

**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**

**NOTICE OF REVISED EXHIBIT B-3**

MRC Permian Company, applicant in the above-referenced case, gives notice that it is refiling the hearing exhibit packet to include a revised Exhibit B-3 that contains the API numbers for the referenced wells per the instructions from the Hearing Examiner.

Respectfully submitted,

**HOLLAND & HART LLP**

By: 

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  
agrarkin@hollandhart.com  
pmvance@hollandhart.com

**ATTORNEYS FOR MRC PERMIAN COMPANY**

**CERTIFICATE OF SERVICE**

I hereby certify that on December 5, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Dana S. Hardy  
Jaclyn M. McLean  
Dylan M. Villescas  
HINKLE SHANOR LLP  
P.O. Box 2068  
Santa Fe, NM 87504-2068  
(505) 982-4554  
(505) 982-8623 FAX  
*dhardy@hinklelawfirm.com*  
*jmclean@hinklelawfirm.com*  
*dvillescas@hinklelawfirm.com*

***Attorneys for E.G.L. Resources, Inc.***



---

Michael H. Feldewert

**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
  - Matador Exhibit A-1: Overlapping Spacing Unit
  - Matador Exhibit A-2: C-102
  - Matador Exhibit A-3: Land Tract Map
  - Matador Exhibit A-4: Uncommitted Working Interest Owners & ORRI
  - Matador Exhibit A-5: Sample Well Proposal Letter with AFEs
  - Matador Exhibit A-6: Chronology of Contacts
- **Matador Exhibit B:** Affidavit of Anna Thorson, Geologist
  - Matador Exhibit B-1: Locator map
  - Matador Exhibit B-2: Subsea structure & cross-section map
  - Matador *Revised* 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

<b>Case: 24366</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: December 5, 2024</b>	
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
<b>Formation/Pool</b>	
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
<b>Spacing Unit</b>	
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 approval of non-standard unit requested in the application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-4
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	<p><b>BEFORE THE OIL CONSERVATION DIVISION</b>  <b>Santa Fe, New Mexico</b>  <b>CP Checklist</b></p> <p>Submitted by: MRC Permian Company  Hearing Date: December 5, 2024  Case No. 24366</p>

Well #1	<b>Cimarron State Com 1143H</b> (API No. pending) SHL: 395' FNL & 1105' FEL (Unit A) of Sec. 16, T19S, R34E BHL: 100' FNL & 2310' FEL (Unit B) of Sec. 16, T19S, R34E Completion Target: Bone Spring formation Well Orientation: North-South U-turn Completion Location expected to be: Standard
Well #2	<b>Cimarron State Com 1243H</b> (API No. pending) SHL: 395' FNL & 1075' FEL (Unit A) of Sec. 16, T19S, R34E BHL: 100' FNL & 2310' FEL (Unit B) of Sec. 16, T19S, R34E Completion Target: Bone Spring formation Well Orientation: North-South U-turn Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-5
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See filed Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibits A-3
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 A-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-6
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-5
Cost Estimate to Equip Well	Exhibit A-5

Cost Estimate for Production Facilities	Exhibit A-5
<b>Geology</b>	
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
<b>Forms, Figures and Tables</b>	
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
<b>Additional Information</b>	
Special Provisions/Stipulations	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Michael H. Feldewert
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	27-Nov-24

**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:

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



- 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

By: 

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  
agrarkin@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**

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
- b. a 160 acre horizontal well spacing unit comprised of the E/2 E/2 of Section 16 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.

14. **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.

