

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

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

CASE NOS. 24778-24783

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

CASE NOS. 24784-24786

**APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3,
LLC FOR COMPULSORY POOLING, AND, TO THE
EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING
SPACING UNIT, LEA COUNTY, NEW MEXICO.**

CASE NOS. 24457, 24459, 24479

**APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3,
LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 24898-24901

NOTICE OF REVISED EXHIBIT PACKAGE

MRC Permian Company, applicant in the above-referenced cases, gives notice that it is filing a revised hearing exhibit packet to include the Matador Rebuttal Exhibit 1, per the instructions of 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 6, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Deana Bennett
Earl E. DeBrine, Jr.
Yarithza Peña
Modrall, Sperling, Roehl, Harris & Sisk, P.A.
Post Office Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800
deana.bennett@modrall.com
earl.debrine@modrall.com
yarithza.pena@modrall.com

Attorneys for Franklin Mountain Energy 3, LLC



Michael H. Feldewert

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING NOVEMBER 20, 2024**

CASE NOS. 24778-24786

*AIRSTRIP 110H, 130H, 119H, 121H-123H &
241H-244H WELLS*

LEA COUNTY, NEW MEXICO



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

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

CASE NOS. 24778-24783

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

CASE NOS. 24784-24786

**HEARING PACKAGE
TABLE OF CONTENTS**

- Compulsory Pooling Application Checklist
- Filed Application
- **Matador Exhibit A:** Self-Affirmed Statement of Isaac Evans, Landman
 - Matador Exhibit A-1: Draft C-102s
 - Matador Exhibit A-2: Tract Map and Ownership
 - Matador Exhibit A-3: Pooled Owners
 - Matador Exhibit A-4: Overlapping Spacing Units
 - Matador Exhibit A-5: Sample Well Proposal Letter
 - Matador Exhibit A-6: Updated AFEs
 - Matador Exhibit A-7: Chronology of Contacts
 - Matador Exhibit A-8: Competing Bone Spring Map
 - Matador Exhibit A-9: Competing Wolfcamp Map
 - Matador Exhibit A-10: Section 30 Ownership Map
 - Matador Exhibit A-11: Letter of Support
 - Matador Exhibit A-12: Email chain between MRC & FME
 - Matador Exhibit A-13: Drilling and Facility Pads
 - Matador Exhibit A-14: Press Release Printout

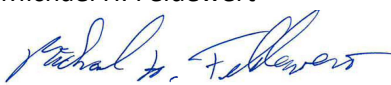
- **Matador Exhibit B:** Self-Affirmed Statement of Andrew Parker, Geologist
 - Matador Exhibit B-1: Locator Map
 - Matador Exhibit B-2: Bone Spring - Subsea Structure Map
 - Matador Exhibit B-3: Bone Spring - Structural Cross Section
 - Matador Exhibit B-4: Wolfcamp – Subsea Structure Map
 - Matador Exhibit B-5: Wolfcamp - Structural Cross Section
 - Matador Exhibit B-6: Diagram of Competing Development Plans
 - Matador Exhibit B-7: Initial Wells Targeted Comparison
 - Matador Exhibit B-8: Diagram of Wellbore Path of FME's Gold State 701
- **Matador Exhibit C:** Self-Affirmed Statement of Tanner Schulz, Engineer
 - Matador Exhibit C-1: Diagram of Competing Development Plans
 - Matador Exhibit C-2: Estimated Second Bone Spring Reserves Analysis
 - Matador Exhibit C-3: Wolfcamp B Well Results Study
 - Matador Exhibit C-4: Wolfcamp B Economics Analysis
 - Matador Exhibit C-5: FME's Gold State 701 Wolfcamp B Well Performance
 - Matador Exhibit C-6: FME and MRC Well Results Analysis
 - Matador Exhibit C-7: Well List and Production Data to Compile C-6
 - Matador Exhibit C-8: Well Results for MRC & FME - FBSG
 - Matador Exhibit C-9: Well List and Production Data to Compile C-8
 - Matador Exhibit C-10: Well Results for MRC & FME – SBSG
 - Matador Exhibit C-11: Well List and Production Data to Compile C-10
 - Matador Exhibit C-12: Well Results for MRC & FME – TBSG
 - Matador Exhibit C-13: Well List and Production Data to Compile C-12
 - Matador Exhibit C-14: Well Results for MRC & FME – WFMP B
 - Matador Exhibit C-15: Well List and Production Data to Compile C-14
 - Matador Exhibit C-16: Well Results for MRC & FME – WFMP D
 - Matador Exhibit C-17: Well List and Production Data to Compile C-16
- **Matador Exhibit D:** Self-Affirmed Statement of Notice
- **Matador Exhibit E:** Affidavit of Publication
- **Matador Rebuttal Exhibit 1:** Marathon/Catena Term Assignment

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24778	APPLICANT'S RESPONSE
Date: 11/20/24	
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:	Franklin Mountain Energy 3, LLC
Well Family	Airstrip
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:	Airstrip; Bone Spring (960)
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	313.68-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South U-turn
Description: TRS/County	Lots 1-4 and E2W2 of Section 30, T18S, R35E, 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
Other Situations	
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-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Airstrip State Com 110H (API No. pending) SHL: 153' FNL & 984' FWL (Lot 1) of Sec. 30, T18S, R35E BHL: -100' FNL & 1980' FWL (Unit C) of Sec. 30, T18S, R34E Completion Target: Bone Spring formation Well Orientation: North-South U-turn Completion Location expected to be: Standard
Well #2	Airstrip State Com 130H (API No. pending) SHL: 183' FNL & 984' FWL (Lot 1) of Sec. 30, T18S, R35E BHL: 100' FNL & 1980' FWL (Unit C) of Sec. 30, T18S, 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-1
Completion Target (Formation, TVD and MD)	Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See filed Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibits A-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6

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-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits A-1, 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 provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	13-Nov-24

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24779	APPLICANT'S RESPONSE
Date: 11/20/24	
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:	Franklin Mountain Energy 3, LLC
Well Family	Airstrip
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:	Airstrip; Bone Spring (960)
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 30, T18S, R35E, 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
Other Situations	
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-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Airstrip State Com 119H (API No. pending) SHL: 214' FNL & 1133' FEL (Unit A) of Sec. 30, T18S, R35E BHL: 100' FNL & 1980' FEL (Unit B) of Sec. 30, T18S, 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-1
Completion Target (Formation, TVD and MD)	Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See filed Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
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-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits A-1, 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 provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	13-Nov-24

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24780	APPLICANT'S RESPONSE
Date: 11/20/24	
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:	Franklin Mountain Energy 3, LLC
Well Family	Airstrip
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:	Airstrip; Bone Spring (960)
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	307.96-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	Lots 1-4 (W2W2 equivalent) of irregular Sections 30 and 31, T18S, R35E, 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
Other Situations	
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-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Airstrip State Com 121H (API No. pending) SHL: 153' FNL & 1031' FWL (Lot 1) of Sec. 30, T18S, R35E BHL: 100' FSL & 660' FWL (Lot 4) of Sec. 31, T18S, R34E Completion Target: Bone Spring formation Well Orientation: North-South Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See filed Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
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-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits A-1, 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 provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	13-Nov-24

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24781	APPLICANT'S RESPONSE
Date: 11/20/24	
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:	Franklin Mountain Energy 3, LLC
Well Family	Airstrip
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:	Airstrip; Bone Spring (960)
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	E2W2 of Sections 30 and 31, T18S, R35E, NMPPM, 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
Other Situations	
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-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Airstrip State Com 122H (API No. pending) SHL: 183' FNL & 1013' FWL (Lot 1) of Sec. 30, T18S, R35E BHL: 100' FSL & 1980' FWL (Unit N) of Sec. 31, T18S, R34E Completion Target: Bone Spring formation Well Orientation: North-South Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See filed Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Revised / Integrating T 12/6/2024 4:31:59 PM	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-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits A-1, 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 provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	13-Nov-24

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24782	APPLICANT'S RESPONSE
Date: 11/20/24	
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:	Franklin Mountain Energy 3, LLC
Well Family	Airstrip
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:	Airstrip; Bone Spring (960)
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	W2E2 of Sections 30 and 31, T18S, R35E, NMPPM, 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
Other Situations	
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-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Airstrip State Com 123H (API No. pending) SHL: 185' FNL & 1133' FEL (Unit A) of Sec. 30, T18S, R35E BHL: 100' FSL & 1980' FEL (Unit O) of Sec. 31, T18S, R34E Completion Target: Bone Spring formation Well Orientation: North-South Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See filed Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2

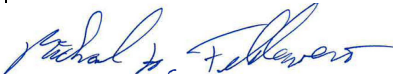
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
A-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits A-1, 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 provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	13-Nov-24

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24783	APPLICANT'S RESPONSE
Date: 11/20/24	
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:	Franklin Mountain Energy 3, LLC
Well Family	Airstrip
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Airstrip; Wolfcamp [970]
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	307.96-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	Lots 1-4 (W2W2 equivalent) of irregular Sections 30 and 31, T18S, R35E, 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
Other Situations	
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-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Airstrip State Com 241H (API No. pending) SHL: 153' FNL & 904' FWL (Lot 1) of Sec. 30, T18S, R35E BHL: 100' FSL & 660' FWL (Lot 4) of Sec. 31, T18S, R34E Completion Target: Wolfcamp formation Well Orientation: North-South Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See filed Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-4
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation with rationale	Exhibit B

Target Formation	Exhibit B
HSU Cross Section	Exhibit B-5
Depth Severance Discussion	N/A
Forms, Figures and Tables	
A-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits A-1, B-4
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-4
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	13-Nov-24

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24784	APPLICANT'S RESPONSE
Date: 11/20/24	
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 Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Franklin Mountain Energy 3, LLC
Well Family	Airstrip
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Airstrip; Wolfcamp [970]
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	E2W2 of Sections 30 and 31, T18S, R35E, NMPPM, 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
Other Situations	
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-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Airstrip State Com 242H (API No. pending) SHL: 183' FNL & 904' FWL (Lot 1) of Sec. 30, T18S, R35E BHL: 100' FSL & 1980' FWL (Unit N) of Sec. 31, T18S, R34E Completion Target: Wolfcamp formation Well Orientation: North-South Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See filed Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-4
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B

HSU Cross Section	Exhibit B-5
Depth Severance Discussion	N/A
Forms, Figures and Tables	
A-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits A-1, B-4
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-4
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	13-Nov-24

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24785	APPLICANT'S RESPONSE
Date: 11/20/24	
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 Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Franklin Mountain Energy 3, LLC
Well Family	Airstrip
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Airstrip; Wolfcamp [970]
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	W2E2 of Sections 30 and 31, T18S, R35E, NMMPM, 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
Other Situations	
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-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Airstrip State Com 243H (API No. pending) SHL: 185' FNL & 1164' FEL (Unit A) of Sec. 30, T18S, R35E BHL: 100' FSL & 1980' FEL (Unit O) of Sec. 31, T18S, R34E Completion Target: Wolfcamp formation Well Orientation: North-South Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See filed Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-4
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B
Target Formations	Exhibit B

HSU Cross Section	Exhibit B-5
Depth Severance Discussion	N/A
Forms, Figures and Tables	
A-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits A-1, B-4
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-4
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	13-Nov-24

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24786	APPLICANT'S RESPONSE
Date: 11/20/24	
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 Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Franklin Mountain Energy 3, LLC
Well Family	Airstrip
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Airstrip; Wolfcamp [970]
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	E2E2 of Sections 30 and 31, T18S, R35E, 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
Other Situations	
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-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Airstrip State Com 244H (API No. pending) SHL: 214' FNL & 1164' FEL (Unit A) of Sec. 30, T18S, R35E BHL: 110' FSL & 660' FEL (Unit P) of Sec. 31, T18S, R34E Completion Target: Wolfcamp formation Well Orientation: North-South Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See filed Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit c
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-4
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B

Target Formation	Exhibit B
HSU Cross Section	Exhibit B-5
Depth Severance Discussion	N/A
Forms, Figures and Tables	
A-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits A-1, B-4
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-4
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	13-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. 24778

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 313.68-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W2 equivalent of irregular Section 30, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted 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 horizontal well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Airstrip State Com 110H** and **Airstrip State Com 130H** “u-turn” wells, to be horizontally drilled from a surface location in the NW4 of Section 30, with first take points in the NE4NW4 (Unit C) and last take points in the NW4NW4 equivalent (Lot 1) of irregular Section 30.

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

- A proposed 307.96-acre spacing unit comprised of the W2W2 equivalent of irregular Sections 30 and 31 to be dedicated to Applicant's proposed Airstrip State Com 121H well.
- A proposed 320-acre spacing unit comprised of the E2W2 of Sections 30 and 31 to be dedicated to Applicant's proposed Airstrip State Com 122H well.

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

6. The pooling of this horizontal well spacing unit 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 the September 10, 2024, special hearing docket, 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 interest owners therein;
- B. Designating Matador Production Company as operator of this 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% charge 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 313.68-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of W2 of irregular Section 30, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Airstrip State Com 110H** and **Airstrip State Com 130H** “u-turn” wells to be horizontally drilled from a surface location in the NW4 of Section 30, with first take points in the NE4NW4 (Unit C) and last take points in the NW4NW4 equivalent (Lot 1) of irregular Section 30. This spacing unit will overlap the following proposed spacing units:

- A 307.96-acre spacing unit comprised of the W2W2 equivalent of irregular Sections 30 and 31 to be dedicated to Applicant’s proposed Airstrip State Com 121H well.
- A 320-acre spacing unit comprised of the E2W2 of Sections 30 and 31 to be dedicated to Applicant’s proposed Airstrip State Com 122H well.

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 proposed spacing unit, and a 200% charge for risk involved in drilling the wells. The subject area is located approximately 20 miles west of Hobbs, 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 NO. 24779

APPLICATION

MRC Permian Company (“MRC” or “Applicant”), through undersigned attorneys, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the E2 of Section 30, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted 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 horizontal well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Airstrip State Com 119H** “u-turn” well, to be horizontally drilled from a surface location in the NE4 of Section 30, with a first take point in the NW4NE4 (Unit B) and a last take point in the NE4NE4 (Unit A) of Section 30.
4. This proposed horizontal well spacing unit will overlap the following existing or proposed spacing units in the Bone Spring formation:

- A 160-acre spacing unit comprised of E2E2 of Section 30 dedicated to the Albatross State Com 1H well (30-025-41809) operated by Matador Production Company and assigned to the Airstrip; Bone Spring [960].
- A 160-acre spacing unit comprised of W2E2 of Section 30, dedicated to the Albatross State Com 2H (30-025-41544) operated by Matador Production Company and assigned to the Airstrip; Bone Spring [960].
- A proposed 320-acre spacing unit comprised of the W2E2 of Sections 30 and 31 to be dedicated to Applicant's proposed Airstrip State Com 123H well.

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

6. The pooling of this horizontal well spacing unit 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 the September 10, 2024, special hearing docket 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 interest owners therein;
- B. Designating Matador Production Company as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;

- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
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 30, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Airstrip State Com 119H** “u-turn” well to be horizontally drilled from a surface location in the NE4 of Section 30, with a first take point in the NW4NE4 (Unit B) and a last take point in the NE4NE4 (Unit A) of Section 30. This proposed horizontal well spacing unit will overlap the following existing or proposed spacing units in the Bone Spring formation:
- A 160-acre spacing unit comprised of E2E2 of Section 30 dedicated to the Albatross State Com 1H well (30-025-41809) operated by Matador Production Company and assigned to the Airstrip; Bone Spring [960].
 - A 160-acre spacing unit comprised of W2E2 of Section 30, dedicated to the Albatross State Com 2H (30-025-41544) operated by Matador Production Company and assigned to the Airstrip; Bone Spring [960].
 - A proposed 320-acre spacing unit comprised of the W2E2 of Sections 30 and 31 to be dedicated to Applicant’s proposed Airstrip State Com 123H well.

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 20 miles west of Hobbs, 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 NO. 24780

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 307.96-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W2W2 equivalent of irregular Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted 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 horizontal well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Airstrip State Com 121H** well, to be horizontally drilled from a surface location in the NW4 of Section 30, with a first take point in the NW4NW4 equivalent (Lot 1) of irregular Section 30 and a last take point in the SW4SW4 equivalent (Lot 4) of irregular Section 31.
4. This proposed horizontal well spacing unit will overlap the following existing or proposed spacing units:

- An existing 154.28-acre spacing unit comprised of the W2W2 equivalent (Lots 1-4) of irregular Section 31, dedicated to the Airstrip 31-18S-35E RN State Com 111H (30-025-45025) and Airstrip 31-18S-35E RN State Com #131H (API: 30-025-44509) wells operated by Matador Production Company and assigned to the Airstrip; Bone Spring Pool [960].
- A proposed 313.68-acre horizontal well spacing unit comprised of the W2 equivalent of irregular Section 30 to be dedicated to Applicant's proposed Airstrip State Com 110H and 130H "u-turn" wells.

