn	Feet from the N/S	330' E	N 32.667			03.5577743	LEA		
Α	10	19-3	34-L			0.57375.40							
- III	Section	Township	Range	Lot Idn		Point (LTP) Feet from the E/W	Latitud	e		Longitude	County		
UL or lot no.	16	19-S	34-E		100' N	2310' E	N 32.667	2377	W 10	03.5642083	LEA		
	10	100								·			
Unitized Area or A	rea of Uniform I	ntrest		Spacing Unity	Туре		Gree	and Floor E	levation				
Cimile C / E de di	•	•			Horizonta	al Vertical							
OPERATO	OR CERTIL	FICATION	tained herein the well is a	is true and vertical or a	complete to the	SURVEYOR I hereby contry notes of control	S CERTIFIC	CATION ocation si	town on i	this plat was plotte , supervision, and t	d from field that the same		
that this orga in the land i well at this t or unleased n	nization eithencluding the ocation pursu ineral interes	er owns a wor proposed bottor and to a contra st, or to a vol- bered by the di	king interest n hole location act with an o untary pooling vision	or unleased 7 n or has a ri wher of a wo n agreement o	nineral interest ght to drill this rking interest r a compulsory	is true and op	MEXI	Show be	lief.				
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a wertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division					3	281 18		F.					
any part of t pooling order	he well's com from the div	pietes interval	untt oe tacati	er or potutive	z w computation		146724 ONAL 50	e*/					
Signature			Date			Signature and Seal			Date				
						Certificate Number	To-	te of Surve	,				
Print Name						CELUICATO INUIDOSI	Da		7/2024				
F-mail Address													

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Revised July 9, 2024
		Submittal Type:	Amended Report
		Type.	As Drilled
Property Name and Well Number	CIMARRON STATE COM 1243H		



SURFACE LOCATION (SHL)

NEW MEXICO EAST NAD 1983 X=779255 Y=607048 LAT.: N 32.6664378 LONG.: W 103.5601946 NAD 1927 X=738075 Y=606984 LAT.: N 32.6663145 LONG.: W 103.5597006 395' FNL 1075' FEL

DEFLECTION POINT (DP1)

NEW MEXICO EAST NAD 1983 X=780034 Y=603259 LAT.: N 32.6560088 LONG.: W 103.5577534 NAD 1927 X=738853 Y=603195 LAT.: N 32.6558854 LONG.: W 103.5572599 1090' FSL 330' FEL

NON PERF. ZONE (NPZ2)

NEW MEXICO EAST NAD 1983 X=778494 Y=602426 LAT.: N 32.6537512 LONG.: W 103.5627759 NAD 1927 X=737314 Y=602363 LAT.: N 32.6536279 LONG.: W 103.5622823 272' FSL 1877' FEL

KICK OFF POINT (KOP)

NEW MEXICO EAST NAD 1983 X=779997 Y=607400 LAT.: N 32.6673922 LONG.: W 103.5577745 NAD 1927 X=738817 Y=607337 LAT.: N 32.6672689 LONG.: W 103.5572806 50' FNL 330' FEL

NON PERF. ZONE (NPZ1)

NEW MEXICO EAST NAD 1983 X=779609 Y=602437 LAT.: N 32.6537587 LONG.: W 103.5591511 NAD 1927 X=738429 Y=602373 LAT.: N 32.6536353 LONG.: W 103.5586576 272' FSL 762' FEL

DEFLECTION POINT (DP2)

NEW MEXICO EAST NAD 1983 X=778054 Y=603240 LAT.: N 32.6559955 LONG.: W 103.5641865 NAD 1927 X=736874 Y=603176 LAT.: N 32.6558722 LONG.: W 103.5636928 1090' FSL 2310' FEL

PROPOSED TAKE POINT (PTP)

NEW MEXICO EAST NAD 1983 X=779997 Y=607350 LAT.: N 32.6672548 LONG.: W 103.5577743 NAD 1927 X=738817 Y=607287 LAT.: N 32.6671314 LONG.: W 103.5572804 100' FNL 330' FEL

U-TURN APEX (APEX)

NEW MEXICO EAST NAD 1983 X=779053 Y=602259 LAT.: N 32.6532818 LONG.: W 103.5609621 NAD 1927 X=737873 Y=602196 LAT.: N 32.6531585 LONG.: W 103.5604686 100' FSL 1319' FEL

LAST PERF. POINT (LPP) BOTTOM HOLE LOCATION (BHL)

NEW MEXICO EAST NAD 1983 X=778017 Y=607330 LAT.: N 32.6672377 LONG.: W 103.5642083 NAD 1927 X=736837 Y=607266 LAT.: N 32.6671145 LONG.: W 103.5637141 100' FNL 2310' FEL

SURVEYORS 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 and correct to the best of my belief. 11/07/2024

Date of Survey



Exhibit A-3

Cir	narron State Com U-Turr E/2 of Sec. 16, T19S-R3	
	Tract 1 STATE	
	L-2949	
	(a)	
	Tract 2 STATE	
	E-7824	