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

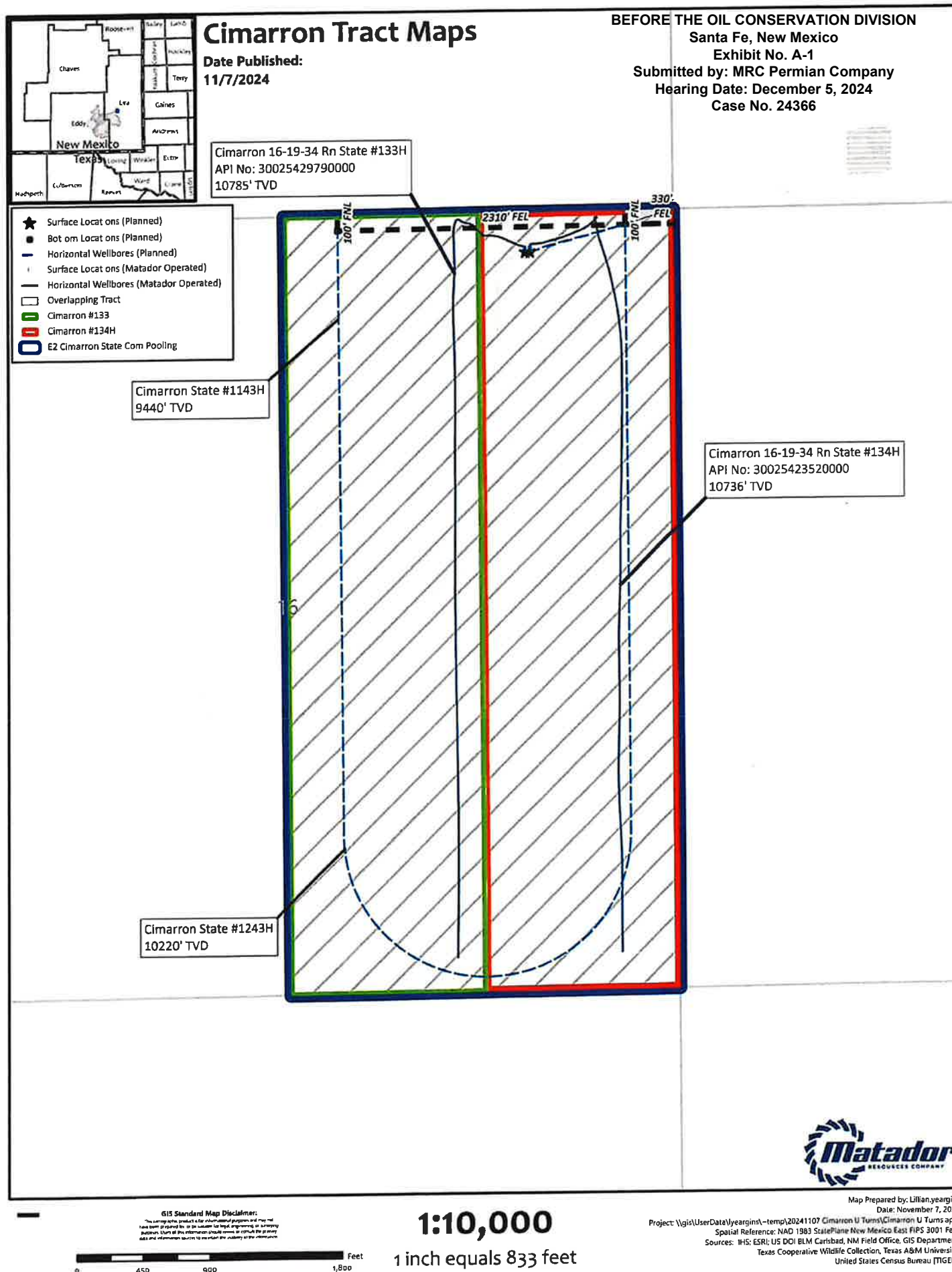
Hawks Holder

11/25/24

Date

# Exhibit A-1





# Exhibit A-2

<b>C-102</b> Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	Revised July 9, 2024	
		Submittal Type:	<input type="checkbox"/> Initial Submittal
			<input type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled	

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name <b>QUASL REDNE; BOPE SPRING (50460)</b>
Property Code	Property Name <b>CIMARRON STATE COM</b>	Well Number <b>1143H</b>
OGRID No. <b>22897</b>	Operator Name <b>MATADOR PRODUCTION COMPANY</b>	Ground Level Elevation <b>3826'</b>
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
<b>A</b>	<b>16</b>	<b>19-S</b>	<b>34-E</b>	<b>-</b>	<b>395' N</b>	<b>1105' E</b>	<b>N 32.6664374</b>	<b>W 103.5602919</b>	<b>LEA</b>

**Bottom Hole Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
<b>B</b>	<b>16</b>	<b>19-S</b>	<b>34-E</b>	<b>-</b>	<b>100' N</b>	<b>2310' E</b>	<b>N 32.6672377</b>	<b>W 103.5642083</b>	<b>LEA</b>

Dedicated Acres <b>320</b>	Infill or Defining Well <b>-</b>	Defining Well API <b>-</b>	Overlapping Spacing Unit (Y/N) <b>-</b>	Consolidated Code <b>-</b>
Order Numbers			Well Setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

**Kick Off Point (KOP)**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
<b>A</b>	<b>16</b>	<b>19-S</b>	<b>34-E</b>	<b>-</b>	<b>50' N</b>	<b>330' E</b>	<b>N 32.6673922</b>	<b>W 103.5577745</b>	<b>LEA</b>

**First Take Point (FTP)**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
<b>A</b>	<b>16</b>	<b>19-S</b>	<b>34-E</b>	<b>-</b>	<b>100' N</b>	<b>330' E</b>	<b>N 32.6672548</b>	<b>W 103.5577743</b>	<b>LEA</b>

**Last Take Point (LTP)**

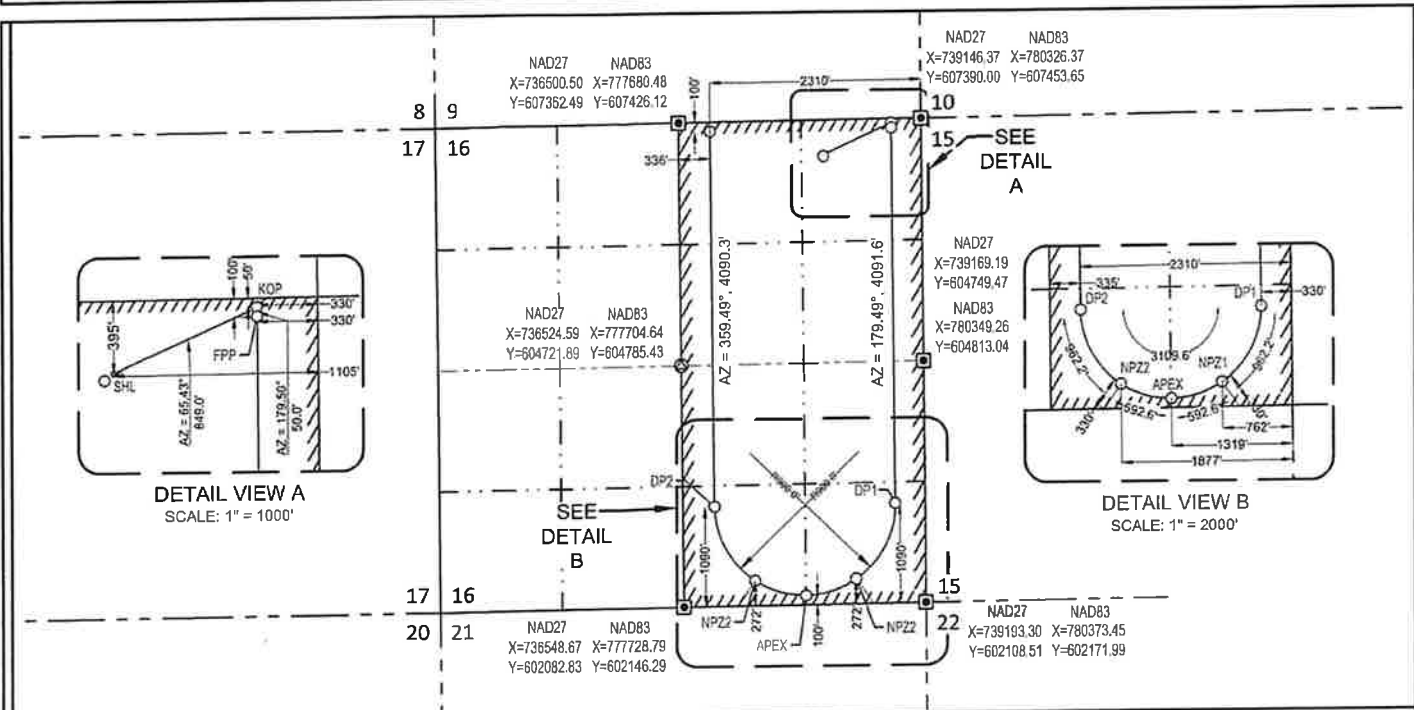
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
<b>B</b>	<b>16</b>	<b>19-S</b>	<b>34-E</b>	<b>-</b>	<b>100' N</b>	<b>2310' E</b>	<b>N 32.6672377</b>	<b>W 103.5642083</b>	<b>LEA</b>