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

6. The pooling of this horizontal well spacing unit 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 the September 10, 2024, special docket, 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 interest owners 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 well;

- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
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 307.96-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of W2W2 equivalent of irregular Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Airstrip State Com 121H** well, to be horizontally drilled from a surface location in the NW4 of Section 30, with a first take point in the NW4NW4 equivalent (Lot 1) of irregular Section 30 and a last take point in the SW4SW4 equivalent (Lot 4) of irregular Section 31. This proposed horizontal well spacing unit will overlap the following existing or proposed spacing units:

- An existing 154.28-acre spacing unit comprised of the W2W2 equivalent (Lots 1-4) of irregular Section 31, dedicated to the Airstrip 31-18S-35E RN State Com 111H (API: 30-025-45025) and Airstrip 31-18S-35E RN State Com 131H (API: 30-025-44509) wells operated by Matador Production Company and assigned to the Airstrip; Bone Spring [960].
- A proposed 313.68-acre horizontal well spacing unit comprised of the W2 equivalent of irregular Section 30 to be dedicated to Applicant's proposed Airstrip State Com 110H and 130H "u-turn" wells.

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 20 miles west of Hobbs, 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 NO. 24781

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 E2W2 of Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted 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 horizontal well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Airstrip State Com 122H** well, to be horizontally drilled from a surface location in the NW4 of Section 30, with a first take point in the NE4NW4 (Unit C) of Section 30 and a last take point in the SE4SW4 (Unit N) of Section 31.
4. This proposed horizontal well spacing unit will overlap the following existing or proposed spacing units:

- A 160-acre spacing unit comprised of E2W2 of Section 31, dedicated to the Airstrip 31-18S-35E RN State Com 132H (30-025-43816) operated by Matador Production Company and assigned to the Airstrip; Bone Spring [960].
- A proposed 313.68-acre horizontal well spacing unit comprised of the W2 equivalent of irregular Section 30 to be dedicated to Applicant's proposed Airstrip State Com 110H and 130H "u-turn" wells.

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

6. The pooling of this horizontal well spacing unit 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 the September 10, 2024, special docket 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 interest owners therein;
- B. Designating Matador Production Company as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

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

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
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 E2W2 of Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Airstrip State Com 122H** well, to be horizontally drilled from a surface location in the NW4 of Section 30, with a first take point in the NE4NW4 (Unit C) of Section 30 and a last take point in the SE4SW4 (Unit N) of Section 31. This proposed horizontal well spacing unit will overlap the following existing or proposed spacing units:

- 160-acre spacing unit comprised of E2W2 of Section 31, dedicated to the Airstrip 31-18S-35E RN State Com 132H (API: 30-025-43816) operated by Matador Production Company and assigned to the Airstrip; Bone Spring [960].
- A proposed 313.68-acre horizontal well spacing unit comprised of the W2 equivalent of irregular Section 30 to be dedicated to Applicant's proposed Airstrip State Com 110H and 130H "u-turn" wells.

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 20 miles west of Hobbs, 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 NO. 24782

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 W2E2 of Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted 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 horizontal well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Airstrip State Com 123H** well, to be horizontally drilled from a surface location in the NE4 of Section 30, with a first take point in the NW4NE4 (Unit B) of Section 30 and a last take point in the SW4SE4 (Unit O) of Section 31.
4. This proposed horizontal well spacing unit will overlap the following existing or proposed spacing units in the Bone Spring formation:

- A 160-acre spacing unit comprised of W2E2 of Section 30, dedicated to the Albatross State Com 2H (30-025-41544) operated by Matador Production Company and assigned to the Airstrip; Bone Spring [960].
- A 160-acre spacing unit comprised of W2E2 of Section 31, dedicated to the Airstrip 31-18S-35E RN State Com 133H (30-025-44323) operated by Matador Production Company and assigned to the Airstrip; Bone Spring [960].
- A proposed 320-acre spacing unit comprised of the E2 of Section 30 to be dedicated to Applicant's proposed Airstrip State Com 119H "u-turn" well.

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

6. The pooling of this horizontal well spacing unit 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 the September 10, 2024, special hearing docket 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 interest owners therein;
- B. Designating Matador Production Company as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;

- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
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 W2E2 of Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Airstrip State Com 123H** well, to be horizontally drilled from a surface location in the NE4 of Section 30, with a first take point in the NW4NE4 (Unit B) of Section 30 and a last take point in the SW4SE4 (Unit O) of Section 31. This proposed horizontal well spacing unit will overlap the following existing or proposed spacing units in the Bone Spring formation:

- A 160-acre spacing unit comprised of W2E2 of Section 30, dedicated to the Albatross State Com 2H (30-025-41544) operated by Matador Production Company and assigned to the Airstrip; Bone Spring [960].
- A 160-acre spacing unit comprised of W2E2 of Section 31, dedicated to the Airstrip 31-18S-35E RN State Com 133H (30-025-44323) operated by Matador Production Company and assigned to the Airstrip; Bone Spring [960].
- A proposed 320-acre spacing unit comprised of the E2 of Section 30 to be dedicated to Applicant's proposed Airstrip State Com 119H "u-turn" well.

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 20 miles west of Hobbs, 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 NO. 24783

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 307.96-acre, more or less, overlapping horizontal well spacing unit in the Wolfcamp formation comprised of the W2W2 equivalent of irregular Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted 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 horizontal well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Airstrip State Com 241H** well, to be horizontally drilled from a surface location in the NW4 of Section 30, with a first take point in the NW4NW4 equivalent (Lot 1) of irregular Section 30 and a last take point in the SW4SW4 equivalent (Lot 4) of irregular Section 31.
4. This proposed horizontal well spacing unit will overlap an existing 154.28-acre spacing unit comprised of the W2W2 equivalent of irregular Section 31 dedicated to the Airstrip

31-18S-35E RN State Com 201H (30-025-43395) operated by Matador Production Company and assigned to the Airstrip; Wolfcamp Pool [970].

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

6. The pooling of this horizontal well spacing unit 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 the September 10, 2024, special hearing docket, 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 interest owners therein;
- B. Designating Matador Production Company as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
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 307.96-acre, more or less, overlapping horizontal well spacing unit in the Wolfcamp formation comprised of W2W2 equivalent of irregular Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Airstrip State Com 241H** well, to be horizontally drilled from a surface location in the NW4 of Section 30, with a first take point in the NW4NW4 equivalent (Lot 1) of irregular Section 30 and a last take point in the SW4SW4 equivalent (Lot 4) of irregular Section 31. This proposed horizontal well spacing unit will overlap an existing 154.28-acre spacing unit comprised of the W2W2 equivalent of irregular Section 31 dedicated to the Airstrip 31-18S-35E RN State Com 201H (30-025-43395) operated by Matador Production Company and assigned to the Airstrip; Wolfcamp Pool [970]. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 20 miles west of Hobbs, New Mexico.

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

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

CASE NO. 24784

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 pooling a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the E2W2 of Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Airstrip State Com 242H** well, to be horizontally drilled from a surface location in the NW4 of Section 30, with a first take point in the NE4NW4 (Unit C) of Section 30 and a last take point in the SE4SW4 (Unit N) of Section 31.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

5. The pooling of this horizontal well spacing unit 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 the September 10, 2024, special docket and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the horizontal well spacing unit and pooling all uncommitted interest owners therein;
- B. Designating Matador Production Company as operator of this horizontal spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
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 Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the E2W2 of Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **Airstrip State Com 242H** well, to be horizontally drilled from a surface location in the NW4 of Section 30, with a first take point in the NE4NW4 (Unit C) of Section 30 and a last take point in the SE4SW4 (Unit N) of Section 31. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 20 miles west of Hobbs, New Mexico.

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

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

CASE NO. 24785

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 pooling a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the W2E2 of Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Airstrip State Com 243H** well, to be horizontally drilled from a surface location in the NE4 of Section 30, with a first take point in the NW4NE4 (Unit B) of Section 30 and a last take point in the SW4SE4 (Unit O) of Section 31.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

5. The pooling of this horizontal well spacing unit 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 the September 10, 2024, special hearing docket and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the horizontal well spacing unit and pooling all uncommitted interest owners therein;
- B. Designating Matador Production Company as operator of this horizontal spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
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 Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the W2E2 of Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **Airstrip State Com 243H** well, to be horizontally drilled from a surface location in the NE4 of Section 30, with a first take point in the NW4NE4 (Unit B) of Section 30 and a last take point in the SW4SE4 (Unit O) of Section 31. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 20 miles west of Hobbs, New Mexico.

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

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

CASE NO. 24786

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 pooling all uncommitted interests in a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the E2E2 of Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal well spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Airstrip State Com 244H** well, to be horizontally drilled from a surface location in the NE4 of Section 30, with a first take point in the NE4NE4 (Unit A) of Section 30 and a last take point in the SE4SE4 (Unit P) of Section 31.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

5. The pooling of this horizontal well spacing unit 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 the September 10, 2024, special hearing docket and after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interest owners in the proposed horizontal well spacing unit;
- B. Designating Matador Production Company as operator of this horizontal spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
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 Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the E2E2 of Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **Airstrip State Com 244H** well, to be horizontally drilled from a surface location in the NE4 of Section 30, with a first take point in the NE4NE4 (Unit A) of Section 30 and a last take point in the SE4SE4 (Unit P) of Section 31. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the proposed well. The subject area is located approximately 20 miles west of Hobbs, New Mexico.

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

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

Case Nos. 24778-24783

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

Case Nos. 24784-24786

**APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3, LLC
FOR COMPULSORY POOLING AND, TO THE EXTENT NECESSARY,
APPROVAL OF OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO**

Case Nos. 24457, 24459, and 24479

**APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3, LLC
FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO**

Case Nos. 24898-24901

SELF-AFFIRMED STATEMENT OF ISAAC EVANS, LANDMAN

1. My name is Isaac Evans and I work for MRC Energy Company, an affiliate of MRC Permian Company ("MRC"), as a Vice President of Land.
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 applications filed by MRC in these consolidated cases and I am familiar with the status of the lands in the subject area.

4. In these consolidated cases, MRC seeks to pool standard horizontal well spacing units for the Bone Spring and Wolfcamp formations underlying Sections 30 and 31, Township 18 South, Range 35 East, Lea County, New Mexico, as follows:

- Under **Case 24778**, MRC seeks to pool a standard 313.68-acre, more or less, horizontal spacing unit in the Bone Spring formation underlying the W/2 of Section 30, for the proposed **Airstrip State Com #110H and #130H** u-turn wells. This proposed spacing unit overlaps with the proposed spacing in Matador's Case Nos. 24780 and 24781.
- Under **Case 24779**, MRC seeks to pool a standard 320-acre, more or less, horizontal spacing unit in the Bone Spring formation underlying the E/2 of Section 30, for the proposed **Airstrip State Com #119H** u-turn well. This proposed spacing unit overlaps with (i) the existing spacing unit comprised of the E/2 E/2 of Section 30 and dedicated to the Albatross State Com 1H (API 30-025-41809), (ii) the existing spacing unit comprised of the W/2 E/2 of Section 30 and dedicated to the Albatross State Com 2H (API 30-025-41544), and (iii) the proposed spacing in Matador's Case No. 24782.
- Under **Case 24780**, MRC seeks to pool a standard 307.96-acre, more or less, horizontal spacing unit in the Bone Spring formation underlying the W/2 W/2 of Sections 30 and 31, for the proposed **Airstrip State Com #121H** well. This proposed spacing unit overlaps with (i) the existing spacing unit comprised of the W/2 W/2 of Section 31 and dedicated to the Airstrip 31-18S-35E RN State Com #111H (API 30-025-45025) and Airstrip 31-18S-35E RN State Com #131H (API 30-025-44509); and (ii) the proposed spacing in Matador's Case No. 24778.
- Under **Case 24781**, MRC seeks to pool a standard 320-acre, more or less, horizontal spacing unit in the Bone Spring formation underlying the E/2 W/2 of Sections 30 and 31, for the proposed **Airstrip State Com #122H** well. This proposed spacing unit overlaps with (i) the existing spacing unit comprised of the E/2 W/2 of Section 31 and dedicated to the Airstrip 31-18S-35E RN State Com #132H (API 30-025-43816), and (ii) the proposed spacing unit in Matador's Case No. 24778.
- Under **Case 24782**, MRC seeks to pool a standard 320-acre, more or less, horizontal spacing unit in the Bone Spring formation underlying the W/2 E/2 of Sections 30 and 31, for the proposed **Airstrip State Com #123H** well. This proposed spacing unit overlaps with (i) the existing spacing unit comprised of the W/2 E/2 of Section 30 and dedicated to the Albatross State Com 2H (API 30-025-41544), (ii) the existing spacing unit comprised of the W/2 E/2 of Section 31 and dedicated to the Airstrip 31-18S-35E RN

State Com #133H (API 30-025-44323), and (iii) the proposed spacing in Matador's Case No. 24779.

- Under **Case 24783**, MRC seeks to pool a standard 307.96-acre, more or less, horizontal spacing unit in the Wolfcamp formation underlying the W/2 W/2 of Sections 30 and 31, for the proposed **Airstrip State Com #241H** well. This proposed spacing unit overlaps with the existing spacing unit comprised of the W/2 W/2 of Section 31 and dedicated to the Airstrip 31-18S-35E RN State Com #201H (API 30-025-43395).
- Under **Case 24784**, MRC seeks to pool a standard 320-acre, more or less, horizontal spacing unit in the Wolfcamp formation underlying the E/2 W/2 of Sections 30 and 31, for the proposed **Airstrip State Com #242H** well.
- Under **Case 24785**, MRC seeks to pool a standard 320-acre, more or less, horizontal spacing unit in the Wolfcamp formation underlying the W/2 E/2 of Sections 30 and 31, for the proposed **Airstrip State Com #243H** well.
- Under **Case 24786**, MRC seeks to pool a standard 320-acre, more or less, horizontal spacing unit in the Wolfcamp formation underlying the E/2 E/2 of Sections 30 and 31, for the proposed **Airstrip State Com #244H** well.

5. MRC's title information does not show any depth severances within either the Bone Spring or Wolfcamp formation underlying the subject acreage, although there are some ownership differences between the Bone Spring and Wolfcamp, as shown in the exhibits included in MRC Exhibit A-3.

6. **MRC Exhibit A-1** contains draft Form C-102s for the MRC initial wells in the subject acreage starting with the Bone Spring formation. MRC understands the Bone Spring wells will be placed in the Airstrip; Bone Spring [960]. MRC understands that the Wolfcamp wells will be placed in the Airstrip; Wolfcamp [970].

7. 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.

8. **MRC Exhibit A-2** identifies for each case the tracts of land comprising the subject acreage. As shown on MRC Exhibit A-2, some of the proposed spacing units are entirely state

acreage and some are a mix of state and fee acreage. Also included in MRC Exhibit A-2, behind each tract map, are breakdowns showing the ownership in each tract on a tract-by-tract basis. Separate tract information is provided for the Bone Spring and Wolfcamp cases, with each case number depicted at the top of the charts.

9. **MRC Exhibit A-3** identifies for each case the working interest owners MRC seeks to pool and their respective ownership interest in each of the proposed horizontal spacing units. Exhibit A-3 also contains a list of the overriding royalty interest owners that MRC seeks to pool in each case.

10. As shown in Exhibit A-3, MRC controls the following working interest percentage in each of its applications in these cases:

Case No.	Well Name	MRC Working Interest Control	Franklin Mountain Working Interest
24778	Airstrip State Com #110 and #130	61.25%	38.75%
24779	Airstrip State Com #119	61.25%	38.75%
24780	Airstrip State Com #121	79.14%	19.34%
24781	Airstrip State Com #122	79.10%	19.38%
24782	Airstrip State Com #123	78.35%	19.38%
24783	Airstrip State Com #241	79.14%	19.34%
24784	Airstrip State Com #242	79.10%	19.38%
24785	Airstrip State Com #243	79.10%	19.38%
24786	Airstrip State Com #244	79.10%	19.38%

11. **MRC Exhibit A-4** contains maps showing the overlapping spacing units requested by MRC in these cases that overlap with existing wells. In each instance involving an overlapping spacing unit, and with the exception of the two owners discussed in Paragraph 12 below, MRC provided notice to both the working interest owners in the existing wells as well the working interest owners that MRC seeks to pool in the relevant present case, along with the New Mexico State Land Office.

12. MRC recently discovered two working interest owners in Section 31 that we had not previously sent well proposals or provided notice of this hearing; specifically, (i) Louise Kadane and Michael L Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March

1, 1970, at the request of Edward G. Kadane, II, and (ii) Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane. MRC will promptly send well proposals to both additional working interest owners and attempt to contact and reach an agreement with both owners. If we are unable to reach an agreement with either owner, MRC will seek to have them added to the pooling orders in the applicable cases.

13. **MRC Exhibit A-5** contains a sample of the form of well proposal letter that was sent to the working interest owners MRC seeks to pool.

14. In connection with preparing for this hearing, MRC's team updated the AFEs that were sent with the original well proposal letter to reflect current estimated costs. A copy of the letter and updated AFEs for MRC's proposed initial wells in these cases is provided as **MRC Exhibit A-6**. The costs reflected in these AFEs are consistent with what MRC and other operators are incurring for drilling similar horizontal wells in the area in the subject formation.