Exhibit A-4

Cimarron State Com #1143H and #1243

MRC Permian

50.000000%

Compulsary Pool

50.000000%

Owners to be Force Pooled	Description	Tract	Interest			
PBEX II, LLC	WI	2	50.000000%			
N						
Wing Resources VI LLC	ORRI					
Elk Range Royalties II LP	ORRI					
Stewart Royalty, Inc.	ORRI		,			

Cimarron State Com U-Turn Wells E/2 of Sec. 16, T19S-R34E

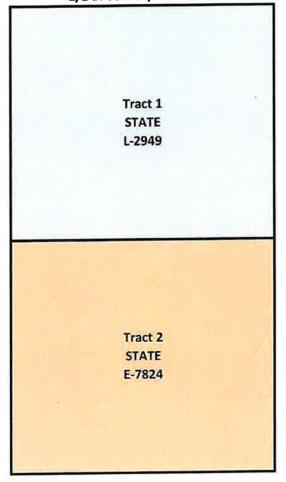


Exhibit A-5

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

March 4, 2024

VIA CERTIFIED RETURN RECEIPT MAIL E.G.L. Resources, Inc. 223 W. Wall Street, Suite 900 Midland, Texas 79701

Re: Cimarron State Com #1143H & #1243H (the "Wells")
Participation Proposal
All of Section 16, Township 19 South, Range 34 East
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Cimarron State Com #1143H and Cimarron State Com #1243H, wells, located in All of Section 16, Township 19 South, Range 34 East, Lea 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 two (2) enclosed Authority for Expenditures ("AFE") dated February 21, 2024.
- Cimarron State Com #1143H: to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 16-19S-34E, with a proposed first take point 330' FEL and 100' FNL of Section 16-19S-34E and a proposed last take point 2,310' FEL and 100' FNL of Section 16-19S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,440' TVD) to a Measured Depth of approximately 20,234'.
- Cimarron State Com #1243H: to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 16-19S-34E, with a proposed first take point 330' FEL and 100' FNL of Section 16-19S-34E and a proposed last take point 2,310' FEL and 100' FNL of Section 16-19S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,220' TVD) to a Measured Depth of approximately 21,014'.

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.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-5
Submitted by: MRC Permian Company
Hearing Date: December 5, 2024
Case No. 24366

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement, which will be provided at a later date, covering All of Section 16, Township 19 South, Range 34 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.

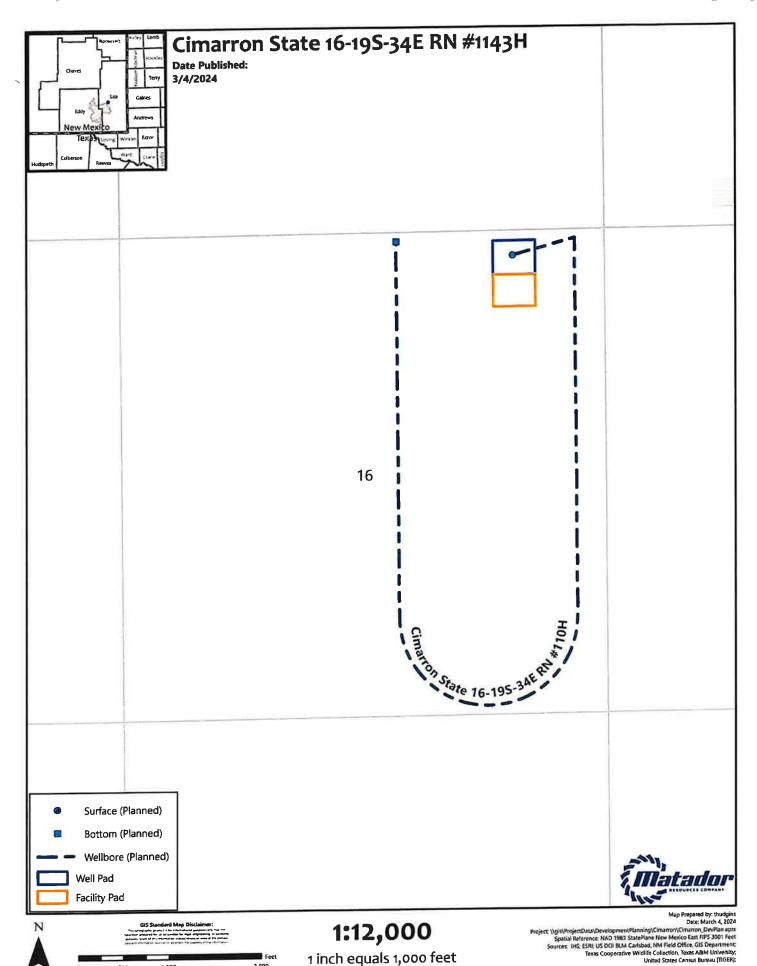
Thank you for your consideration of this proposal. Please contact me if you have any questions.