Unitized Area or Area of Uniform Interest <b>-</b>	Spacing Unity Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation
---	---	------------------------

<b>OPERATOR CERTIFICATION</b> 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 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.		<b>SURVEYORS CERTIFICATION</b> 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.	
Signature	Date	Signature and Seal of Professional Surveyor	
Print Name <b>BEFORE THE OIL CONSERVATION DIVISION</b> <b>Santa Fe, New Mexico</b> <b>Exhibit No. A-2</b>		Certificate Number	Date of Survey <b>11/07/2024</b>
E-mail Address			

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

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

**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

**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

**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

**DEFLECTION POINT (DP1)**

NEW MEXICO EAST  
 NAD 1983  
 X=780034 Y=603259  
 LAT.: N 32.6580088  
 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 (NP21)**

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

**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

**NON PERF. ZONE (NP22)**

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

**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 103.563928  
 1090' FSL 2310' 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





<b>C-102</b> Submit Electronically Via OCD Permitting	<b>State of New Mexico</b> <b>Energy, Minerals &amp; Natural Resources Department</b> <b>OIL CONSERVATION DIVISION</b>	Revised July 9, 2024	
		Submittal Type:	<input type="checkbox"/> Initial Submittal
			<input type="checkbox"/> Amended Report
			<input type="checkbox"/> As Drilled

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name <b>QUAIL RIDGE; BONE SPRING (50460)</b>
Property Code	Property Name <b>CIMARRON STATE COM</b>	Well Number <b>1243H</b>
OGRID No. <b>22897</b>	Operator Name <b>MATADOR PRODUCTION COMPANY</b>	Ground Level Elevation <b>3825'</b>
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
<b>A</b>	<b>16</b>	<b>19-S</b>	<b>34-E</b>	<b>-</b>	<b>395' N</b>	<b>1075' E</b>	<b>N 32.6664378</b>	<b>W 103.5601946</b>	<b>LEA</b>

**Bottom Hole Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
<b>B</b>	<b>16</b>	<b>19-S</b>	<b>34-E</b>	<b>-</b>	<b>100' N</b>	<b>2310' E</b>	<b>N 32.6672377</b>	<b>W 103.5642083</b>	<b>LEA</b>

Dedicated Acres <b>320</b>	Infill or Defining Well <b>-</b>	Defining Well API <b>-</b>	Overlapping Spacing Unit (Y/N) <b>-</b>	Consolidated Code <b>-</b>
Order Numbers			Well Setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

**Kick Off Point (KOP)**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
<b>A</b>	<b>16</b>	<b>19-S</b>	<b>34-E</b>	<b>-</b>	<b>50' N</b>	<b>330' E</b>	<b>N 32.6673922</b>	<b>W 103.5577745</b>	<b>LEA</b>


**First Take Point (FTP)**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
<b>A</b>	<b>16</b>	<b>19-S</b>	<b>34-E</b>	<b>-</b>	<b>100' N</b>	<b>330' E</b>	<b>N 32.6672548</b>	<b>W 103.5577743</b>	<b>LEA</b>

**Last Take Point (LTP)**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
<b>B</b>	<b>16</b>	<b>19-S</b>	<b>34-E</b>	<b>-</b>	<b>100' N</b>	<b>2310' E</b>	<b>N 32.6672377</b>	<b>W 103.5642083</b>	<b>LEA</b>

Unitized Area or Area of Uniform Interest <b>-</b>	Spacing Unity Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation
---	---	------------------------

<b>OPERATOR CERTIFICATION</b> 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 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.	<b>SURVEYORS CERTIFICATION</b> 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. 
Signature _____ Date _____	Signature and Seal of Professional Surveyor _____ Date _____
Print Name _____	Certificate Number _____ Date of Survey <b>11/07/2024</b>
E-mail Address _____	

<b>C-102</b>  Submit Electronically Via OCD Permitting	State of New Mexico <b>Energy, Minerals &amp; Natural Resources Department</b> <b>OIL CONSERVATION DIVISION</b>	Revised July 9, 2024  Submittal Type: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> <input type="checkbox"/> Initial Submittal  <input type="checkbox"/> Amended Report  <input type="checkbox"/> As Drilled         </div>
Property Name and Well Number <div style="text-align: center; font-weight: bold; margin-top: 5px;">CIMARRON STATE COM 1243H</div>		

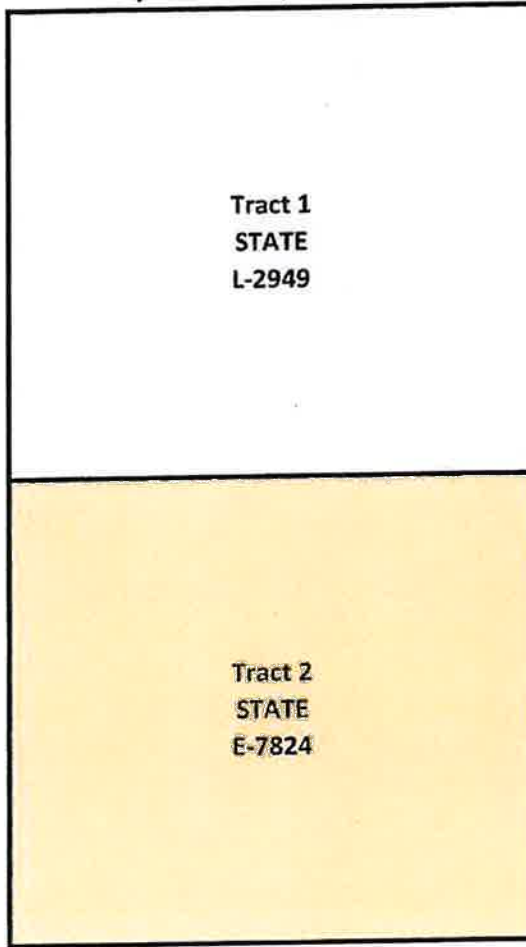
**DETAIL VIEW A**  
SCALE: 1" = 1000'  
**DETAIL VIEW B**  
SCALE: 1" = 2000'