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

16. **MRC Exhibit A-7** contains a general summary of the communications with each of the remaining uncommitted working interest owners. As shown on this exhibit, in addition to sending the well proposal letters, MRC has made contact with and had discussions with each of the working interest owners that MRC seeks to pool in these cases and undertaken good faith efforts to reach a voluntary agreement. As mentioned in Paragraph 12 above, there are two additional parties that MRC recently discovered that MRC will continue efforts to contact.

17. MRC has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that MRC seeks to pool as well as the parties to be sent notice for

overlapping units and instructed that they be notified of this hearing. MRC has conducted a diligent search of all public records in the county where the property is located, including conducting computer searches to attempt to locate contact information for each interest owner.

Analysis of Competing Cases

18. As referenced above, MRC's applications seek to develop Sections 30 and 31 with a combination of two-mile wells and one-mile "u-turn" wells in a development plan that accounts for the ten existing horizontal wells already operated by MRC in those sections.

19. Franklin Mountain Energy 3, LLC ("Franklin Mountain") has filed competing cases in Case Nos. 24457, 24459, and 24479 and 24898-24901, in which Franklin Mountain seeks to create (i) three-mile Bone Spring spacing units in Sections 18, 19 and 30, and (ii) two-mile Wolfcamp units in Sections 19 and 30 for its proposed Rope project. Franklin Mountain currently operates four existing horizontal Bone Spring wells in Section 19.

20. A map showing the competing development plans of MRC and Franklin Mountain in the Bone Spring formation is attached as **MRC Exhibit A-8**. This map also shows the location of the existing horizontal wells, and notes the operator of those wells, in the relevant acreage.

21. A map showing the competing development plans of MRC and Franklin Mountain in the Wolfcamp formation is attached as **MRC Exhibit A-9**. This map also shows the location of the existing horizontal wells, and notes the operator of those wells, in the relevant acreage.

22. MRC believes there are many reasons why MRC's applications should be approved and Franklin Mountain's applications should be denied in these cases. I will be focusing on the land-related reasons.

MRC'S Majority Working Interest Control in the Overlapping Section 30

23. As shown on MRC Exhibits A-8 and A-9, for both the Bone Spring and Wolfcamp formations, MRC's and Franklin Mountain's competing development plans overlap in Section 30 but in no other sections.

24. **MRC Exhibit A-10** contains a map showing the overlapping Section 30, the lease tracts and record title ownership of the two state leases in the section, and the working interest ownership in Section 30.

25. As shown in MRC Exhibit A-10, there are only three working interest owners in Section 30: (i) MRC, which owns 58.75% of the working interest, (ii) Axis Energy Corporation, which owns 2.5% of the working interest, and (iii) Franklin Mountain, which owns 38.75% of the working interest.

26. MRC has discussed these competing development plans with Axis Energy Corporation and Axis Energy Corporation has signed MRC's JOAs and also submitted a letter of support in favor of MRC's development plan, which is attached as **MRC Exhibit A-11**.

27. Accordingly, through MRC's and Axis Energy Corporation's working interest, MRC has 61.25% of the working interest in Section 30 committed to MRC's development plan. Franklin Mountain, on the other hand, has only 38.75% of the working interest in Section 30 committed to its development plan.

28. In addition, Section 30 is comprised of two State leases. MRC has record title to one of the two State leases (State Lease No. VB-2312-2). MRC has acquired record title to the second State lease in Section 30 (State Lease No. V0-9145-1), which record title assignment has

been submitted to the New Mexico State Land Office for review and approval but has not yet been approved.

29. Further, Exhibit A-10 shows that there are already two existing horizontal wells in Section 30, both of which are operated by MRC.

Franklin Mountain Has Not Engaged in Good Faith Negotiations

30. MRC has worked in good faith in an attempt to find a solution with Franklin Mountain to resolve these competing development plans. However, Franklin Mountain has apparently been uninterested in engaging in any meaningful discussions with MRC.

31. Attached as **MRC Exhibit A-12** is an email chain between myself and Franklin Mountain's Director of Land, Lee Zink.

32. As shown on MRC Exhibit A-12, on August 21, 2024, I sent a proposed trade offer to Franklin Mountain on behalf of MRC involving acreage in these competing cases, as well as another proposed spacing unit that Franklin Mountain has proposed to operate. I have redacted from this email the specifics of the trade offer for confidentiality purposes, but left in the portions of the email showing that MRC's proposed trade would have allowed for Franklin Mountain to operate Sections 18 and 19 on a two-mile basis, which are involved in these cases, with MRC operating Sections 30 and 31. I later spoke with Mr. Zink, who indicated Franklin Mountain was not interested in MRC's trade proposal. Franklin Mountain never made a counter-offer to MRC.

33. As shown on MRC Exhibit A-13, I later followed up on MRC's trade offer with an email to Mr. Zink on September 25, 2024, where I proposed to Franklin Mountain that, if Franklin Mountain was not interested in MRC's prior trade proposal or sending a counter-offer, then MRC would propose the parties sign mutually-agreed joint-operating agreements where MRC would

operate Sections 30 and 31 and Franklin Mountain would operate Sections 18 and 19. I do not recall receiving any response from Franklin Mountain on this proposed solution.

34. Accordingly, MRC proposed multiple solutions to Franklin Mountain that would have allowed all of the four sections included in these applications to be developed on a two-mile basis where available, with each of MRC and Franklin Mountain operating one of those two project areas—MRC operating Sections 30 and 31 and Franklin Mountain operating Sections 18 and 19. For whatever reason, Franklin Mountain has not been interested in discussing those ideas and has instead insisted on moving forward with Franklin Mountain's applications seeking to also include Section 30 in its development plans where MRC has the majority working interest control and already operates two existing horizontal wells.

MRC's Surface Use is Consistent with the Existing Development in the Area

35. As shown on MRC Exhibits A-8 and A-9, MRC currently operates ten horizontal wells located on the relevant acreage. MRC's drilling pads and facility pads for its proposed Airstrip projects are located in the N/2 N/2 of Section 30, as generally depicted on **MRC Exhibit A-13**. As shown on Exhibit A-13, MRC's two new pads and extension of an existing pad for its proposed Airstrip project are in an area that already has significant oil and gas surface infrastructure in place, with a number of pads lining both sides of the Section line and an existing road leading to those pads.

36. On the other hand, the S/2 S/2 of Section 30, where I understand Franklin Mountain plans to locate its drilling pads, does not appear to contain a similar amount of existing oil and gas infrastructure, as shown on Exhibit A-13.

37. Accordingly, in my opinion, MRC's development plan would result in less surface impact than Franklin Mountain's plan because MRC's proposed surface disturbances are in a corridor on the Section line that has already been developed for oil and gas use.

38. In addition, MRC plans to commingling the production from each of the wells in these cases into one facility. MRC's marketing team has confirmed that either through MRC's existing third-party gas takeaway provider for its wells on this acreage, or through potential additional connections to MRC's midstream affiliate or other third parties, MRC is confident it will have sufficient gas takeaway to be able to execute on its development plans in these applications.

Uncertainty of Whether Franklin Mountain Would Be Operator

39. Attached as **MRC Exhibit A-14** is a printout of a press release issued by Coterra Energy Inc. on November 13, 2014, in which Coterra announced that it has entered into an agreement to acquire certain of Franklin Mountain's assets, among other things.

40. To the extent that Coterra acquires Franklin Mountain's acreage in these cases as part of that deal, it would create a number of uncertainties about the execution of the development plan proposed by Franklin Mountain. Notably, it might mean that Coterra operates the wells instead of Franklin Mountain. In addition, in that event, among other things it is unclear whether Coterra would (i) agree with Franklin Mountain's well selection and spacing, (ii) agree with Franklin Mountain's development plan and timing of development, (iii) have similar AFE costs as Franklin Mountain's AFEs, or (iv) have the rig availability to timely execute on its development plan.

Franklin Mountain's Alternative if MRC's Applications are Granted

41. As discussed above, MRC has proposed multiple options to Franklin Mountain where MRC could operate Sections 30 and 31 as proposed under MRC's application, and Franklin Mountain could operate two-mile wells in Section 18 and 19. This solution would (i) allow MRC to operate Section 30 where MRC has the majority working interest control, (ii) allow each operator to operate those sections where it already has existing producing horizontal wells, and (iii) allow all four sections involved in these cases (Sections 18, 19, 30 and 31) to be developed with two mile wells where existing producing wells allow.

42. In my opinion, Franklin Mountain's proposed development does not account for all these factors. To the contrary, Franklin Mountain has proposed three-mile wells for the Bone Spring, but for some reason proposed shorter two-mile wells in the Wolfcamp, which would exclude Section 18 from the longer-lateral development being proposed.

43. Accordingly, if the Division grants MRC's applications in these cases, Franklin Mountain could file Bone Spring and Wolfcamp applications for two-mile laterals in Section 18 and 19, as MRC previously suggested to Franklin Mountain.

44. **MRC Exhibits A-1 through A-13** were either prepared by me or compiled under my direction and supervision.

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


Isaac Evans

November 13, 2024
Date

EXHIBIT A-1

Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116 Online Phone Directory Visit: https://www.emnrd.nm.gov/ocd/contact-us/	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	C-102 Revised July 9, 2024 Submit Electronically via OCD Permitting	
		Submittal Type:	☐ Initial Submittal
			☐ Amended Report
			☐ As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code 960	Pool Name AIRSTRIP, BONE SPRING
Property Code	Property Name Airstrip State Com	Well Number 110H
OGRID No. 228937	Operator Name Matador Production Company	Ground Level Elevation
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL 1	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 153' FNL	Ft. from E/W 984' FWL	Latitude	Longitude	County LEA
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Bottom Hole Location

UL C	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 1980' FWL	Latitude	Longitude	County LEA
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Dedicated Acres 313.68	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County LEA
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First Take Point (FTP)

UL 1	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 660' FWL	Latitude	Longitude	County LEA
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Last Take Point (LTP)

UL C	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 1980' FWL	Latitude	Longitude	County LEA
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Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☐ Vertical	Ground Floor Elevation:
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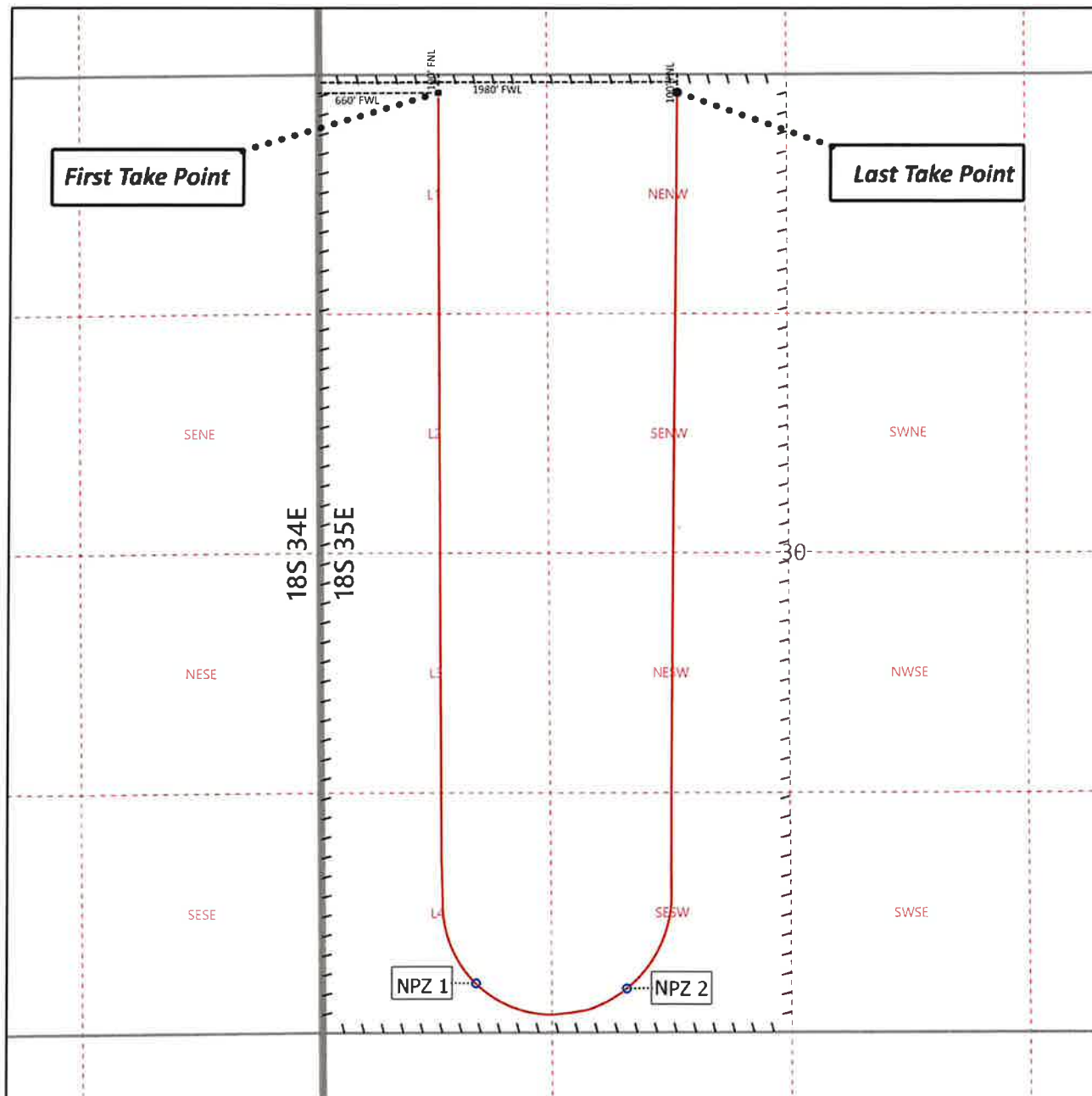
OPERATOR CERTIFICATIONS <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the 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.</i> <i>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.</i> Signature _____ Date _____ Printed Name _____ Email Address _____	SURVEYOR CERTIFICATIONS <i>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.</i> Signature and Seal of Professional Surveyor _____ Certificate Number _____ Date of Survey _____
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Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116 Online Phone Directory Visit: https://www.emnrd.nm.gov/ocd/contact-us/	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	C-102 Revised July 9, 2024 Submit Electronically via OCD Permitting	
		Submittal Type:	☐ Initial Submittal
			☐ Amended Report
		☐ As Drilled	

WELL LOCATION INFORMATION

API Number	Pool Code 960	Pool Name AIRSTRIP, BONE SPRING
Property Code	Property Name Airstrip State Com	Well Number 130H
OGRJD No. 228937	Operator Name Matador Production Company	Ground Level Elevation
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL 1	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 183' FNL	Ft. from E/W 984' FWL	Latitude	Longitude	County LEA
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Bottom Hole Location

UL C	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 1980' FWL	Latitude	Longitude	County LEA
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Dedicated Acres 313.68	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers			Well setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County LEA
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First Take Point (FTP)

UL 1	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 660' FWL	Latitude	Longitude	County LEA
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Last Take Point (LTP)

UL C	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 1980' FWL	Latitude	Longitude	County LEA
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Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☐ Vertical	Ground Floor Elevation:
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OPERATOR CERTIFICATIONS

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.