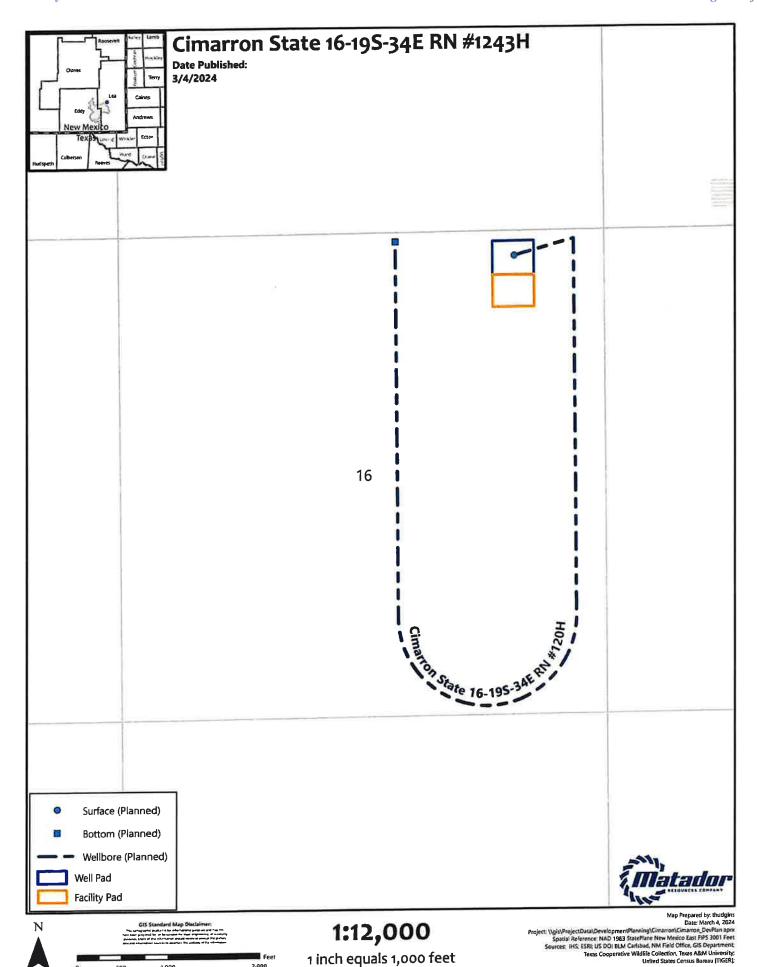
Sincerely,

MRC PERMIAN COMPANY
Hawks Holder

E.G.L. Resources, Inc. hereby elects to:

	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Cimarron State Com #1143H well. Not to participate in the Cimarron State Com #1143H.
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Cimarron State Com #1243H well. Not to participate in the Cimarron State Com #1243H.
E.G.L.	Resources, Inc.
Ву:	
Title:	
Date:	
Contact	Number:





MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE - \$400 LBJ FREEWAY - SUITE 1500 - DALLAS, TEXAS 75240 Phone (972) 371-5200 - Fax (972) 371-5201