<b>SURFACE LOCATION (SHL)</b> 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	<b>KICK OFF POINT (KOP)</b> 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	<b>PROPOSED TAKE POINT (PTP)</b> 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
<b>DEFLECTION POINT (DP1)</b> 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	<b>NON PERF. ZONE (NPZ1)</b> 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	<b>U-TURN APEX (APEX)</b> 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 103.5604666 100' FSL 1319' FEL
<b>NON PERF. ZONE (NPZ2)</b> 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	<b>DEFLECTION POINT (DP2)</b> 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	<b>LAST PERF. POINT (LPP)</b> <b>BOTTOM HOLE LOCATION (BHL)</b> 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 plot 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

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



**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-3  
Submitted by: MRC Permian Company  
Hearing Date: December 5, 2024  
Case No. 24366**



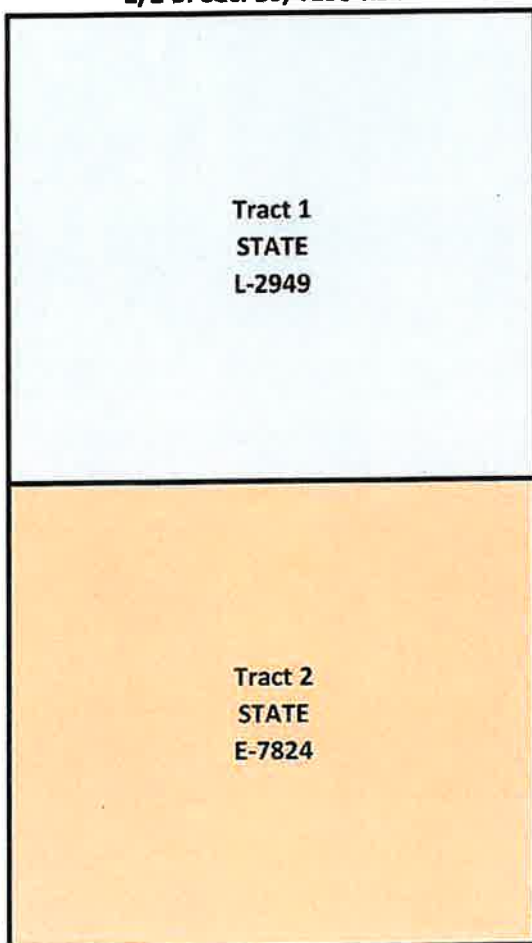
# Exhibit A-4

**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%
Wing Resources VI LLC	ORRI		
Elk Range Royalties II LP	ORRI		
Stewart Royalty, Inc.	ORRI		

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-4  
Submitted by: MRC Permian Company  
Hearing Date: December 5, 2024  
Case No. 24366

**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](mailto: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**.

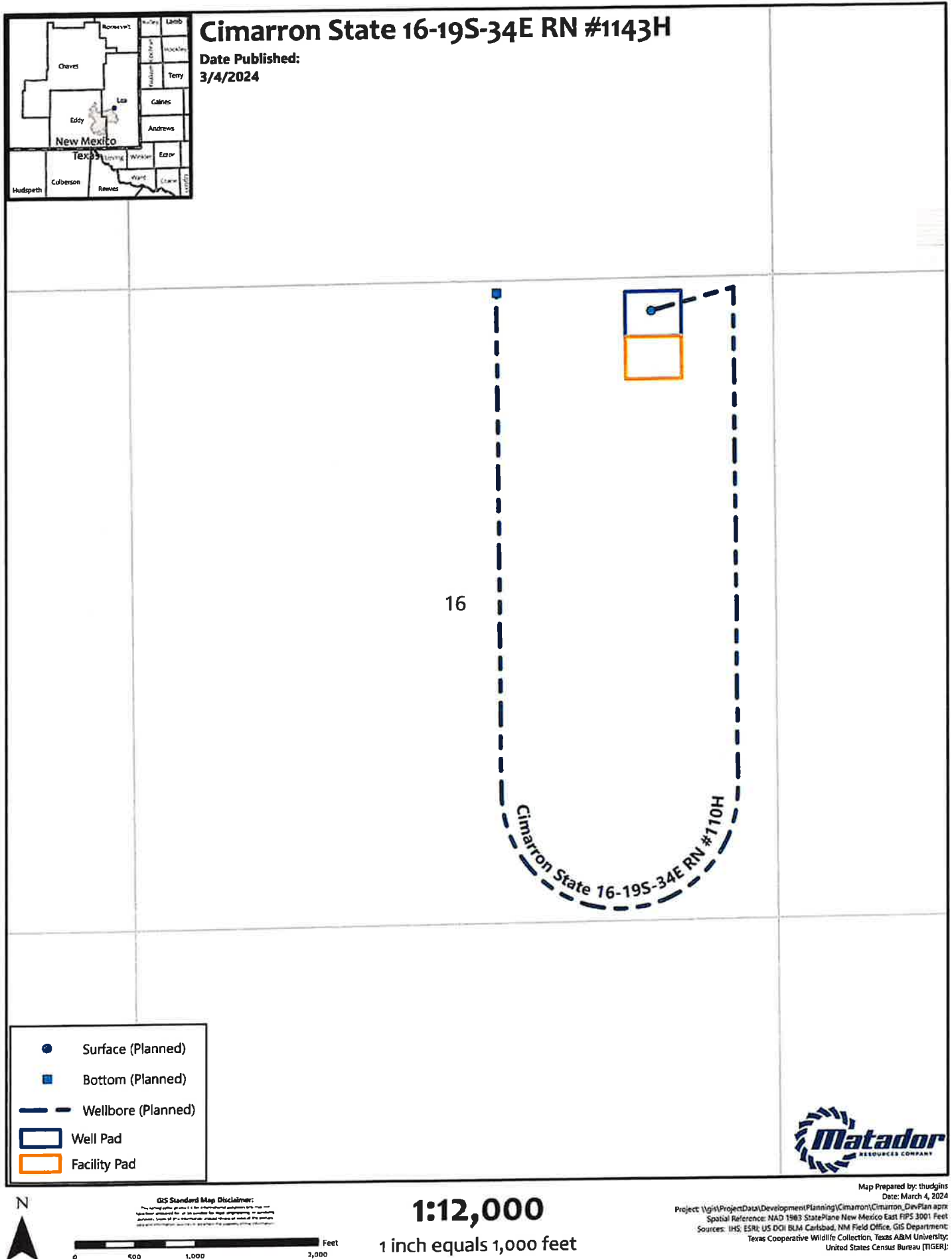
**E.G.L. Resources, Inc.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