Signature

Date

Printed Name

Email Address

SURVEYOR CERTIFICATIONS

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 and Seal of Professional Surveyor

Certificate Number

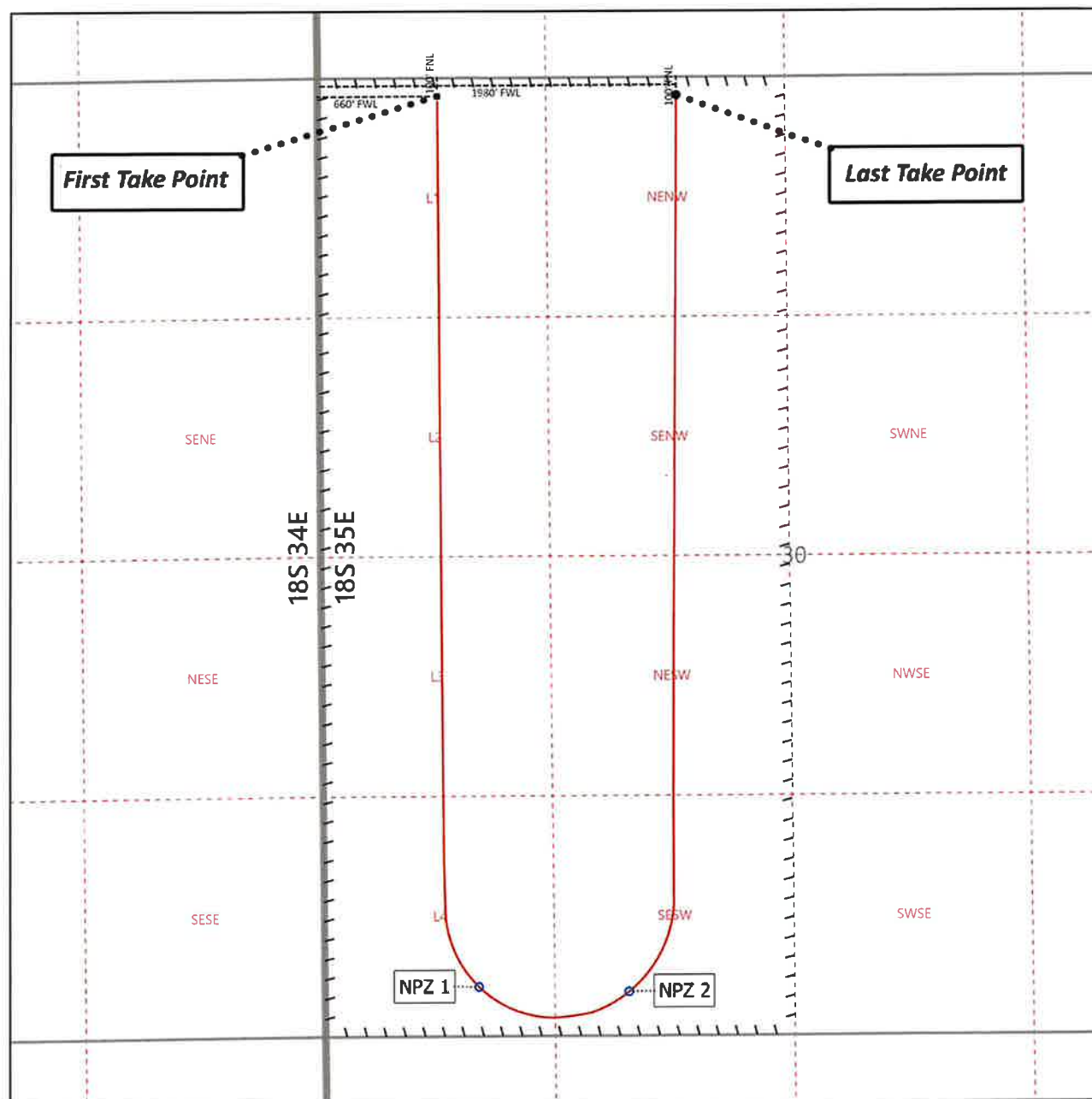
Date of Survey

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116 Online Phone Directory Visit: https://www.emnrd.nm.gov/ocd/contact-us/	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	C-102 Revised July 9, 2024 Submit Electronically via OCD Permitting	
		Submittal Type:	☐ Initial Submittal
			☐ Amended Report
			☐ As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code 960	Pool Name AIRSTRIP, BONE SPRING
Property Code	Property Name Airstrip State Com	Well Number 119H
OGRID No. 228937	Operator Name Matador Production Company	Ground Level Elevation
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL A	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 214' FNL	Ft. from E/W 1133' FEL	Latitude	Longitude	County LEA
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Bottom Hole Location

UL B	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 1980' FEL	Latitude	Longitude	County LEA
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Dedicated Acres 320	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County LEA
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First Take Point (FTP)

UL A	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 660' FEL	Latitude	Longitude	County LEA
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Last Take Point (LTP)

UL B	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 1980' FEL	Latitude	Longitude	County LEA
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Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☐ Vertical	Ground Floor Elevation:
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OPERATOR CERTIFICATIONS

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.

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Signature _____ Date _____

Printed Name _____

Email Address _____

SURVEYOR CERTIFICATIONS

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Signature and Seal of Professional Surveyor _____

Certificate Number _____

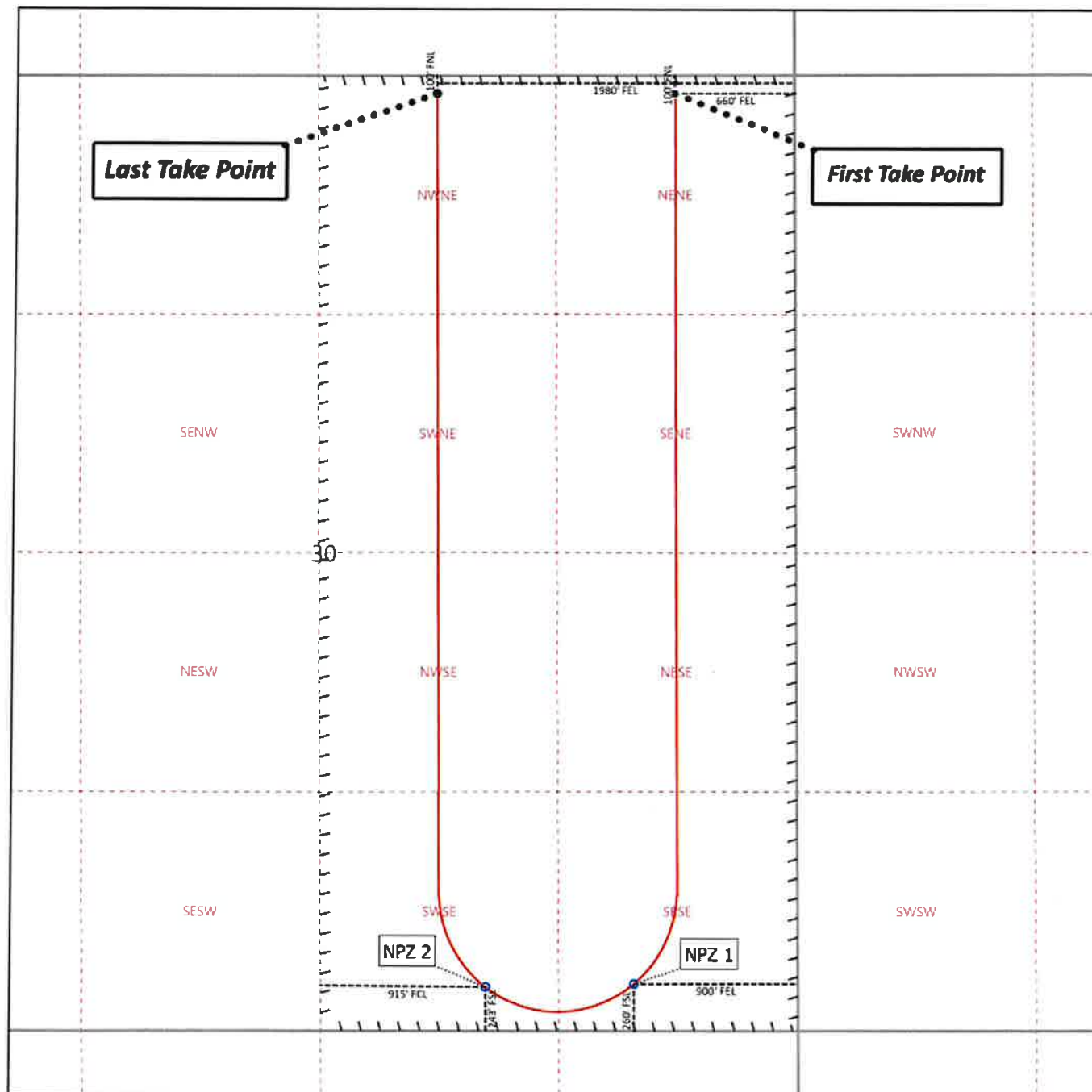
Date of Survey _____

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ACREAGE DEDICATION PLATS

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		Revised July 9, 2024 Submit Electronically via OCD Permitting	
		Submittal Type:	☐ Initial Submittal ☐ Amended Report ☐ As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code 960	Pool Name AIRSTRIP, BONE SPRING
Property Code	Property Name Airstrip State Com	Well Number 121H
OGRID No. 228937	Operator Name Matador Production Company	Ground Level Elevation
Surface Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL 1	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 153' FNL	Ft. from E/W 1013' FWL	Latitude	Longitude	County LEA
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Bottom Hole Location

UL 4	Section 31	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 660' FWL	Latitude	Longitude	County LEA
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Dedicated Acres 307.956	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County LEA
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First Take Point (FTP)

UL 1	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 660' FWL	Latitude	Longitude	County LEA
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Last Take Point (LTP)

UL 4	Section 31	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 660' FWL	Latitude	Longitude	County LEA
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Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☐ Vertical	Ground Floor Elevation:
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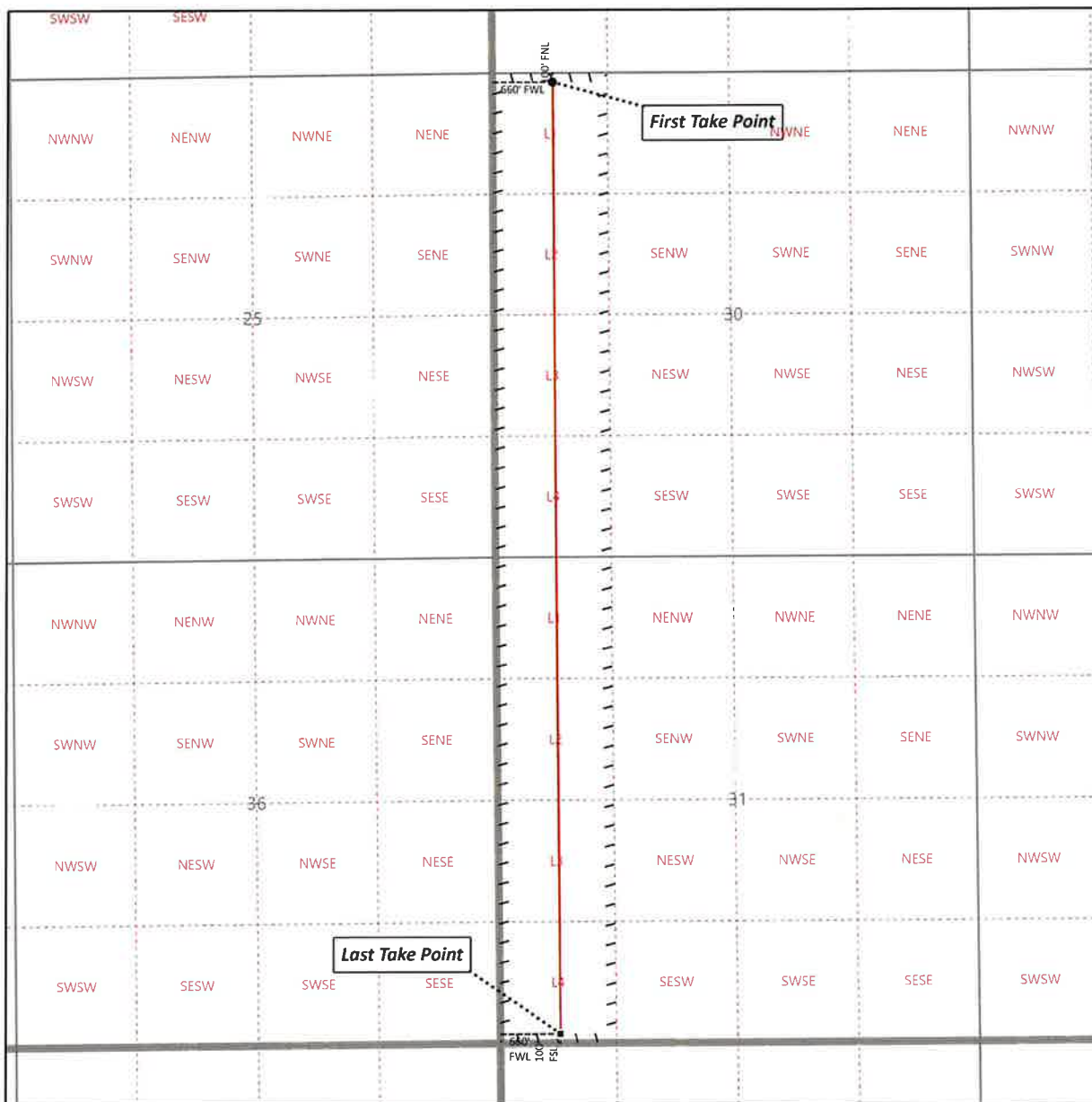
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---	--

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		Submittal Type:	☐ Initial Submittal
			☐ Amended Report
		☐ As Drilled	

WELL LOCATION INFORMATION

API Number	Pool Code 960	Pool Name AIRSTRIP, BONE SPRING
Property Code	Property Name Airstrip State Corn	Well Number 122H
OGRID No. 228937	Operator Name Matador Production Company	Ground Level Elevation
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL 1	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 183' FNL	Ft. from E/W 1013' FWL	Latitude	Longitude	County LEA
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Bottom Hole Location

UL N	Section 31	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 1980' FWL	Latitude	Longitude	County LEA
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Dedicated Acres 320	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County LEA
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First Take Point (FTP)

UL C	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 1980' FWL	Latitude	Longitude	County LEA
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Last Take Point (LTP)

UL N	Section 31	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 1980' FWL	Latitude	Longitude	County LEA
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Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☐ Vertical	Ground Floor Elevation:
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OPERATOR CERTIFICATIONS

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Signature _____ Date _____

Printed Name _____

Email Address _____

SURVEYOR CERTIFICATIONS

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Signature and Seal of Professional Surveyor _____

Certificate Number _____

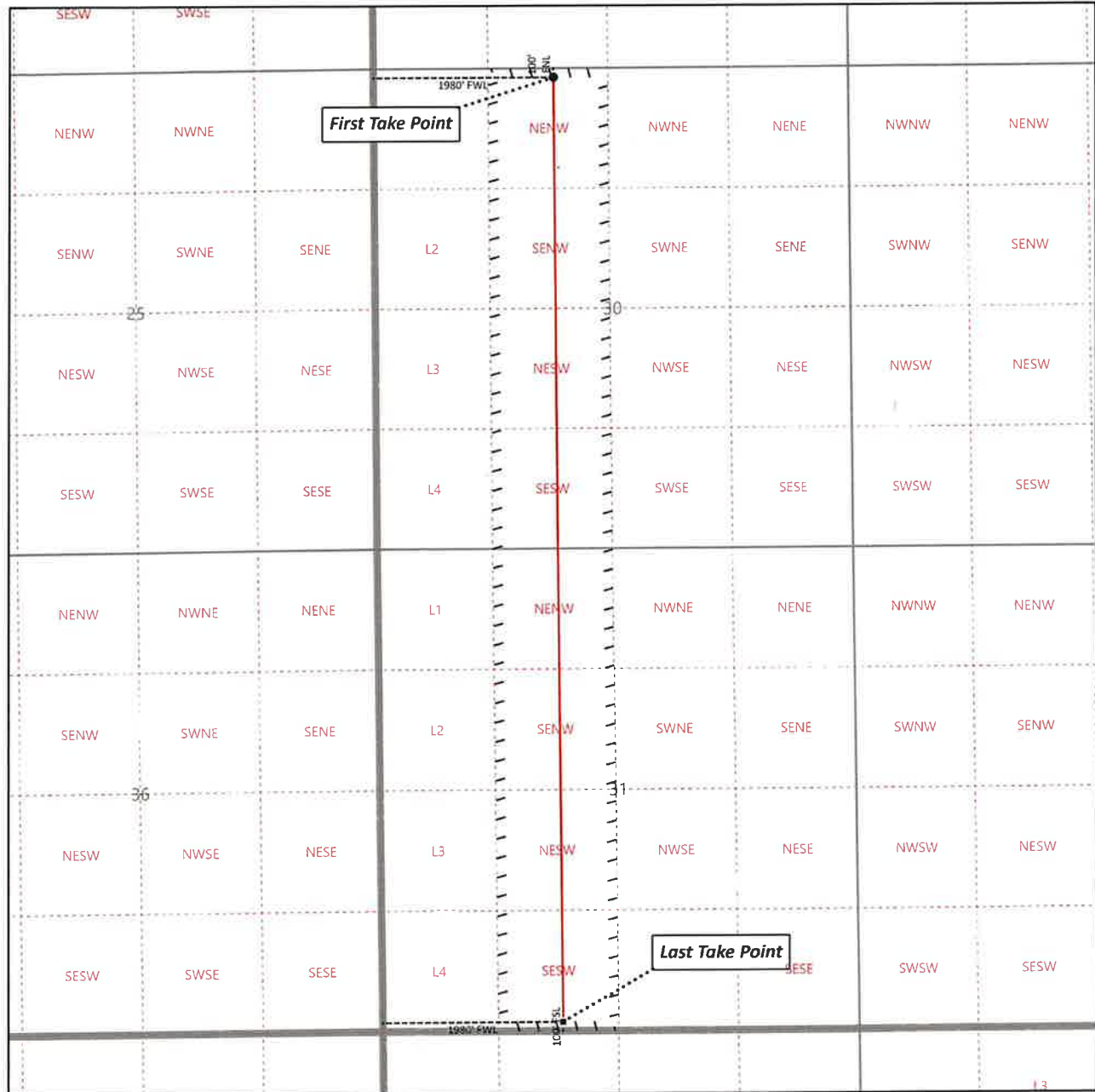
Date of Survey _____

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Online Phone Directory Visit: https://www.emnrd.nm.gov/oed/contact-us/		Submittal Type:	☐ Initial Submittal ☐ Amended Report ☐ As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code 960	Pool Name AIRSTRIP, BONE SPRING	
Property Code	Property Name Airstrip State Com		Well Number 123H
OGRID No. 228937	Operator Name Matador Production Company		Ground Level Elevation
Surface Owner: x State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: x State ☐ Fee ☐ Tribal ☐ Federal	

Surface Location

UL A	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 185' FNL	Ft. from E/W 1133' FEL	Latitude	Longitude	County LEA
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Bottom Hole Location