		Phone (972) ESTIMATE OF COSTS A) 371-5200 • Fax (972) 3			
DATE:	2/21/2024	ESTIMATE OF CUSTS A	AND AUTHORIZATION P	AFE NO:		
DATE: WELL NAME:	Cimarron State Com #1143	ЗН		FIELD:		
LOCATION:	Section 16 19S-34E			MD/TVD:	_	20234'/9440'
COUNTY/STATE:	Lea			LATERAL LENGTH:		about 10,000'
MRC WI:	7-10-1-0-1					
GEOLOGIC TARGET: REMARKS:	1st Bone Spring Drill and complete a horizo	ntal borseshne 1st BS well	with about 37 frac sta	ages		
REMARNS:	Dill ond compass a nonzo	TIEST THOUSAND THE CO				
		DRILLING	COMPLETION COSTS	PRODUCTION	FACILITY COSTS	TOTAL
INTANGIBLE COSTS Land / Legal / Regulatory	\$	17,500 \$		5	\$ 10,000 \$	27,500
Location, Surveys & Damage	PS =	84,500 1,123,363	13,000	15,000	10,000	1,123,363
Drilling Cementing & Float Equip	-	341,000				341,000
Logging / Formation Evalual	Lion	24,750	5.000			8,000 24,750
Mud Logging Mud Circulation System	_	168.900				168,900
Mud & Chemicals		342,895 235,000	65,000		1,000	407,895 236,000
Mud / Wastewater Disposal Freight / Transportation	-	22,500	35,750		-	58,250
Rlg Supervision / Engineerlr	ng	168,000	93,000	15,000	5,400	281,400
Drill Bits Fuel & Power	-	130,000	479,393		-	689,393
Water		76,250	450,000		1,000	527,250 15,000
Drig & Completion Overhead Plugging & Abandonment	-	15,000				
Directional Drilling, Surveys		328,659	170.000	45,000		328 659 215,000
Completion Unit, Swab, CTL Perforating, Wireline, Slick!			170,000	15,000		239,068
High Pressure Pump Truck			117,000		·	117,000 2,515,074
Stimulation Stimulation Flowback & Dis			2,515,074 15,500	127,500		143,000
Insurance	_	12,747	E0.7E0	135,000	5,000	12,747 402,750
Labor Rental - Surface Equipment	_	203,000	59,750 325,130	70,000	5,000	543,407
Rental - Downhole Equipme	nt	193,450	91,000	25,000	5,000	284,450 134,505
Rental - Living Quarters	-	51,800 391,923	52,705 164,947	44,750	4,240	605,860
Contingency Operations Center		26,640			0400000	26,640
	TOTAL INTANGIBLES >	4,311,154 COSTS	4,879,316 COSTS	492,250 COSTS	46,640 COSTS	9,729,360 COSYS
TANGIBLE COSTS Surface Casing	s	98,593 \$	-	5	5	98,593
Intermediate Casing		375,250				375,250
Drilling Liner	_	888,017				885,017
Production Casing		505,017				
Production Liner		91		225,000		225,000
Tubing	(83,500	we 4 % 5 % 5 %	45,000		12B,500
Wellhead Packers, Liner Hangers		76	120,897	5,000	55,000	125,897 55,000
Tanks Production Vessels		i_			180,700	180,700
Flow Lines		200		40,000	120,000	160,000
Rod string	-	: -		370,000		370,000
Artificial Lift Equipment Compressor	<u>-</u>	(4):		•	55,000 64,000	55,000 64,000
Installation Costs Surface Pumps	-			10,000	30,000	40,000
Non-controllable Surface	_	400		5,000	2,000	7,400
Non-controllable Downhole Downhole Pumps		:		-		· ·
Measurement & Meter Insta	illation	(10)		15,000	128,500 75,000	144,500 175,000
Gas Conditioning / Dehydra Interconnecting Facility Pip				20,000	175,000	195,000
Gathering / Bulk Lines				5,000		5,000
Valves, Dumps, Controllers				-	17,500	17,500
Tank / Facility Containment Flare Stack	_			45,000	97,300	87,500 142,300
Electrical / Grounding Communications / SCADA	-			5,000	16,250	21,250
Instrumentation / Safety		1,445,761	120,097	12,500 903,500	1,172,850	81,600 3,643,008
	TOTAL TANGIBLES >	5,756,915	5,000,213	1,395,750	1,219,490	13,377,368
TO A DED BY MATADOR	PRODUCTION COMPANY:					
REPARED BY MATADOR I	PRODUCTION COMPART.		The			
Dolling Enginee		Team Lead - WTX/NN	APW			
Completions Enginee Production Enginee			APV			
1700001011 21131111	NWA 'E					
ATADOR RESOURCES CO	OMPANY APPROVAL:					
Allandin						
Preside	ntBEG	Chiel Geologis	NLF			
EVP, Co-CO	0	Co-COO, SVP Operations	S			
	CA		CC			
EVF. Reserve	WTE					
ON OPERATING PARTNE	R APPROVAL:					
OH OPERATING PARTIE			Malantina Inc.		Tax I	D:
Company Nam	e		Working Interest (%)			
Signed b	y:		Date:			
	e		Approval:	Yes	_	_No (mark one)
110						