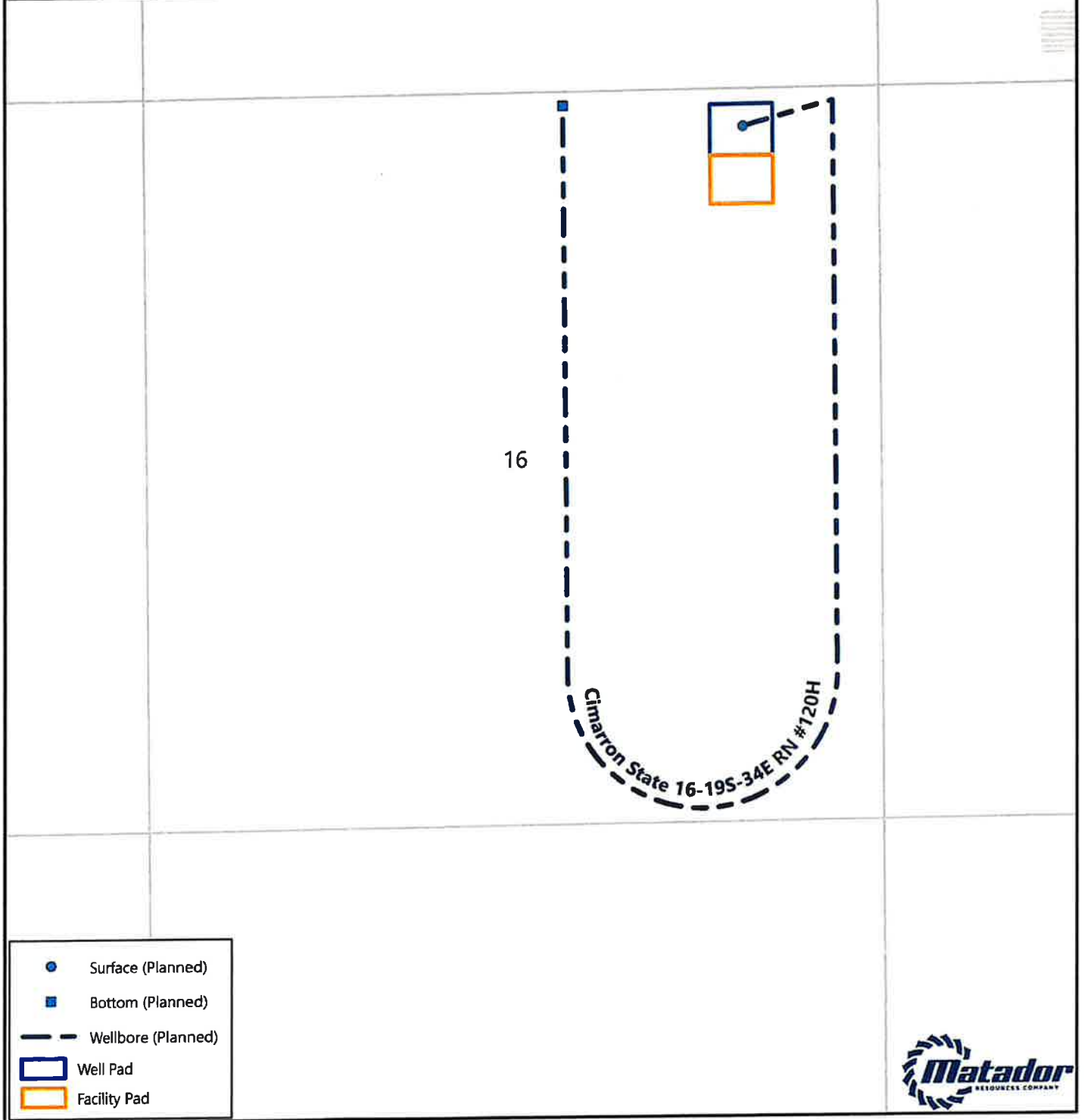
Contact Number: \_\_\_\_\_



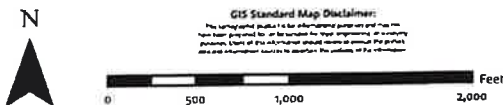


# Cimarron State 16-19S-34E RN #1243H

Date Published:  
3/4/2024



Surface (Planned)  
 Bottom (Planned)  
 Wellbore (Planned)  
 Well Pad  
 Facility Pad



1:12,000  
1 inch equals 1,000 feet

Map Prepared by: thudgins  
Date: March 4, 2024  
Project: \\gis\ProjectData\DevelopmentPlanning\Cimarron\Cimarron\_DevPlan.aprx  
Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet  
Sources: IHS, ESRI; US DOI BLM Carlsbad, NM Field Office, GIS Department;  
Texas Cooperative Wildlife Collection, Texas A&M University;  
United States Census Bureau (TIGER);





## 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: 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 horizontal horseshoe 2nd BS well with about 37 frac stages