UL O	Section 31	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 1980' FEL	Latitude	Longitude	County LEA
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Dedicated Acres 320	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers			Well setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County LEA
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First Take Point (FTP)

UL B	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 1980' FEL	Latitude	Longitude	County LEA
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Last Take Point (LTP)

UL O	Section 31	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 1980' FEL	Latitude	Longitude	County LEA
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Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☐ Vertical	Ground Floor Elevation:
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OPERATOR CERTIFICATIONS		SURVEYOR CERTIFICATIONS	
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Signature	Date	Signature and Seal of Professional Surveyor	
Printed Name		Certificate Number	Date of Survey
Email Address			

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[illegible]

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		Submittal Type:	☐ Initial Submittal
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WELL LOCATION INFORMATION

API Number	Pool Code 970	Pool Name AIRSTRIP, WOLFCAMP
Property Code	Property Name Airstrip State Com	Well Number 241H
OGRID No. 228937	Operator Name Matador Production Company	Ground Level Elevation
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL 1	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 153' FNL	Ft. from E/W 904' FWL	Latitude	Longitude	County LEA
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Bottom Hole Location

UL 4	Section 31	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 660' FWL	Latitude	Longitude	County LEA
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Dedicated Acres 307.96	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County LEA
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First Take Point (FTP)

UL 1	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 660' FWL	Latitude	Longitude	County LEA
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Last Take Point (LTP)

UL 4	Section 31	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 660' FWL	Latitude	Longitude	County LEA
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Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☐ Vertical	Ground Floor Elevation:
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WELL LOCATION INFORMATION

API Number	Pool Code 970	Pool Name AIRSTRIP, WOLFCAMP
Property Code	Property Name Airstrip State Com	Well Number 242H
OGRID No. 228937	Operator Name Matador Production Company	Ground Level Elevation
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL I	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 183' FNL	Ft. from E/W 904' FWL	Latitude	Longitude	County LEA
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Bottom Hole Location

UL N	Section 31	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 1980' FWL	Latitude	Longitude	County LEA
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Dedicated Acres 320	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County LEA
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First Take Point (FTP)

UL C	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 1980' FWL	Latitude	Longitude	County LEA
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Last Take Point (LTP)

UL N	Section 31	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 1980' FWL	Latitude	Longitude	County LEA
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Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☐ Vertical	Ground Floor Elevation:
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[illegible]

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WELL LOCATION INFORMATION

API Number	Pool Code 970	Pool Name AIRSTRIP, WOLFCAMP
Property Code	Property Name Airstrip State Com	Well Number 243H
OGRID No. 228937	Operator Name Matador Production Company	Ground Level Elevation
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL A	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 185' FNL	Ft. from E/W 1164' FEL	Latitude	Longitude	County LEA
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Bottom Hole Location

UL O	Section 31	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 1980' FEL	Latitude	Longitude	County LEA
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Dedicated Acres 320	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)

UL A	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County LEA
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First Take Point (FTP)

UL B	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 1980' FEL	Latitude	Longitude	County LEA
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Last Take Point (LTP)

UL O	Section 31	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 1980' FEL	Latitude	Longitude	County LEA
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Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☐ Vertical	Ground Floor Elevation:
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OPERATOR CERTIFICATIONS

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.

Signature _____ Date _____

Printed Name _____

Email Address _____

SURVEYOR CERTIFICATIONS

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 and Seal of Professional Surveyor _____

Certificate Number _____

Date of Survey _____

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

[illegible]

Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116 Online Phone Directory Visit: https://www.emnrd.nm.gov/ocd/contact-us/	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	C-102 Revised July 9, 2024 Submit Electronically via OCD Permitting	
		Submittal Type:	☐ Initial Submittal
			☐ Amended Report
		☐ As Drilled	

WELL LOCATION INFORMATION

API Number	Pool Code 970	Pool Name AIRSTRIP, WOLFCAMP
Property Code	Property Name Airstrip State Com	Well Number 244H
OGRID No. 228937	Operator Name Matador Production Company	Ground Level Elevation
Surface Owner: ☐ State ☐ Fee ☐ Tribal ☐ Federal		Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL A	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 214' FNL	Ft. from E/W 1164' FEL	Latitude	Longitude	County LEA
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Bottom Hole Location

UL P	Section 31	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 660' FEL	Latitude	Longitude	County LEA
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Dedicated Acres 320	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: ☐ Yes ☐ No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County LEA
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First Take Point (FTP)

UL A	Section 30	Township 18S	Range 35E	Lot	Ft. from N/S 100' FNL	Ft. from E/W 660' FEL	Latitude	Longitude	County LEA
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Last Take Point (LTP)

UL P	Section 31	Township 18S	Range 35E	Lot	Ft. from N/S 100' FSL	Ft. from E/W 660' FEL	Latitude	Longitude	County LEA
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Unitized Area or Area of Uniform Interest	Spacing Unit Type ☐ Horizontal ☐ Vertical	Ground Floor Elevation:
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OPERATOR CERTIFICATIONS

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.

Signature _____ Date _____

Printed Name _____

Email Address _____

SURVEYOR CERTIFICATIONS

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 and Seal of Professional Surveyor _____

Certificate Number _____

Date of Survey _____

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

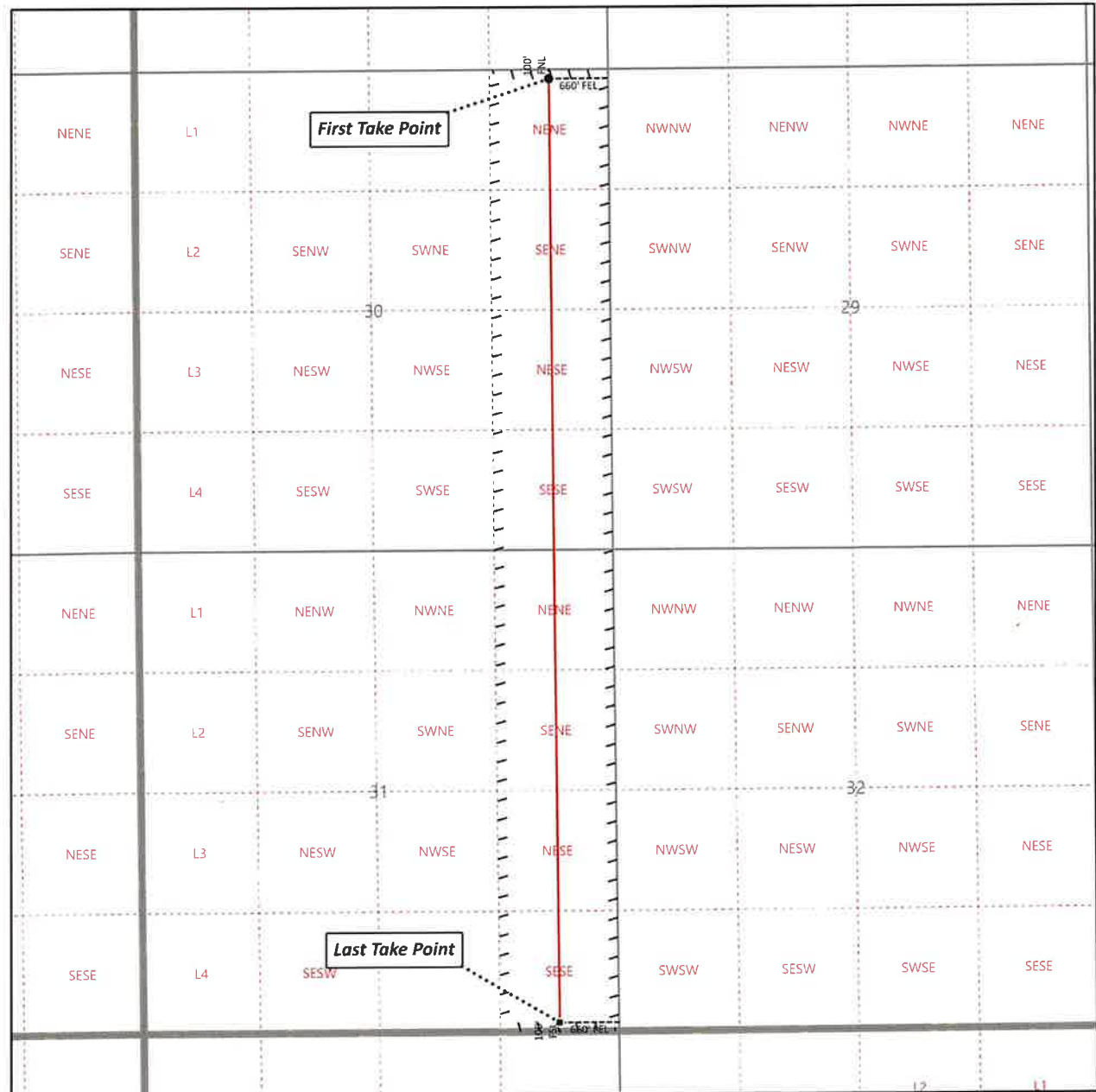
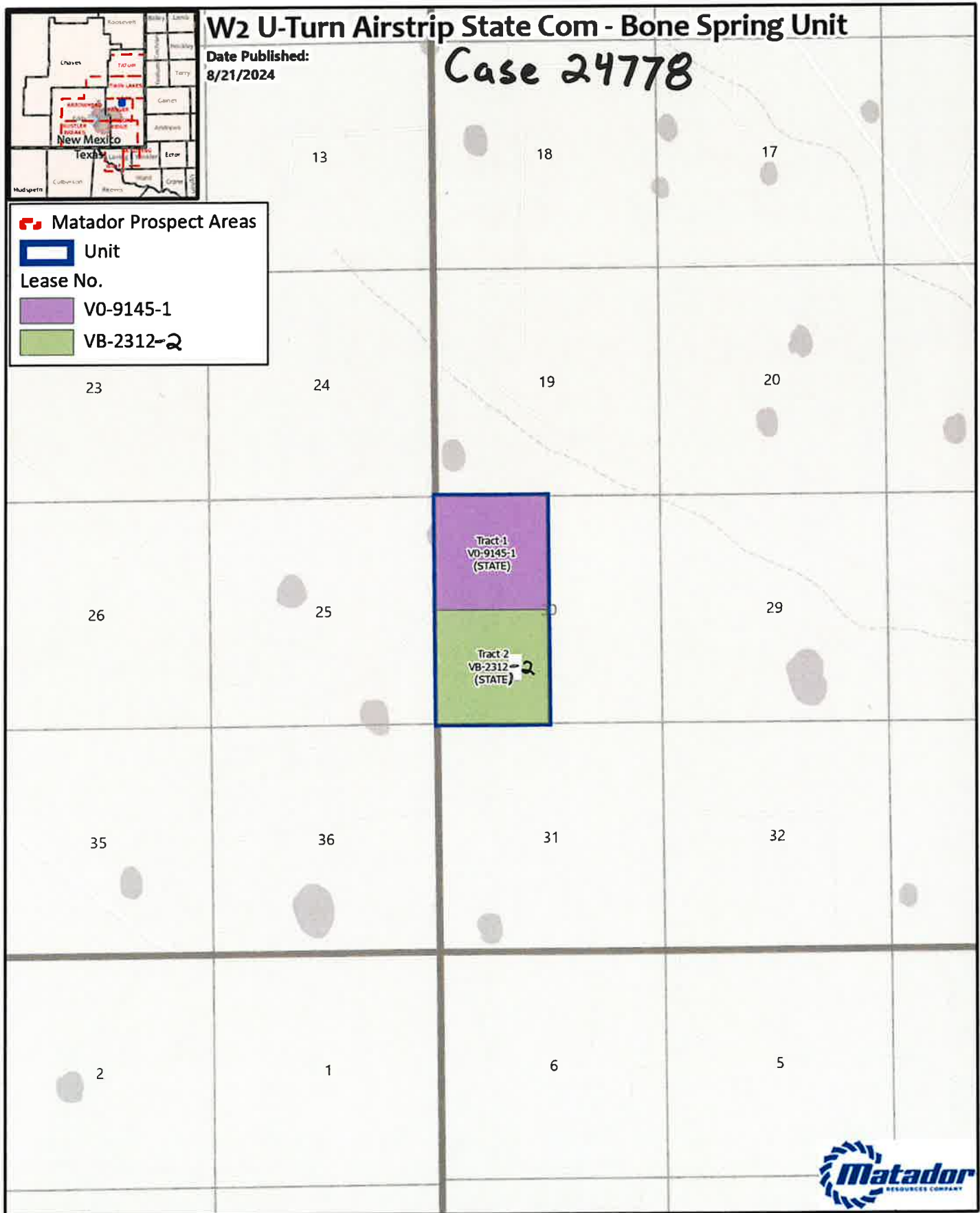


EXHIBIT A-2



1:35,000

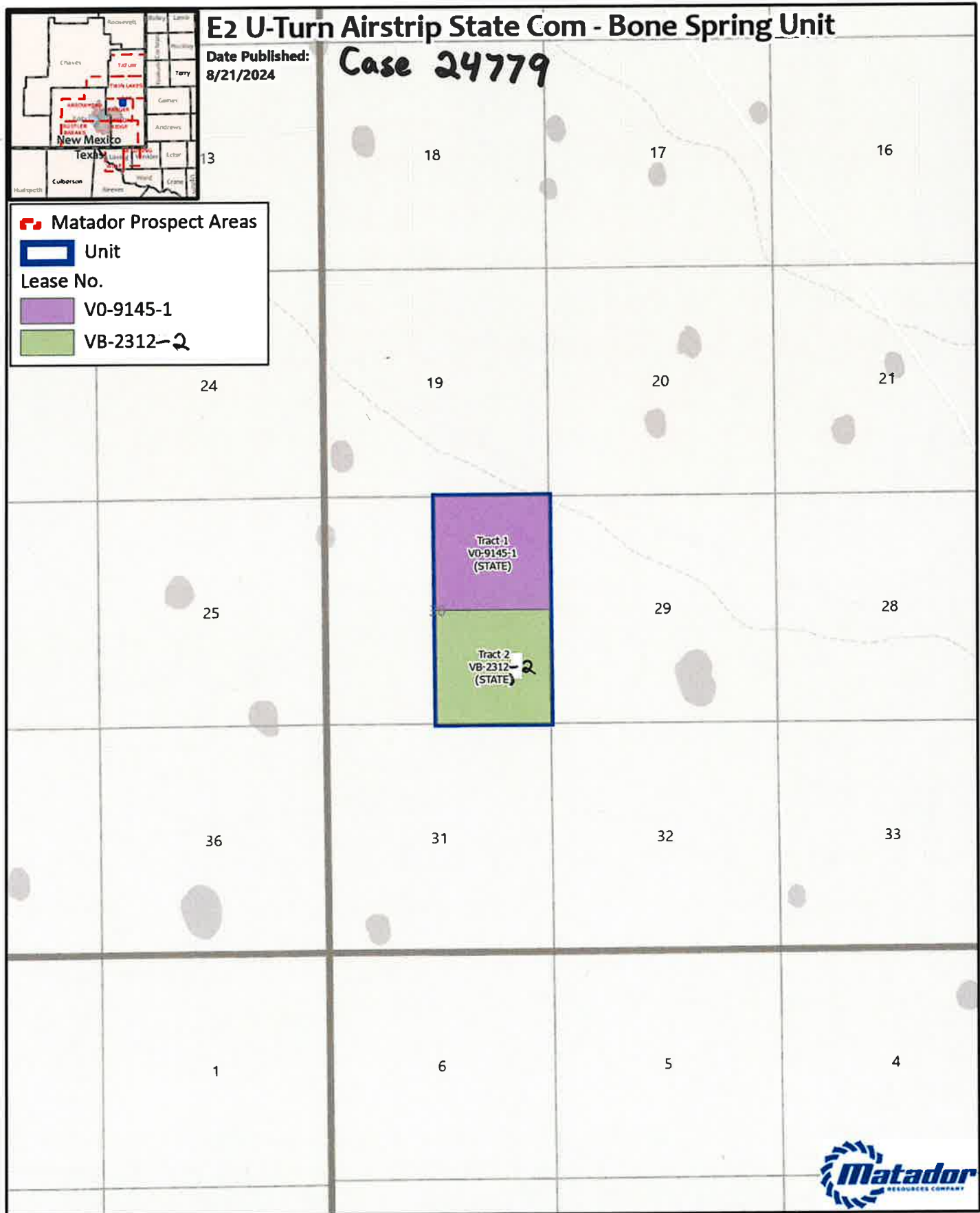
1 inch equals 2,917 feet

Map Prepared by: William Yeagris
Date: August 21, 2024
Project: \\gis\userdata\yeagris\1 - projects\Contested Hearing Map\Contested Hearing.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);

W2 U-Turn Airstrip State Com - Bone Spring (Case No. 24778)

Tract 1 (156.72 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	94.03	60.00000000%
Franklin Mountain Energy 3, LLC	62.69	40.00000000%
Total	156.72	100.00000000%