The course of the ACL or an extension of the course of the

MATADOR PRODUCTION COMPANY

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

			72) 371-5200 • Fax (972) S AND AUTHORIZATION			
DATE:	2/21/2024			AFE NO :		
WELL NAME:	Cimarron State Com #	1243H		FIELD:	-	
LOCATION:	Section 16 19S-34E			MD/TVD:	-	21014'/10220'
COUNTY/STATE:	Lea			LATERAL LENGTH:	_	about 10,000'
MRC WI:						
GEOLOGIC TARGET:	2nd Bone Spring					
REMARKS:	Drill and complete a ho	rizontal horseshoe 2nd BS w	ell with about 37 frac	stages		
				PRODUCTION	FACILITY	TOTAL
		DRILLING	COMPLETION	COSTS	COSTS	COSTS
INTANGIBLE COSTS Land / Legal / Regulatory		17,500	\$	\$	\$ 10,000	\$ 27,500
Location, Surveys & Damag	es	84,500	13,000	15,000	10,000	1,054,613
Drilling		1,054,613				341,000
Cementing & Float Equip Logging / Formation Evalua	tion	347,000	000,8			8,000
Mud Logging		24,750				24,750 166 900
Mud Circulation System		168,900 342,895	65,000			407,895
Mud & Chemicals Mud / Wastewater Disposal		235,000	-		1,000	236,000
Freight / Transportation		22,500	35,750	45.000	5,400	58,250 281,400
Rig Supervision / Engineeri	ng	169,000 130,000	93,000	15,000	004,0	130,000
Drill Bits Fuel & Power		210,000	479,393		-	689,393
Water		76,250	450,000		1,000	527 <u>.250</u> 15,000
Drig & Completion Overhea	d	15,000			<u>-</u> _	15,000
Plugging & Abandonment Directional Drilling, Surveys	5	339,189				339,189
Completion Unit, Swab, CT	П		170,000	45,000 15,000		215,000 239,068
Perforating, Wireline, Slick	ine	<u>~</u> _	224,068 117,000	15,000		117,000
High Pressure Pump Truck Stimulation			2,515,074			2,515,074
Stimulation Flowback & Dis	p.	- 197	15,500	127,500		143,000
Insurance		13,239	59,750	70,000	5,000	337,750
Labor Rental - Surface Equipment		143,277	325,130	00,000	5,000	563,407
Rental - Downhole Equipme		193,450	91,000	70.000	5,000	284,450 179,505
Rental - Living Quarters		\$1,800 386,150	52,705 164,947	70,000 44,750	4,240	500,087
Contingency Operations Center		26,640	104,541			25,540
Operationa Center	TOTAL INTANGIBLES >	4,247,653	4,879,316	492,250	45,640	9,665,859
TANGIBLE COSTS		COSTS	COSTS	COSTS	COSTS	COSTS \$ 66,593
Surface Cazing		98,593 405,678	,			405,678
Intermediate Casing Drilling Liner						
Production Casing		881,584				881,584
Floaticacii Casing						
Production Liner				130,000		130,000
Tubing		83,500		45,000		128,500
Wellhead Packers, Liner Hangers			120,897	5,000		125,897
Tanks					55,000 180,700	55,000
Production Vessels		- :		40,000	120,000	160,000
Flow Lines Rod string						320,000
Artificial Lift Equipment				320,000 10,000	55,000	55,000
Compressor				- 10,000	64,000	54,000
Installation Costs Surface Pumps		A;		10,000	30,000 2,000	40,000 7,400
Non-controllable Surface		400		5,000	2,000	*
Non-controllable Downhole	2			-		
Downhole Pumps Measurement & Meter Inst	allation			16,000	128,500	144,500 75,000
Gas Conditioning / Dehydra	ation			20,000	75,000 175,000	195,000
Interconnecting Facility Pla	oing					
Gathering / Bulk Lines Valves, Dumps, Controllers	s			5,000	47.600	5,000
Tank / Facility Containmen				- 54	17,500 87,500	87,500
Flare Stack				45,000	97,300	142 300
Electrical / Grounding Communications / SCADA				2,500	16,250	18,750 81,600
Instrumentation / Safety			120,897	12,500	1,172,850	3,229,502
	TOTAL TANGIBLES >	1,269,755	5,000,213	1,158,250	1,215,490	12,895,361
EPARED BY MATADOR	PRODUCTION COMPAI	NY:				
Odka Essissi	er Julio Mayol	Team Lead - WTX/	VM -			
Orilling Engines	4.000		APW			
Completions Enginee Production Enginee						
TADOR RESOURCES C	OMPANY APPROVAL:					
Preside	val	Chief Geolo	gisl			
Freside	BEG		NLF			
EVP, Co-CC	000	Co-COO SVP Operali	ons			
	CA		C.			
EVP Reserve	WTE					
	D + 00000V41					
ON OPERATING PARTNE	R APPROVAL:					
					Tay	ID.

Date.___ Signed by: No (mark one) Approval: _____Yes

The solid or that of \$\ill \text{ or something to the first of the completed or the solid property of the first of the completed or the comple

Exhibit A-6

Summary of Communication – Cimarron State Com #1143H & #1243

PBEX II, LLC:

- 3/4/2024: Proposals mailed via Certified Mail.
- 3/8/2024: Proposals delivered (received signed return receipt).
- 8/26/2024: Joint Operating Agreement sent via email.
- 8/26/2024-11/6/2024: Discussed PBEX's potential participation in the wells or possibility for some other deal.

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

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

CASE NO. 24366

SELF-AFFIRMED STATEMENT OF ANNA THORSON

- 1. My name is Anna Thorson. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Geologist.
- 2. I graduated from The University of the South in 2016 with a bachelor's degree in geology. Following graduation, I took graduate coursework at Louisiana State University for about one year before attending Baylor University where I earned a Master's degree in geology in 2019. After receiving my Master's, I interned with Anadarko Petroleum during the Summer of 2019 and then started working for Matador in November 2019 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 continuing education each year. I am also a member of the American Association of Petroleum Geologists, the West Texas Geological Society, and the Dallas Geological Society.
- 3. I am familiar with the application filed by MRC in this case, and I have conducted a geologic study of the lands in the subject area.
- 4. **MRC Exhibit B-1** is a locator map outlining the horizontal spacing unit with a black box shaded in yellow, with the larger area identified in a red box.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: MRC Permian Company
Hearing Date: December 5, 2024
Case No. 24366

- 5. In this case, MRC intends to develop the First Bone Spring and Second Bone Spring of the Bone Spring formation, respectively.
- 6. MRC Exhibit B-2 is a subsea structure map prepared off the top of the Bone Spring formation. The contour interval is 50 feet. The structure map shows the Bone Spring formation gently dipping to the south/southeast. The structure appears consistent across the proposed wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.
 - 7. Also included on MRC Exhibit B-2 is a line of cross section from A to A'.
- 8. MRC Exhibit B-3 is a structural cross-section 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: gamma ray, caliper, resistivity, and porosity, where available. The proposed target intervals for the proposed wells are 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 unit.
- 9. In my opinion, the standup well orientation is the preferred orientation for development in this area for Bone Spring wells based on the maximum horizontal stress orientation in the area.
- 10. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells within the Bone Spring formation in the area of the spacing unit proposed in this case.
- 11. In my opinion, each quarter-quarter section will be productive and contribute moreor-less equally to production from the horizontal spacing unit.