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	17,500			10,000	27,500
Location, Surveys & Damages	84,500	13,000	15,000	10,000	122,500
Drilling	1,054,613				1,054,613
Cementing & Float Equip	341,000				341,000
Logging / Formation Evaluation		8,000			8,000
Mud Logging	24,750				24,750
Mud Circulation System	168,900				168,900
Mud & Chemicals	342,895	65,000			407,895
Mud / Wastewater Disposal	235,000			1,000	236,000
Freight / Transportation	22,500	35,750			58,250
Rig Supervision / Engineering	168,000	93,000	15,000	5,400	281,400
Drill Bits	130,000				130,000
Fuel & Power	210,000	479,393			689,393
Water	76,250	450,000		1,000	527,250
Drig & Completion Overhead	15,000				15,000
Plugging & Abandonment					
Directional Drilling, Surveys	339,189				339,189
Completion Unit, Swab, CTU		170,000	45,000		215,000
Perforating, Wireline, Slickline		224,068	15,000		239,068
High Pressure Pump Truck		117,000			117,000
Stimulation		2,515,074			2,515,074
Stimulation Flowback & Disp		15,500	127,500		143,000
Insurance	13,239				13,239
Labor	203,000	59,750	70,000	5,000	337,750
Rental - Surface Equipment	143,277	325,130	90,000	5,000	563,407
Rental - Downhole Equipment	183,450	91,000			274,450
Rental - Living Quarters	51,800	52,705	70,000	5,000	179,505
Contingency	386,150	164,947	44,750	4,240	600,087
Operations Center	26,640				26,640
<b>TOTAL INTANGIBLES &gt;</b>	<b>4,247,653</b>	<b>4,879,316</b>	<b>492,250</b>	<b>46,640</b>	<b>9,665,859</b>
<b>TANGIBLE COSTS</b>	<b>COSTS</b>	<b>COSTS</b>	<b>COSTS</b>	<b>COSTS</b>	<b>COSTS</b>
Surface Casing	98,593				98,593
Intermediate Casing	405,678				405,678
Drilling Liner					
Production Casing	681,584				681,584
Production Liner					
Tubing			130,000		130,000
Wellhead	83,500		45,000		128,500
Packers, Liner Hangers		120,897	5,000		125,897
Tanks				55,000	55,000
Production Vessels				160,700	160,700
Flow Lines			40,000	120,000	160,000
Rod string					
Artificial Lift Equipment			320,000		320,000
Compressor			10,000	55,000	65,000
Installation Costs				64,000	64,000
Surface Pumps			10,000	30,000	40,000
Non-controllable Surface	400		5,000	2,000	7,400
Non-controllable Downhole					
Downhole Pumps			16,000	128,500	144,500
Measurement & Meter Installation				75,000	75,000
Gas Conditioning / Dehydration			20,000	175,000	195,000
Interconnecting Facility Piping					
Gathering / Bulk Lines			5,000		5,000
Valves, Dumps, Controllers				17,500	17,500
Tank / Facility Containment				87,500	87,500
Flare Stack			45,000	97,300	142,300
Electrical / Grounding			2,500	16,250	18,750
Communications / SCADA			12,500	69,100	81,600
Instrumentation / Safety					
<b>TOTAL TANGIBLES &gt;</b>	<b>1,269,755</b>	<b>120,897</b>	<b>666,690</b>	<b>1,172,850</b>	<b>3,229,502</b>
<b>TOTAL COSTS &gt;</b>	<b>5,517,408</b>	<b>5,000,213</b>	<b>1,158,940</b>	<b>1,219,490</b>	<b>12,895,361</b>

## PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: Jefe Mayol Team Lead - WTXNM  
 Completions Engineer: Will Stahen APW  
 Production Engineer: Josh Bryant

## MATADOR RESOURCES COMPANY APPROVAL:

President: BEG Chief Geologist: NLF  
 EVP, Co-CEO: CA Co-CEO, SVP 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 they may be converted to charges or credits at the cost of the operator. Funding obligations imposed upon the AFE may be required up to a year after the well has been completed. In completing this AFE, the Participant agrees to pay the pro-rata share of all costs incurred, including major expenses, obligations, liabilities, including those and those under the terms of the association and operating agreement, regardless of whether they are incurred by the operator or the non-operator. The non-operator shall be bound by the terms of the association and operating agreement, regardless of whether they are incurred by the operator or the non-operator. The non-operator shall be bound by the terms of the association and operating agreement, regardless of whether they are incurred by the operator or the non-operator.

AFE - Version 3

# 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 more-or-less equally to production from the 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. In my opinion, approving MRC's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

14. **MRC Exhibits B-1 through B-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.