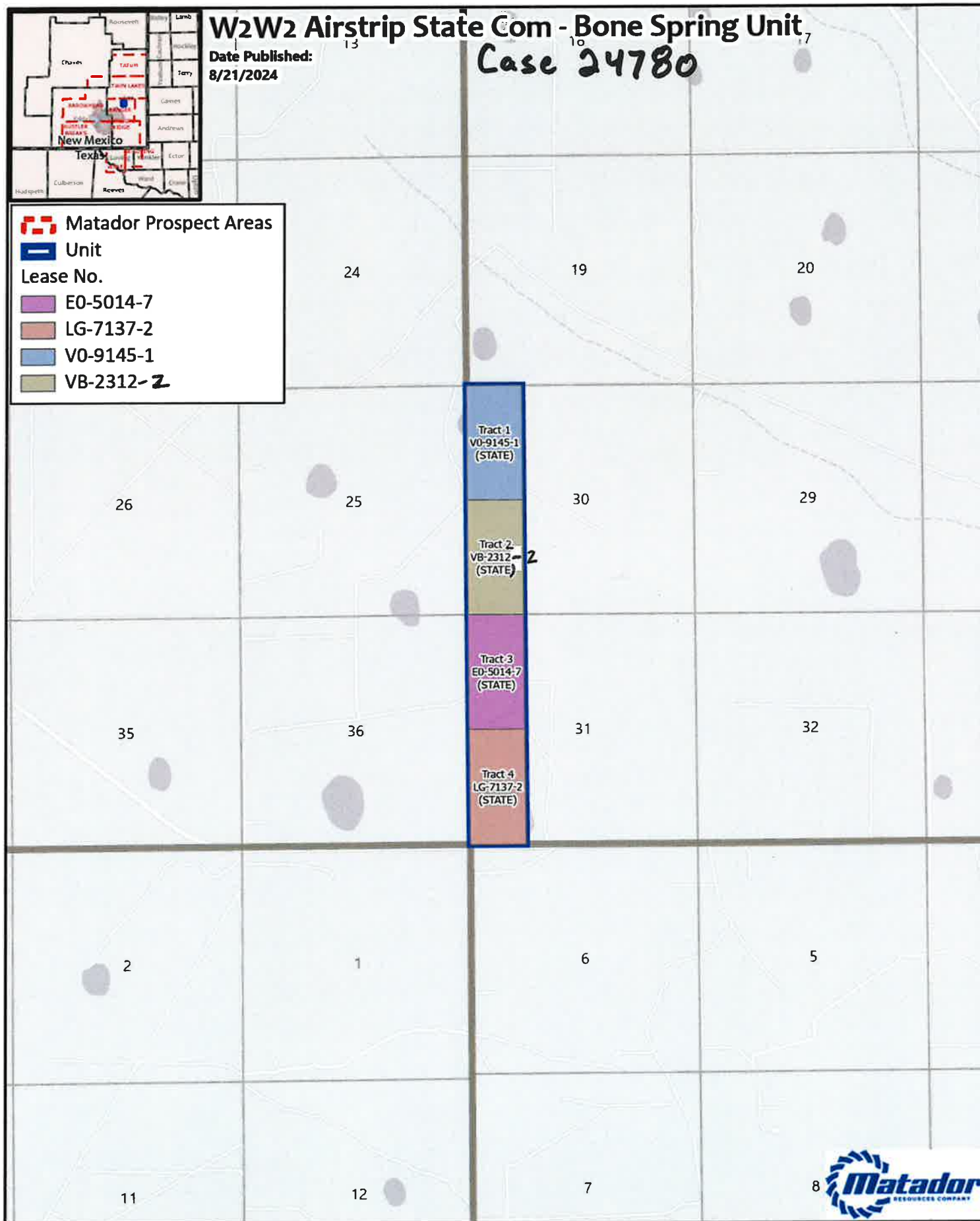
Tract 2 (156.96 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	90.25	57.50000000%
Franklin Mountain Energy 3, LLC	58.86	37.50000000%
Axis Energy Corporation	7.85	5.00000000%
Total	156.96	100.00000000%



E2 U-Turn Airstrip State Com - Bone Spring (Case No. 24779)

Tract 1 (160 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	96.00	60.00000000%
Franklin Mountain Energy 3, LLC	64.00	40.00000000%
Total	160.00	100.00000000%

Tract 2 (160 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	92.00	57.50000000%
Franklin Mountain Energy 3, LLC	60.00	37.50000000%
Axis Energy Corporation	8.00	5.00000000%
Total	160.00	100.00000000%



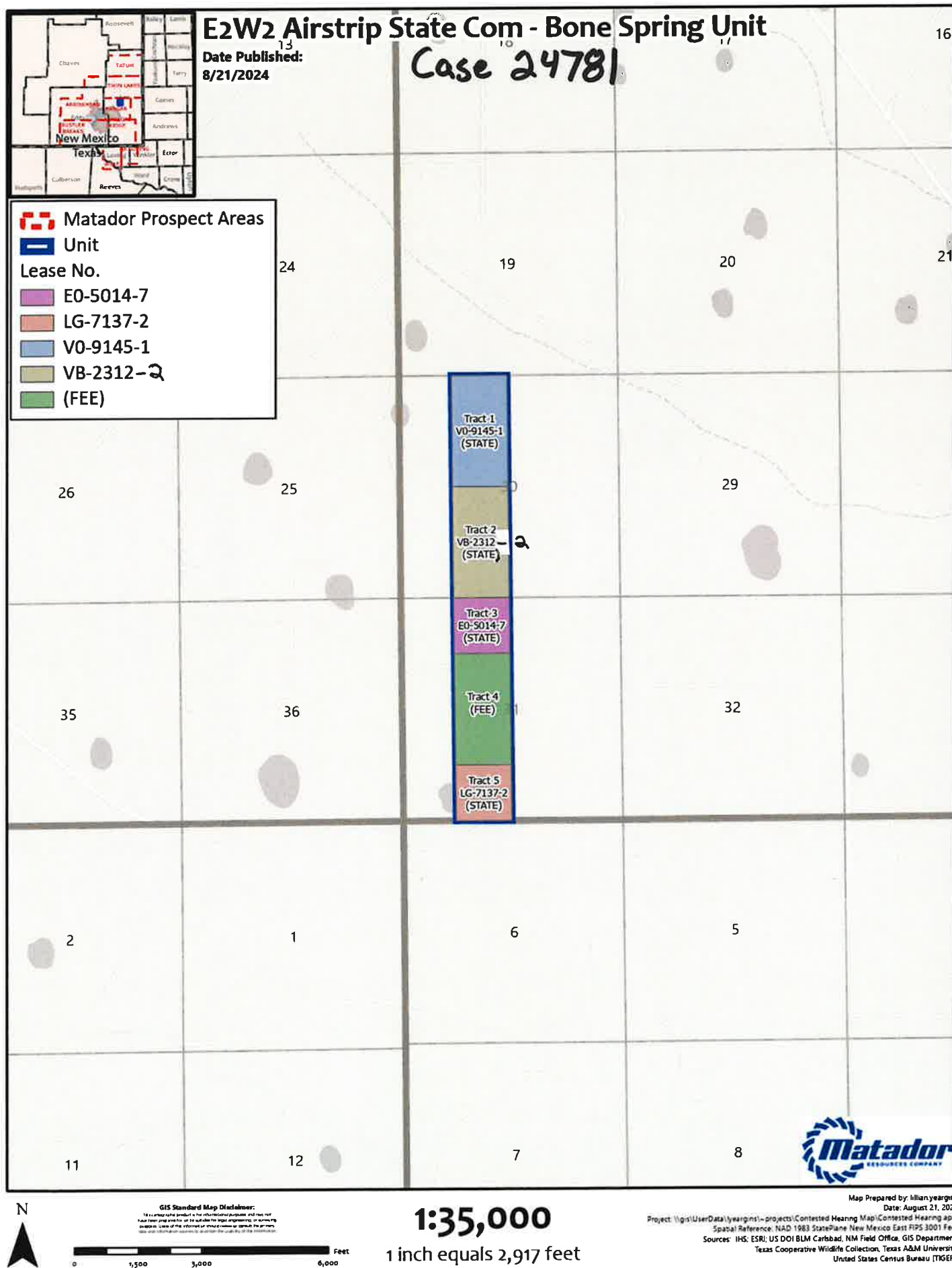
W2W2 Airstrip State Com - Bone Spring (Case No. 24780)

Tract 1 (76.72 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	46.03	60.000000%
Franklin Mountain Energy 3, LLC	30.69	40.000000%
Total	76.72	100.000000%

Tract 2 (76.96 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	44.25	57.500000%
Franklin Mountain Energy 3, LLC	28.86	37.500000%
Axis Energy Corporation	3.85	5.000000%
Total	76.96	100.000000%

Tract 3 (77.11 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	74.758143	96.949997%
Yates Energy Corporation	2.313299	2.999999%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.019279	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.019279	0.025002%
Total	77.110000	100.000000%

Tract 4 (77.17 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	70.548369	91.419423%
Yates Energy Corporation	2.315099	2.999999%
Jalapeno Corporation	4.267944	5.530574%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.019294	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.019294	0.025002%
Total	77.170000	100.000000%



E2W2 Airstrip State Com - Bone Spring (Case No. 24781)

Tract 1 (80 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	48.00	60.000000%
Franklin Mountain Energy 3, LLC	32.00	40.000000%
Total	80.00	100.000000%

Tract 2 (80 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	46.00	57.500000%
Franklin Mountain Energy 3, LLC	30.00	37.500000%
Axis Energy Corporation	4.00	5.000000%
Total	80.00	100.000000%

Tract 3 (40 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	38.779999	96.949997%
Yates Energy Corporation	1.200000	2.999999%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.010001	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.010001	0.025002%
Total	40.000000	100.000000%

Tract 4 (80 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	77.559998	96.949997%
Yates Energy Corporation	2.399999	2.999999%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.020002	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.020002	0.025002%
Total	80.000000	100.000000%

Tract 5 (40 acres)	Net Mineal Acres	Working Interest in Tract
MRC Delaware Resources, LLC	38.779999	96.949997%
Yates Energy Corporation	1.200000	2.999999%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.010001	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.010001	0.025002%
Total	40.000000	100.000000%



W2E2 Airstrip State Com - Bone Spring (Case No. 24782)

Tract 1 (80 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	48.00	60.00000%
Franklin Mountain Energy 3, LLC	32.00	40.00000%
Total	80.00	100.00000%

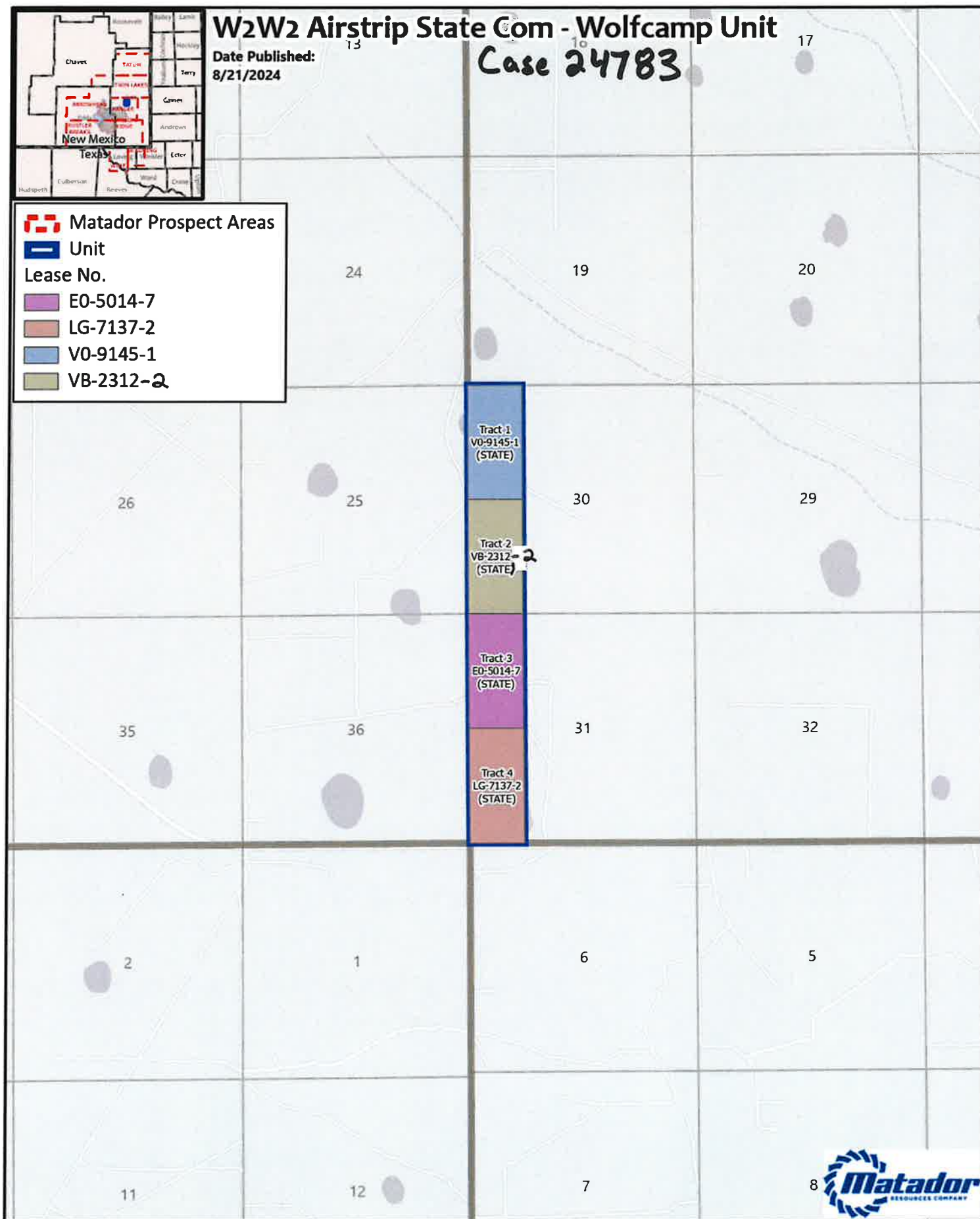
Tract 2 (80 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	46.00	57.50000%
Franklin Mountain Energy 3, LLC	30.00	37.50000%
Axis Energy Corporation	4.00	5.00000%
Total	80.00	100.00000%

Tract 3 (40 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	38.779999	96.949997%
Yates Energy Corporation	1.200000	2.999999%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.010001	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.0100008	0.025002%
Total	40.00000	100.00000%

Tract 4A (40 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	33.850554	84.626386%
Yates Energy Corporation	1.200000	2.999999%
Jalapeno Corporation	2.529445	6.323611%
The Eastland Oil Company	1.200000	3.000000%
Spinnaker Oil & Gas, LP	1.200000	3.000000%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.010001	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.010001	0.025002%
Total	40.00000	100.00000%

Tract 4B (40 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	36.567770	91.419424%
Yates Energy Corporation	1.200000	2.999999%
Jalapeno Corporation	2.212230	5.530574%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.010001	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.010001	0.025002%
Total	40.000000	100.00000%

Tract 5 (40 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	36.567770	91.419424%
Yates Energy Corporation	1.200000	2.999999%
Jalapeno Corporation	2.212230	5.530574%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.010001	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.010001	0.025002%
Total	40.000000	100.00000%



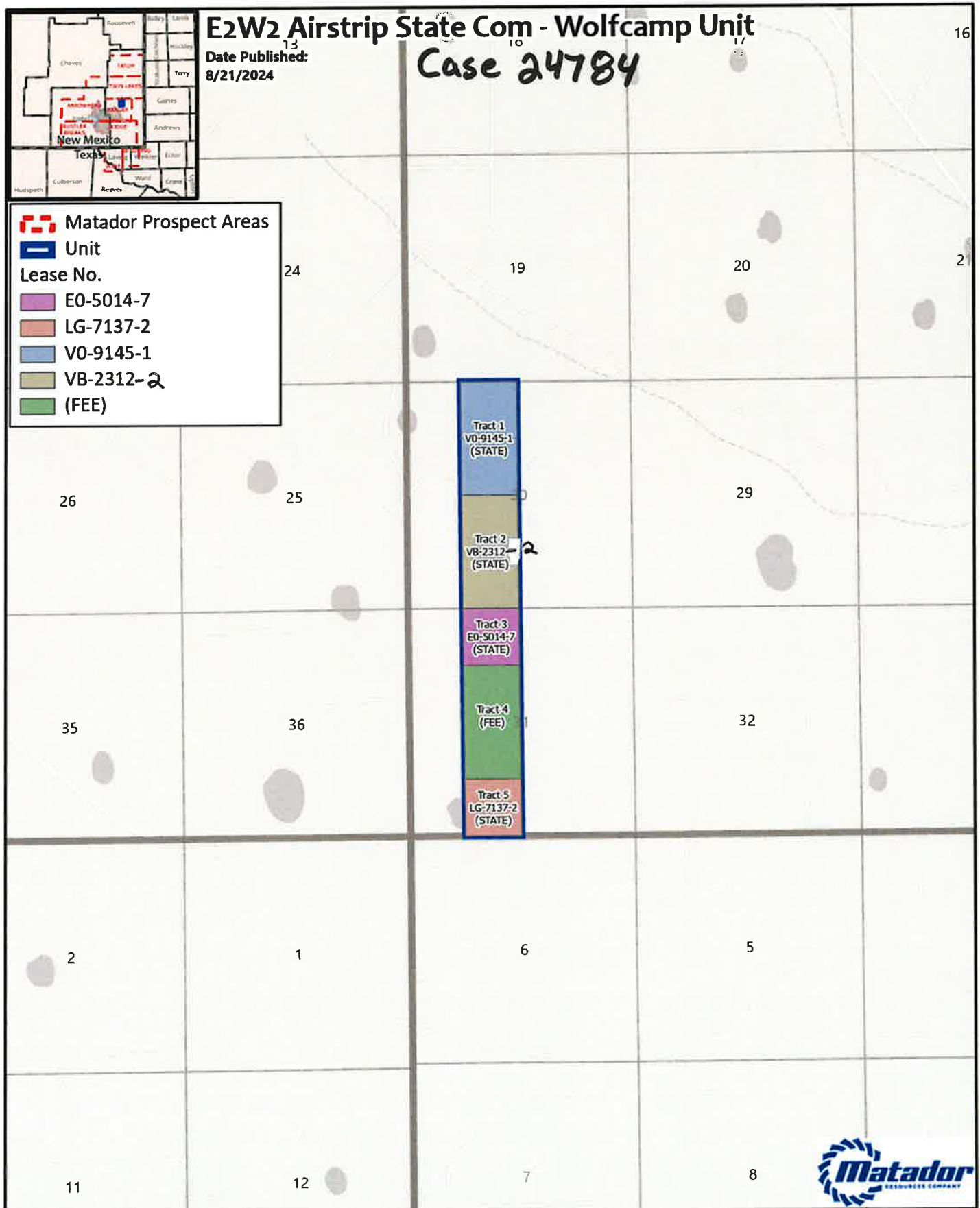
W2W2 Airstrip State Com - Wolfcamp (Case No. 24783)