- In my opinion, horizontal drilling will be the most efficient method to develop this 12. acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery.
- In my opinion, approving MRC's application will be in the best interest of 13. conservation, the prevention of waste, and protection of correlative rights.
- MRC Exhibits B-1 through B-3 were either prepared by me or compiled under 14. my direction and supervision.
- I affirm under penalty of perjury under the laws of the State of New Mexico 15. 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.

Anna Thorson

11 - 25 - 2024 Date

Santa Fe, New Mexico Exhibit No. B-1

Submitted by: MRC Permian Company Hearing Date: December 5, 2024 Case No. 24366

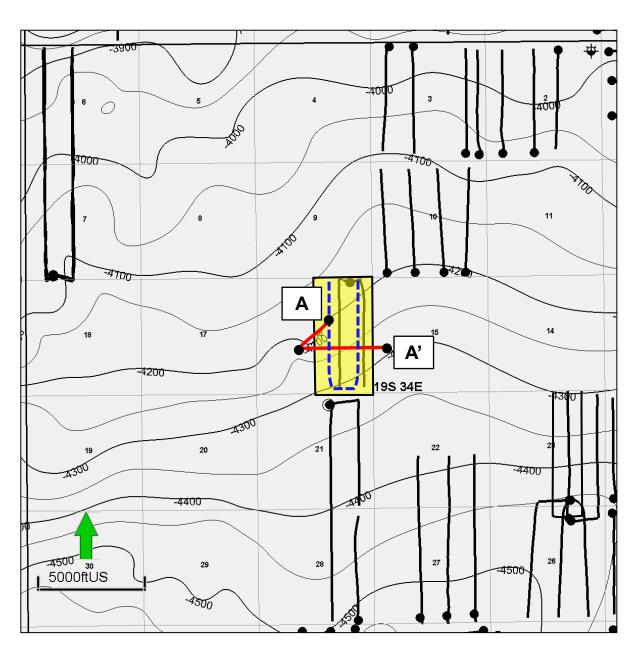
Locator Map

14 20		45 14 1E 22		45 14 3E 24			14S 14 26E 27		4S 8E						145 34E	145 35E			145 38E	
15:		5S 15 1E 22		5S 15 3E 24			15S 15 26E 27		5S 8E							15S 35E			15S 38E	
16S 19E	16S 20E	16S 21E	165 23E	16S 24E	165 25E	16S 26E	16S 27E	165 28E	16S 29E	16S 30E	16S 31E	165 32E	165 33E	16S 34E	165 35E	Lovington 165 36E	16S 37E	165 38E	169 396	φ BLK A6 BLK A7
175 19E	175 20E	17S 21E	17S 23E	17S 24E	17S 25E	Artesia, 175 26E	17S 27E	175 28E	17S 29E	17S 30E	17S 31E	175 32E	175 33E	175 34E	17S 35E	175 36E	17S 37E	175 38E	17S 39E	BLK A8
18S 19E	18S 20E	18S 21E	18S 23E	18S 24E	18S 25E	Atoka 185 26E	185 27E	185 28E	18S 29E	18S 30E	18S 31E	185 32E	Cir Proj	marro	on 185 Area	Lea 185 36E	18S 37E	185 38E Hobbs	18S 39E	BLK A9
195 19E	19S 20E	19S 21E	19S 23E	195 24E	19S 25E	19S 26E	19S 27E	19S 28E	YO 195 29E	unges	31E	t See	P 195 33E	34E	195 35E	195 36E	195 37E	195 38E	19S 39E	BLK A10 BLK A12
205 19E	20S 20E	20S 21E 20.5S	20S 23E 20.5S	20S 24E 20,5S	20S 25E	205 26E	20S 27E	20S 28E	20S 29E	30E	tan Ac	32E	33E	20S 34E	20S 35E	20S 36E	20S 37E	20S 38E	209 39E	BLK A28
		21E 21S 21E	22E 21S 22E	23E 21S 23E	21S 24E	21S 25E	Eddy	21S 27E	21S 28E	ounge ZIS 29E	st Ca	pitan 215 31E	215 32E	21S 33E	21S 34E	215 35E	21S 36E	215 37E Eunice	21S 38E	BLK A28 BLK A29
		22S 21E	22S 22E	22S 23E	22S 24E	22S 25E	22S 26E	sbad 225 27E	22S 28E	225 29E	22S 30E	22S 31E	225 32E	225 33E	225 34E	225 35E	225 36E	22S 37E	22S 38E	BLK A39
		23S 21E	235 22E	23S 23E	235 24E	235 25E	23S 26E	235 27E	23S 28E	235 29E	23S 30E	235 31E	23S 32E	235 33E	235 34E	235 35E	23S 36E	235 37E	235 38E	BLK A40 BLK
		24S 21E	24S 22E	24S 23E	24S 24E	24S 25E	24S 26E	245 27E	24S 28E	245 29E	24S 30E	24S 31E	245 32E	245 33E	245 34E	24S 35B	245 36E	245 37E	24S 38E	A51 BLK A52
4		25S 21E	25S 22E	Cartsba Cavern 255 Nation 23E	255 24E	25S 25E	25S 26E	255 27E	25S 28E	255 29E	25S 30E	25S 31E	255 32E	25S 33E	255 34E	25S 35E	25S 36E	255 Jal 37E	25S 38E	BLK A55
	10mi	265 21E	265 22E	265 23E	265 24E	26S 25E	26S 26E	26S 27E	26S 28E	26S 29E	26S 30E	26S 31E	26S 32E	26S 33E	26S 34E	26S 35E	26S 36E New M	26S 37E	26S 38E	BLK A55 BLK A56 Texas