  
Anna Thorson

11-25-2024  
Date



Santa Fe, New Mexico

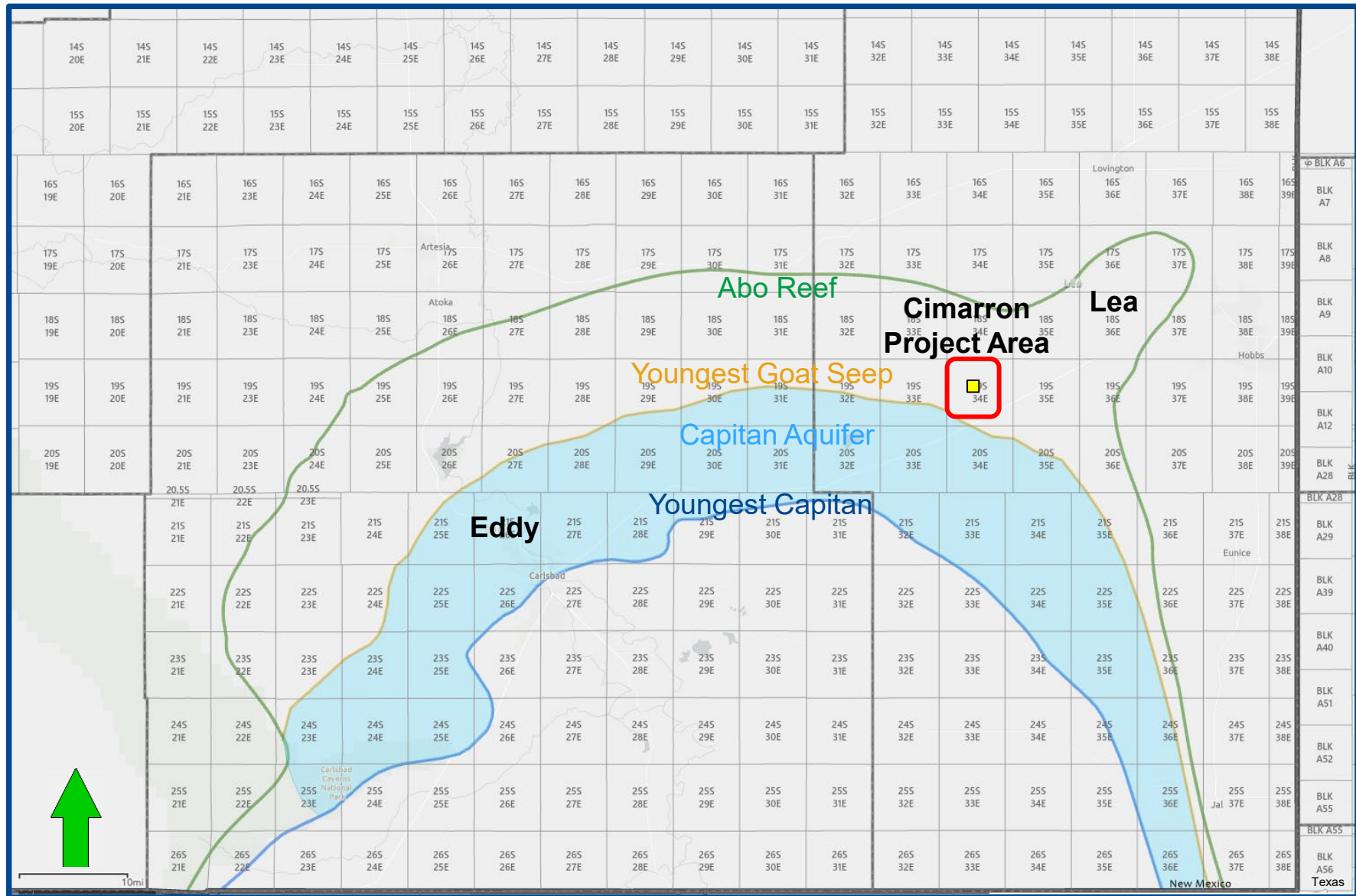
Exhibit No. B-1

Submitted by: MRC Permian Company

Hearing Date: December 5, 2024

Case No. 24366

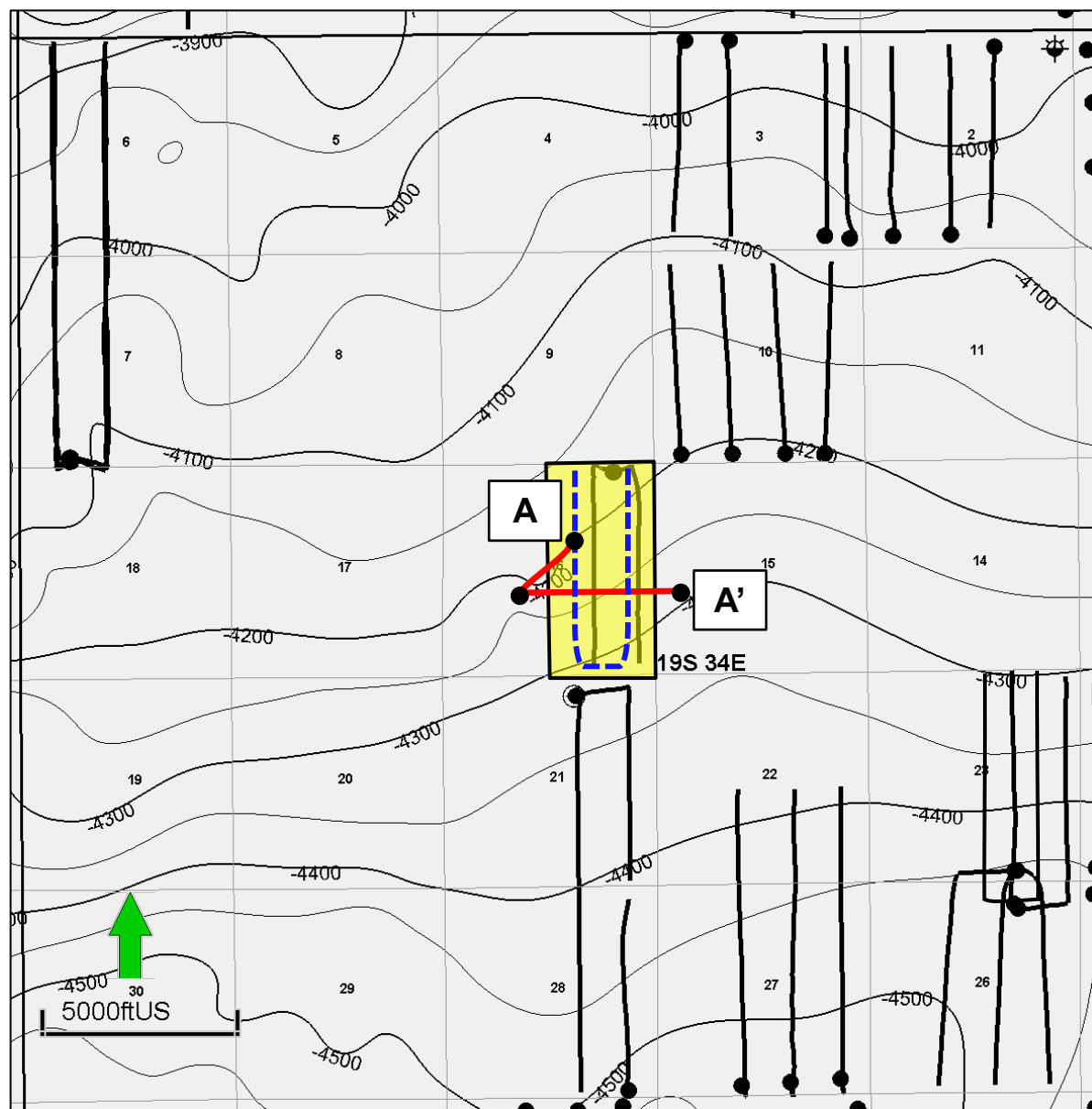
## Locator Map





# Quail Ridge, Bone Spring (Pool Code 50460) Structure Map (Top Bone Spring Subsea) A – A' Reference Line

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B-2  
Submitted by: MRC Permian Company  
Hearing Date: December 5, 2024  
Case No. 24366