Tract 1 (76.72 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	46.03	60.000000%
Franklin Mountain Energy 3, LLC	30.69	40.000000%
Total	76.72	100.000000%

Tract 2 (76.96 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	44.25	57.500000%
Franklin Mountain Energy 3, LLC	28.86	37.500000%
Axis Energy Corporation	3.85	5.000000%
Total	76.96	100.000000%

Tract 3 (77.11 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	74.758143	96.949997%
Yates Energy Corporation	2.313299	2.999999%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.019279	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.019279	0.025002%
Total	77.110000	100.000000%

Tract 4 (77.17 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	70.548369	91.419423%
Yates Energy Corporation	2.315099	2.999999%
Jalapeno Corporation	4.267944	5.530574%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.019294	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.019294	0.025002%
Total	77.170000	100.000000%



E2W2 Airstrip State Com - Wolfcamp (Case No. 24784)

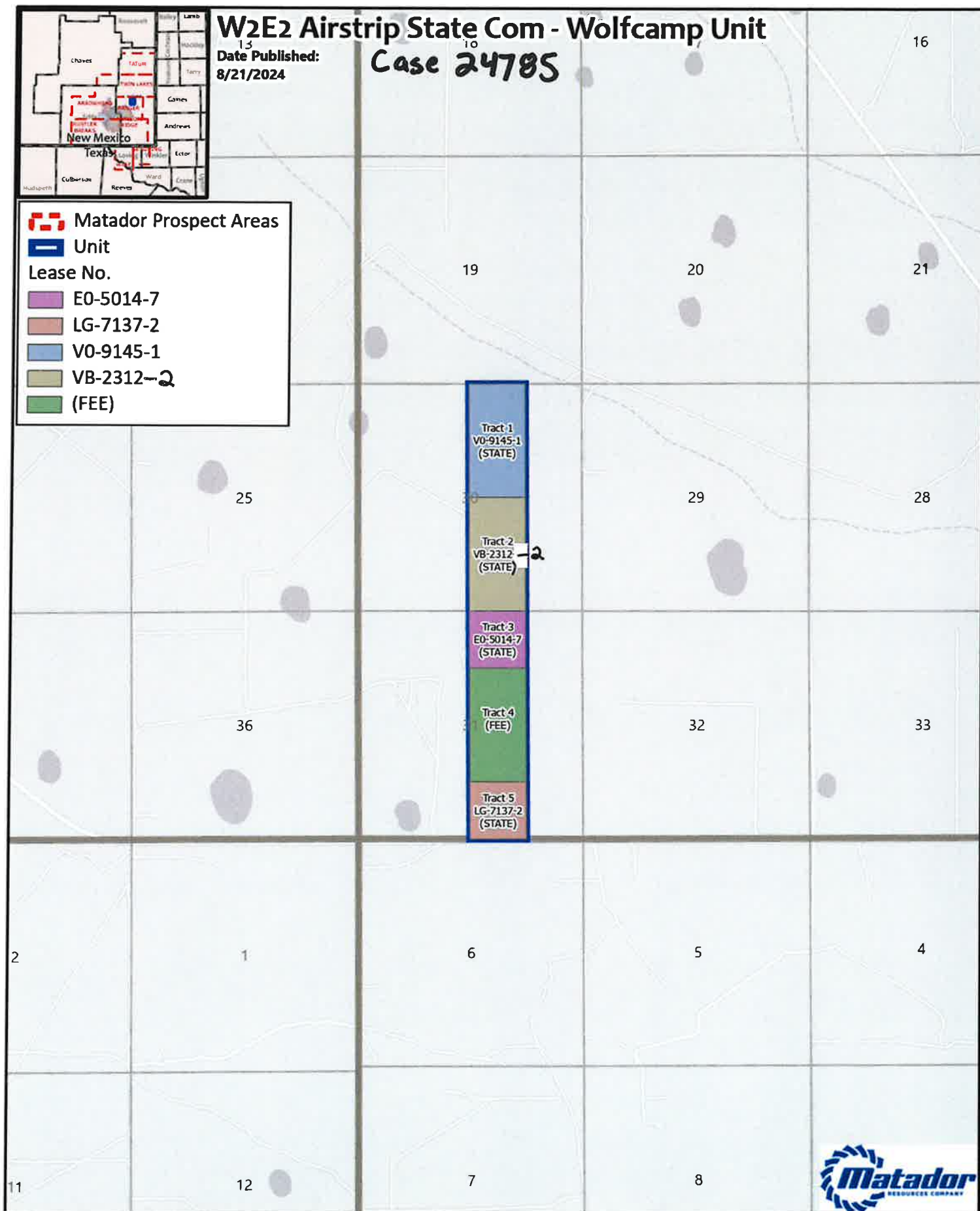
Tract 1 (80 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	48.00	60.000000%
Franklin Mountain Energy 3, LLC	32.00	40.000000%
Total	80.00	100.000000%

Tract 2 (80 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	46.00	57.500000%
Franklin Mountain Energy 3, LLC	30.00	37.500000%
Axis Energy Corporation	4.00	5.000000%
Total	80.00	100.000000%

Tract 3 (40 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	38.779999	96.949997%
Yates Energy Corporation	1.200000	2.999999%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.010001	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.010001	0.025002%
Total	40.000000	100.000000%

Tract 4 (80 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	77.559998	96.949997%
Yates Energy Corporation	2.399999	2.999999%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.020002	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.020002	0.025002%
Total	80.000000	100.000000%

Tract 5 (40 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	38.779999	96.949997%
Yates Energy Corporation	1.200000	2.999999%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.010001	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.010001	0.025002%
Total	40.000000	100.000000%



W2E2 Airstrip State Com - Wolfcamp (Case No. 24785)

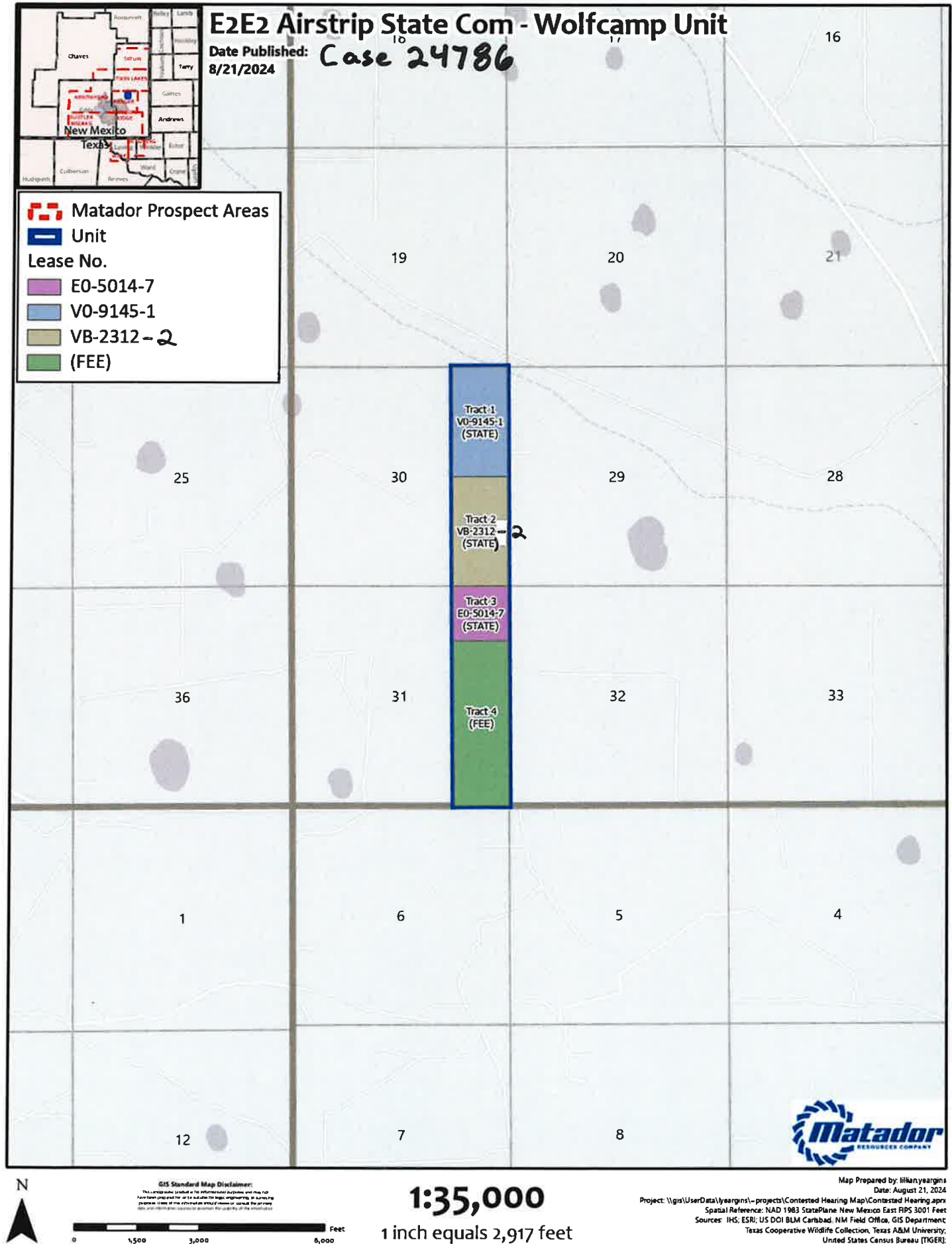
Tract 1 (80 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	48.00	60.00000%
Franklin Mountain Energy 3, LLC	32.00	40.00000%
Total	80.00	100.00000%

Tract 2 (80 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	46.00	57.50000%
Franklin Mountain Energy 3, LLC	30.00	37.50000%
Axis Energy Corporation	4.00	5.00000%
Total	80.00	100.00000%

Tract 3 (40 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	38.779999	96.949997%
Yates Energy Corporation	1.200000	2.999999%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.010001	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.0100008	0.025002%
Total	40.00000	100.00000%

Tract 4 (80 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	73.135539	91.419424%
Yates Energy Corporation	2.399999	2.999999%
Jalapeno Corporation	4.424459	5.530574%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.020002	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.020002	0.025002%
Total	80.00000	100.00000%

Tract 5 (40 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	36.567770	91.419424%
Yates Energy Corporation	1.200000	2.999999%
Jalapeno Corporation	2.212230	5.530574%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.010001	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.010001	0.025002%
Total	40.00000	100.00000%



E2E2 Airstrip State Com - Wolfcamp (Case No. 24786)

Tract 1 (80 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	48.00	60.000000%
Franklin Mountain Energy 3, LLC	32.00	40.000000%
Total	80.00	100.000000%

Tract 2 (80 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	46.00	57.500000%
Franklin Mountain Energy 3, LLC	30.00	37.500000%
Axis Energy Corporation	4.00	5.000000%
Total	80.00	100.000000%

Tract 3 (40 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	38.779999	96.949997%
Yates Energy Corporation	1.200000	2.999999%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.0100008	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.0100008	0.025002%
Total	40.000000	100.000000%

Tract 4 (120 acres)	Net Mineral Acres	Working Interest in Tract
MRC Delaware Resources, LLC	116.339996	96.949997%
Yates Energy Corporation	3.599999	2.999999%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Edward G. Kadane, II	0.030002	0.025002%
Louise Kadane and Michael L. Gustafson, Trustees of the 4-K Trust pursuant to Declaration dated March 1, 1970, at the request of Matthew B. Kadane	0.030002	0.025002%
Total	120.000000	100.000000%

EXHIBIT A-3

W2 U-Turn Airstrip State Com - Bone Spring (Case No. 24778)

Interest Owner	Description	Tract	Working Interest
MRC Permian Company	-	1, 2	58.749044%
- Voluntary/Anticipated Joinder Owners -			
Axis Energy Corporation	Committed Working Interest Owner	2	2.501910%
	MRC Total Working Interest Control	1, 2	61.250954%
- Compulsory Pool Owners -			
Franklin Mountain Energy 3, LLC	Uncommitted Working Interest Owner	1, 2	38.749044%
	Compulsory Pool Interest Total	1, 2	38.749044%

Summary of ORRI Owners – W2 U-Turn Airstrip State Com

ORRI

1. Franklin Mountain Royalty Investments 3, LLC
2. COG Operating LLC
3. David W. Cromwell
4. Mike Moylett
5. Deane Durham
6. Kaleb Smith
7. H. Jason Wacker
8. LMC Energy LLC
9. Post Oak Crown IV, LLC
10. Post Oak Crown IV-B, LLC
11. Collins & Jones Investments, LLC
12. Sortida Resources, LLC
13. Post Oak Mavros II, LLC
14. Oak Valley Mineral and Land, LP
15. Crown Oil Partners, LP
16. Mongoose Minerals LLC
17. Good News Minerals, LLC

E2 U-Turn Airstrip State Com - Bone Spring (Case No. 24779)

Interest Owner	Description	Tract	Working Interest
MRC Permian Company	-	1, 2	58.750000%
- Voluntary/Anticipated Joinder Owners -			
Axis Energy Corporation	Signed JOA and Submitted Letter of Support	2	2.500000%
	MRC Total Working Interest Control	1, 2	61.250000%
- Compulsory Pool Owners -			
Franklin Mountain Energy 3, LLC	Uncommitted Working Interest Owner	1, 2	38.750000%
	Compulsory Pool Interest Total	1, 2	38.750000%

Summary of ORRI Owners – E2 U-Turn Airstrip State Com

ORRI

1. Franklin Mountain Royalty Investments 3, LLC
2. COG Operating LLC
3. David W. Cromwell
4. Mike Moylett
5. Deane Durham
6. Kaleb Smith
7. H. Jason Wacker
8. LMC Energy LLC
9. Post Oak Crown IV, LLC
10. Post Oak Crown IV-B, LLC
11. Collins & Jones Investments, LLC
12. Sortida Resources, LLC
13. Post Oak Mavros II, LLC
14. Oak Valley Mineral and Land, LP
15. Crown Oil Partners, LP
16. Mongoose Minerals LLC
17. Good News Minerals, LLC

W2W2 Airstrip State Com - Bone Spring (Case No. 24780)

Interest Owner	Description	Tract	Working Interest
MRC Permian Company & MRC Delaware Resources, LLC ("MRC")	-	1, 2, 3, 4	76.500361%
- Voluntary/Anticipated Joinder Owners -			
Axis Energy Corporation	Signed JOA and Submitted Letter of Support	2	1.249513%
Jalapeno Corporation	Signed AFEs and well proposals; stated will sign JOAs	3, 4	1.385876%
	MRC Total Working Interest Control	1, 2, 3, 4	79.135750%
- Compulsory Pool Owners -			
Franklin Mountain Energy 3, LLC	Uncommitted Working Interest Owner	1, 2	19.336277%
Yates Energy Corporation	Uncommitted Working Interest Owner	3, 4	1.502922%
	Compulsory Pool Interest Total	1, 2, 3, 4	20.839199%

Summary of ORRI Owners – W2W2 Airstrip State Com – Bone Spring

ORRI

1. Franklin Mountain Royalty Investments 3, LLC
2. COG Operating LLC
3. David W. Cromwell
4. Mike Moylett
5. Deane Durham
6. Kaleb Smith
7. H. Jason Wacker
8. LMC Energy LLC
9. Post Oak Crown IV, LLC
10. Post Oak Crown IV-B, LLC
11. Collins & Jones Investments, LLC
12. Sortida Resources, LLC
13. Post Oak Mavros II, LLC
14. Oak Valley Mineral and Land, LP
15. Crown Oil Partners, LP
16. Mongoose Minerals LLC
17. Good News Minerals, LLC