nta Fe, New Mexico Exhibit No. B-2

Submitted by: MRC Permian Company Hearing Date: December 5, 2024

Case No. 24366



Map Legend

Cimarron State Com #1143H & #1243H



Bone Spring Wells



Project Area

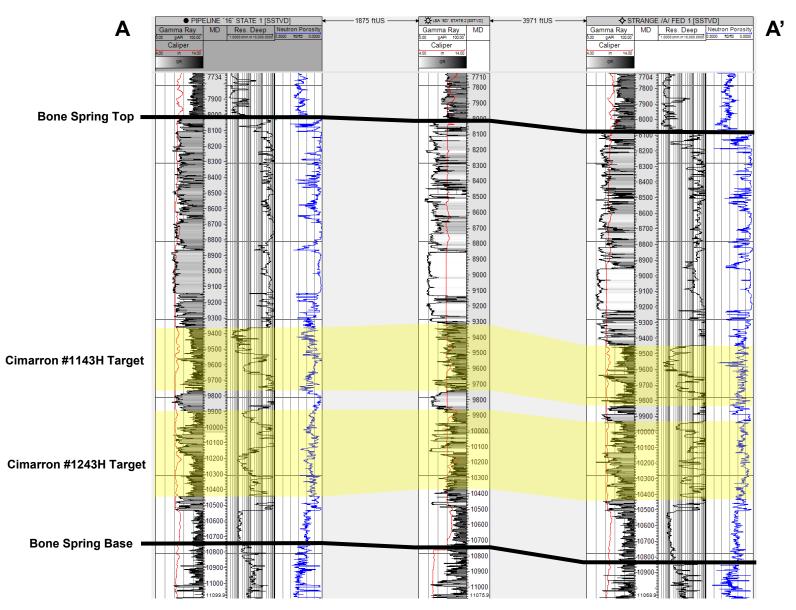


C. I. = 50'

Santa Fe, New Mexico Exhibit No. B-3

Submitted by: MRC Permian Company Hearing Date: December 5, 2024 Case No. 24366

Quail Ridge; Bone Spring (Pool Code 50460) Structural Cross Section A – A' Reference Line



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

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

CASE NO. 24366

SELF-AFFIRMED STATEMENT OF MICHAEL H. FELDEWERT

- 1. I am attorney in fact and authorized representative of MRC Permian Company ("MRC"), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.
- 2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.
- 3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.
- 4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of November 11, 2024.
- 5. I caused a notice to be published to all parties subject to this compulsory pooling proceeding and request for approval of an overlapping spacing unit. An affidavit of publication from the publication's legal clerk with a copy of the notice of 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 C
Submitted by: MRC Permian Company
Hearing Date: December 5, 2024
Case No. 24366

11/27/24

Michael H. Feldewert



Michael H. Feldewert Partner Phone (505) 988-4421 mfeldewert@hollandhart.com

April 12, 2024

<u>VIA CERTIFIED MAIL</u> CERTIFIED RECEIPT REQUESTED

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

Re: Application of MRC Permian Company for Approval of an Overlapping Horizonal Well Spacing Unit and Compulsory Pooling, Lea County, New

Mexico: Cimarron State Com 1143H and 1243H 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 May 2, 2024, and the status of the hearing can be monitored through the Division's website at https://www.emnrd.nm.gov/ocd/.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the 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 at hawks.holder@matadorresources.com.

Sincerely,

Michael H. Feldewert

ATTORNEY FOR MRC PERMIAN COMPANY

Contac

p: 505.988.4421 | f: 505.983.6043 www.hollandhart.com

110 North Guadalupe, Suite 1 Santa Fe, NM 87501-1849 Mailing Address
P.O. Box 2208
Santa Fe, NM 87504-2208

Holland & Hart LLP Anchorage Aspen Billings Boise Boulder Cheyenne Denver Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C.