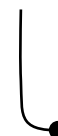


## Map Legend

Cimarron State Com #1143H & #1243H



Bone Spring Wells

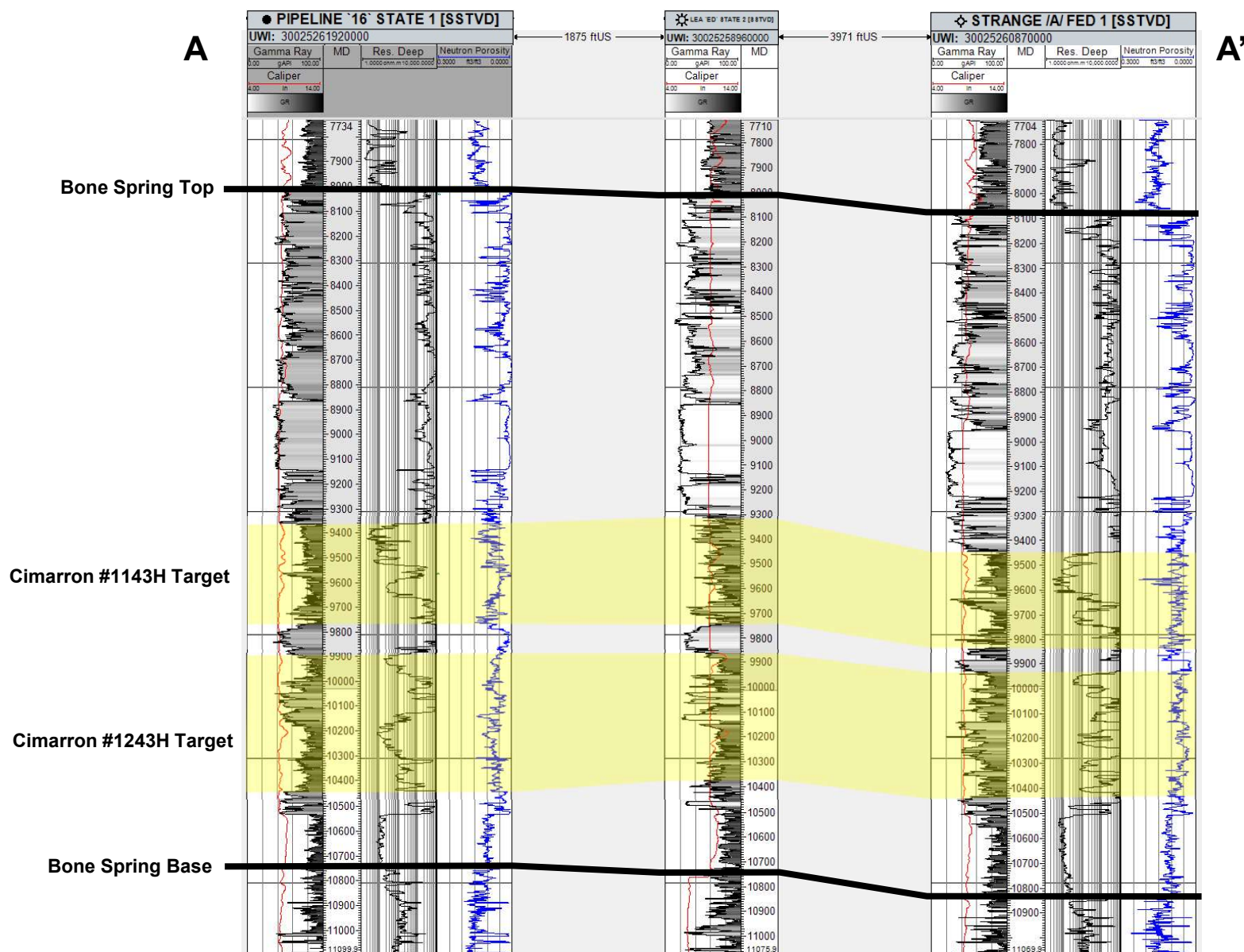


Project Area



C. I. = 50'

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

**Exhibit B-3**

**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**



Michael H. Feldewert

11/27/24

Date



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

April 12, 2024

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

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

**Re: Application of MRC Permian Company for Approval of an Overlapping  
Horizontal 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](mailto:hawks.holder@matadorresources.com).

Sincerely,

Michael H. Feldewert  
**ATTORNEY FOR MRC PERMIAN COMPANY**

**Location**  
110 North Guadalupe, Suite 1  
Santa Fe, NM 87501-1849

**Mailing Address**  
P.O. Box 2208  
Santa Fe, NM 87504-2208

**Contact**  
p: 505.988.4421 | f: 505.983.6043  
[www.hollandhart.com](http://www.hollandhart.com)

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

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

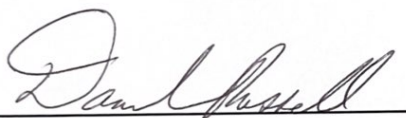


# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

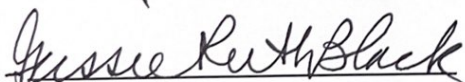
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

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  
January 29, 2027

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

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

LEGAL NOTICE  
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 hold public hearings before a hearing examiner on the following cases. The hearings will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform (sign-in information below) on Thursday, May 2, 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-below>. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-below>. info/ or obtained from Sheila Apodaca, at [Sheila.Apodaca@emnrd.nm.gov](mailto: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](mailto:Sheila.Apodaca@emnrd.nm.gov), or the New Mexico 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=mb94d4cbb59aacc4afa169a437804897c>

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: JxfK9urh47 (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 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.  
#00289292

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