MRC - Cimarron 1143H and 1243H wells - Case no. 24366 Postal Delivery Report

						Your item was delivered to an
						individual at the address at
						11:44 am on April 18, 2024 in
9414811898765406490794	EGL Resources, Inc.	223 W Wall St Ste 900	Midland	TX	79701-4567	MIDLAND, TX 79701.
						Your item was delivered to an
						individual at the address at
						2:15 pm on April 16, 2024 in
9414811898765406490787	Stewart Royalty, Inc.	4011 N Midland Dr	Midland	TX	79707-3534	MIDLAND, TX 79707.
						Your item was picked up at a
						postal facility at 9:33 am on
						April 19, 2024 in MIDLAND, TX
9414811898765406490770	PBEX II, LLC	PO Box 10250	Midland	TX	79702-7250	79701.
						Your package will arrive later
						than expected, but is still on
						its way. It is currently in
9414811898765406490954	Philip C. Vogel	146 W Shore Dr	Montgomery	TX	77356-8601	transit to the next facility.
						Your package will arrive later
						than expected, but is still on
						its way. It is currently in
9414811898765406490923	Sally Meador Roberts	PO Box 4245	Midland	TX	79704-4245	transit to the next facility.
						Your item was delivered to
						the front desk, reception area,
						or mail room at 10:16 am on
						April 17, 2024 in DALLAS, TX
9414811898765406490992	Wing Resources VI LLC	2100 McKinney Ave Ste 1540	Dallas	TX	75201-2140	75201.
						Your item was delivered to an
						individual at the address at
						3:10 pm on April 15, 2024 in
9414811898765406490985	Elk Range Royalties II LP	2110 Farrington St	Dallas	TX	75207-6502	DALLAS, TX 75207.
						Your item was picked up at a
						postal facility at 7:42 am on
						April 17, 2024 in SANTA FE,
9414811898765406490657	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	NM 87501.

Affidavit of Publication

STATE 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 April 17, 2024 and ending with the issue dated April 17, 2024.

Publisher

Sworn and subscribed to before me this 17th day of April 2024.

Business Manager

My commission expires

(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 April 17, 2024

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 Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following cases. The hold public hearings before a hearing examiner on the following cases. The hold public hearings will be conducted in a hybrid fashion, both in-person at the Energy, hearings will be conducted in a hybrid fashion, both in-person at the Energy, Neural Resources Department, Wendell Chino Building, Peccos Hall, Minerals, Natural Resources Department, Wendell Chino Building, Peccos Hall, Minerals, Natural Resources Department, Wendell Chino Building, Peccos Hall, Minerals, State Transit Resources Department, Wendell Chino Building, Peccos Hall, Minerals, Resources Below, Natural Resources Department, Wendell Chino Building, Natural Resources the testing to the hearings, see the instructions posted beginning at 8:15 a.m. To participate in the hearings, see the instructions posted beginning at 8:15 a.m. To participate in the hearings, see the instructions posted beginning at 8:15 a.m. To participate in the hearings at the following link: Peccos Relay Network at 1-800-659-1779, no later than April 23, 2024.

Persons may view and participate in the hearings through the following link: https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mb94d4cbb59aecc4afa169a

Webinar number: 2489 789 5950

Join by video system:

Dial 24897895950@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: 2489 789 5950 Panelist password: JxfK9urrh47 (59359877 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: EGL Resources, Inc.; Stewart Royalty, Inc.; PBEX II, LLC; Philip C. Vogel, his heirs and devisees; Sally Meador Roberts, her heirs and devisees; Wing Resources VI LLC; Elk Range Royalties II LP, and New Mexico State Land Office.

Case No. 24366: Application of MRC Permian Company for Approval of an Case No. 24366: 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 a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the E2 of Section 16, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed Cimarron State Com 1143H and Cimarron State Com 1243H "u-turn" wells to be horizontally drilled from a surface location in the NE4 of Section 16, with first take points in the NE4NE4 (Unit A) of Section 16 and last take points in the NW4NE4 (Unit B) of Section 16. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:

spacing units in the Bone Spring formation:

• A 160-acre horizontal well spacing unit comprised of the W2E2 of Section 16 currently dedicated to the Cimarron 16 19S 34E RN State Com 133H (30-025-42979) operated by Matador Production Company in a different interval of the Bone Spring formation and assigned to the Quail Ridge; Bone Spring Pool

650460); and

• A 160-acre horizontal well spacing unit comprised of the E2E2 of Section 16 currently dedicated to the Cimarron 16 19S 34E RN State Com 134H (30-025-42352) operated by Matador Production Company in a different interval of the Bone Spring formation and assigned to the Quail Ridge; Bone Spring Pool

(50460). 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. The subject area is located approximately 17 miles northwest of Monument, New Mexico.

110 N GUADALUPE ST., STE. 1 SANTA FE, NM 87501

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit D Submitted by: MRC Permian Company Hearing Date: December 5, 2024 Case No. 24366