E2W2 Airstrip State Com - Bone Spring (Case No. 24781)

Interest Owner	Description	Tract	Working Interest
MRC Permian Company & MRC Delaware Resources, LLC ("MRC")	-	1, 2, 3, 4, 5	77.849999%
- Voluntary/Anticipated Joinder Owners -			
Axis Energy Corporation	Signed JOA and Submitted Letter of Support	2	1.250000%
	MRC Total Working Interest Control	1, 2, 3, 4, 5	79.099999%
- Compulsory Pool Owners -			
Franklin Mountain Energy 3, LLC	Uncommitted Working Interest Owner	1, 2	19.375000%
Yates Energy Corporation	Uncommitted Working Interest Owner	3, 4, 5	1.500000%
	Compulsory Pool Interest Total	1, 2, 3, 4, 5	20.875000%

Summary of ORRI Owners – E2W2 Airstrip State Com – Bone Spring

ORRI

1. Franklin Mountain Royalty Investments 3, LLC
2. COG Operating LLC
3. David W. Cromwell
4. Mike Moylett
5. Deane Durham
6. Kaleb Smith
7. H. Jason Wacker
8. LMC Energy LLC
9. Post Oak Crown IV, LLC
10. Post Oak Crown IV-B, LLC
11. Collins & Jones Investments, LLC
12. Sortida Resources, LLC
13. Post Oak Mavros II, LLC
14. Oak Valley Mineral and Land, LP
15. Crown Oil Partners, LP
16. Mongoose Minerals LLC
17. Good News Minerals, LLC

W2E2 Airstrip State Com - Bone Spring (Case No. 24782)

Interest Owner	Description	Tract	Working Interest
MRC Permian Company & MRC Delaware Resources, LLC ("MRC")	-	1, 2, 3, 4, 5	74.926904%
- Voluntary/Anticipated Joinder Owners -			
Axis Energy Corporation	Signed JOA and Submitted Letter of Support	2	1.250000%
Jalapeno Corporation	Signed AFEs and well proposals; stated will sign JOAs	4, 5	2.173095%
	MRC Total Working Interest Control	1, 2, 3, 4, 5	78.349999%
- Compulsory Pool Owners -			
Franklin Mountain Energy 3, LLC	Uncommitted Working Interest Owner	1, 2	19.375000%
Yates Energy Corporation	Uncommitted Working Interest Owner	3, 4, 5	1.500000%
The Eastland Oil Company	Uncommitted Working Interest Owner	4	0.375000%
Spinnaker Oil & Gas, LP	Uncommitted Working Interest Owner	4	0.375000%
	Compulsory Pool Interest Total	1, 2, 3, 4, 5	21.625000%

Summary of ORRI Owners –W2E2 Airstrip State Com – Bone Spring

ORRI

1. Franklin Mountain Royalty Investments 3, LLC
2. COG Operating LLC
3. David W. Cromwell
4. Mike Moylett
5. Deane Durham
6. Kaleb Smith
7. H. Jason Wacker
8. LMC Energy LLC
9. Post Oak Crown IV, LLC
10. Post Oak Crown IV-B, LLC
11. Collins & Jones Investments, LLC
12. Sortida Resources, LLC
13. Post Oak Mavros II, LLC
14. Oak Valley Mineral and Land, LP
15. Crown Oil Partners, LP
16. Mongoose Minerals LLC
17. Good News Minerals, LLC

W2W2 Airstrip State Com - Wolfcamp (Case No. 24783)

Interest Owner	Description	Tract	Working Interest
MRC Permian Company & MRC Delaware Resources, LLC ("MRC")	-	1, 2, 3, 4	76.500361%
- Voluntary/Anticipated Joinder Owners -			
Axis Energy Corporation	Signed JOA and Submitted Letter of Support	2	1.249513%
Jalapeno Corporation	Signed AFEs and well proposals; stated will sign JOAs	3, 4	1.385876%
	MRC Total Working Interest Control	1, 2, 3, 4	79.135750%
- Compulsory Pool Owners -			
Franklin Mountain Energy 3, LLC	Uncommitted Working Interest Owner	1, 2	19.336277%
Yates Energy Corporation	Uncommitted Working Interest Owner	3, 4	1.502922%
	Compulsory Pool Interest Total	1, 2, 3, 4	20.839199%

Summary of ORRI Owners – W2W2 Airstrip State Com – Wolfcamp

ORRI

1. Franklin Mountain Royalty Investments 3, LLC
2. COG Operating LLC
3. David W. Cromwell
4. Mike Moylett
5. Deane Durham
6. Kaleb Smith
7. H. Jason Wacker
8. LMC Energy LLC
9. Post Oak Crown IV, LLC
10. Post Oak Crown IV-B, LLC
11. Collins & Jones Investments, LLC
12. Sortida Resources, LLC
13. Post Oak Mavros II, LLC
14. Oak Valley Mineral and Land, LP
15. Crown Oil Partners, LP
16. Mongoose Minerals LLC
17. Good News Minerals, LLC

E2W2 Airstrip State Com - Wolfcamp (Case No. 24784)

Interest Owner	Description	Tract	Working Interest
MRC Permian Company & MRC Delaware Resources, LLC ("MRC")	-	1, 2, 3, 4, 5	77.849999%
- Voluntary/Anticipated Joinder Owners -			
Axis Energy Corporation	Signed JOA and Submitted Letter of Support	2	1.250000%
	MRC Total Working Interest Control	1, 2, 3, 4, 5	79.099999%
- Compulsory Pool Owners -			
Franklin Mountain Energy 3, LLC	Uncommitted Working Interest Owner	1, 2	19.375000%
Yates Energy Corporation	Uncommitted Working Interest Owner	3, 4, 5	1.500000%
	Compulsory Pool Interest Total	1, 2, 3, 4, 5	20.875000%

Summary of ORRI Owners – E2W2 Airstrip State Com – Wolfcamp

ORRI

1. Franklin Mountain Royalty Investments 3, LLC
2. COG Operating LLC
3. David W. Cromwell
4. Mike Moylett
5. Deane Durham
6. Kaleb Smith
7. H. Jason Wacker
8. LMC Energy LLC
9. Post Oak Crown IV, LLC
10. Post Oak Crown IV-B, LLC
11. Collins & Jones Investments, LLC
12. Sortida Resources, LLC
13. Post Oak Mavros II, LLC
14. Oak Valley Mineral and Land, LP
15. Crown Oil Partners, LP
16. Mongoose Minerals LLC
17. Good News Minerals, LLC

W2E2 Airstrip State Com - Wolfcamp (Case No. 24785)

Party	Description	Tract	Working Interest
MRC Permian Company & MRC Delaware Resources, LLC ("MRC")		1, 2, 3, 4, 5	74.926904%
- Voluntary/Anticipated Joinder Owners -			
Axis Energy Corporation	Signed JOA and Submitted Letter of Support	2	1.250000%
Jalapeno Corporation	Signed AFEs and well proposals; stated will sign JOAs	4, 5	2.923095%
	MRC Total Working Interest Control	1, 2, 3, 4, 5	79.099999%
- Compulsory Pool Owners -			
Franklin Mountain Energy 3, LLC	Uncommitted Working Interest Owner	1, 2	19.375000%
Yates Energy Corporation	Uncommitted Working Interest Owner	3, 4, 5	1.500000%
	Compulsory Pool Interest Total	1, 2, 3, 4, 5	20.875000%

Summary of ORRI Owners – W2E2 Airstrip State Com – Wolfcamp

ORRI

1. Franklin Mountain Royalty Investments 3, LLC
2. COG Operating LLC
3. David W. Cromwell
4. Mike Moylett
5. Deane Durham
6. Kaleb Smith
7. H. Jason Wacker
8. LMC Energy LLC
9. Post Oak Crown IV, LLC
10. Post Oak Crown IV-B, LLC
11. Collins & Jones Investments, LLC
12. Sortida Resources, LLC
13. Post Oak Mavros II, LLC
14. Oak Valley Mineral and Land, LP
15. Crown Oil Partners, LP
16. Mongoose Minerals LLC
17. Good News Minerals, LLC

E2E2 Airstrip State Com - Wolfcamp (Case No. 24786)

Interest Owner	Description	Tract	Working Interest
MRC Permian Company & MRC Delaware Resources, LLC ("MRC")	-	1, 2, 3, 4	77.849999%
- Voluntary/Anticipated Joinder Owners -			
Axis Energy Corporation	Signed JOA and Submitted Letter of Support	2	1.250000%
	MRC Total Working Interest Control	1, 2, 3, 4	79.099999%
- Compulsory Pool Owners -			
Franklin Mountain Energy 3, LLC	Uncommitted Working Interest Owner	1, 2	19.375000%
Yates Energy Corporation	Uncommitted Working Interest Owner	3, 4	1.500000%
	Compulsory Pool Interest Total	1, 2, 3, 4	20.875000%

Summary of ORRI Owners – E2E2 Airstrip State Com – Wolfcamp

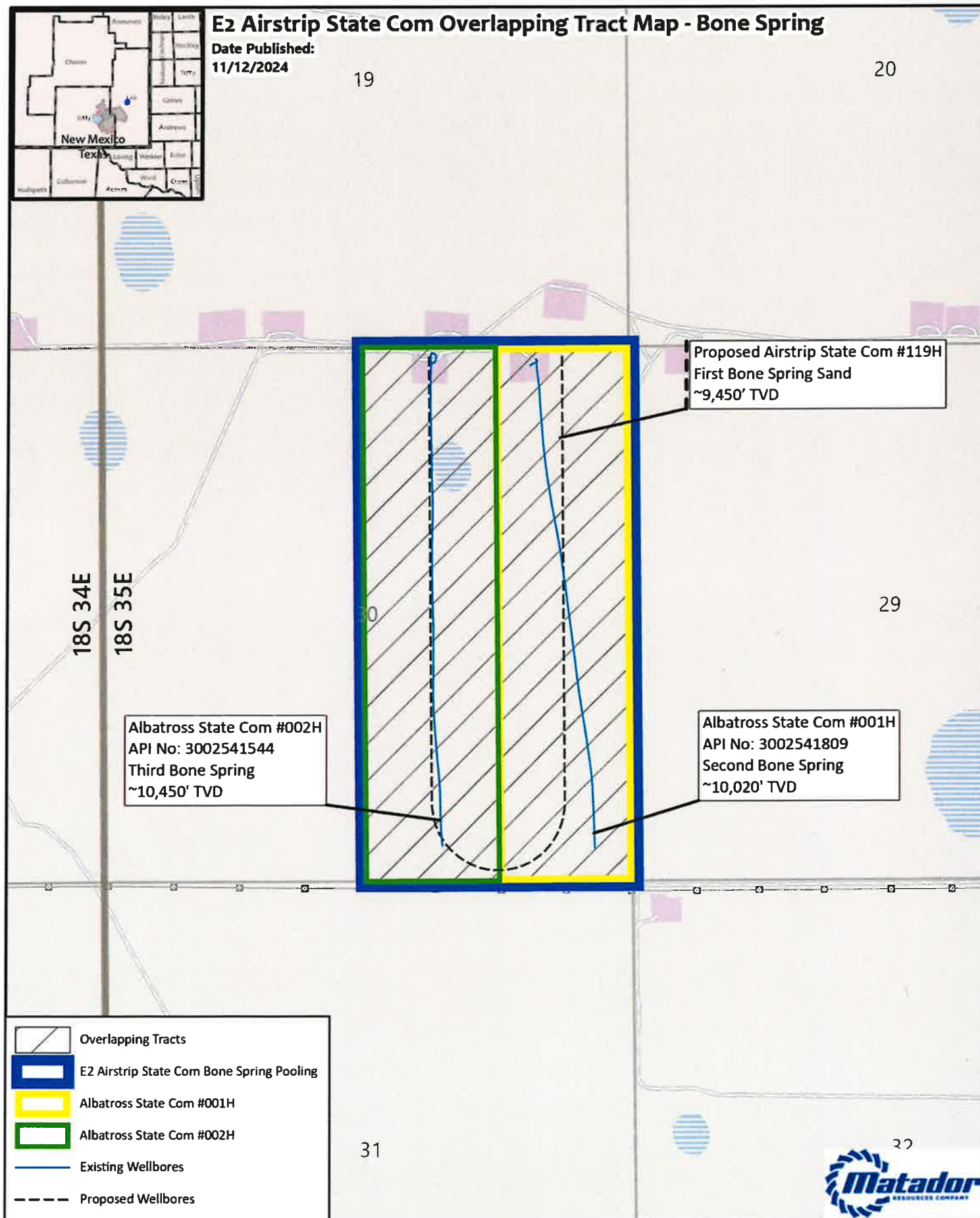
ORRI

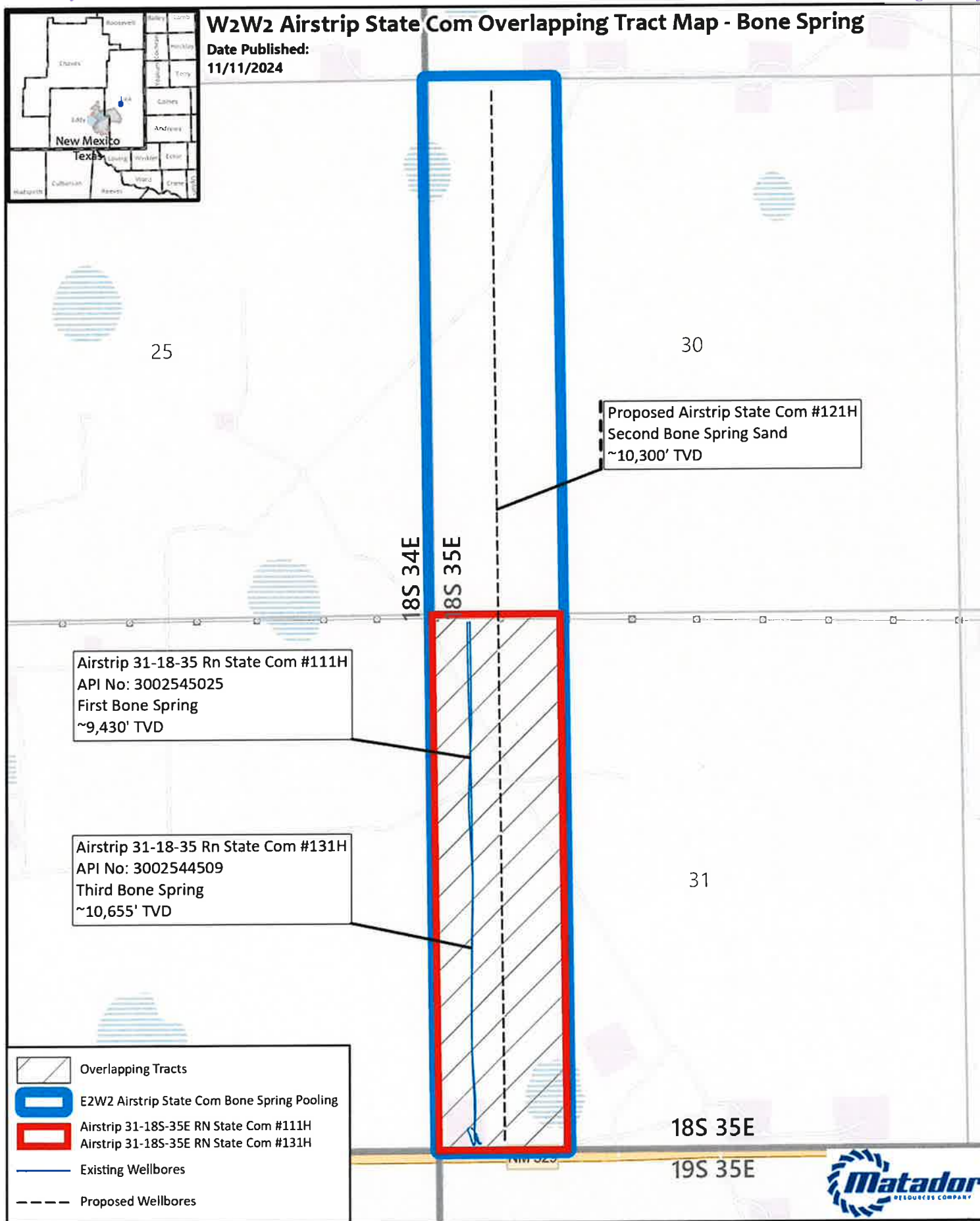
1. Franklin Mountain Royalty Investments 3, LLC
2. COG Operating LLC
3. David W. Cromwell
4. Mike Moylett
5. Deane Durham
6. Kaleb Smith
7. H. Jason Wacker
8. LMC Energy LLC
9. Post Oak Crown IV, LLC
10. Post Oak Crown IV-B, LLC
11. Collins & Jones Investments, LLC
12. Sortida Resources, LLC
13. Post Oak Mavros II, LLC
14. Oak Valley Mineral and Land, LP
15. Crown Oil Partners, LP
16. Mongoose Minerals LLC
17. Good News Minerals, LLC

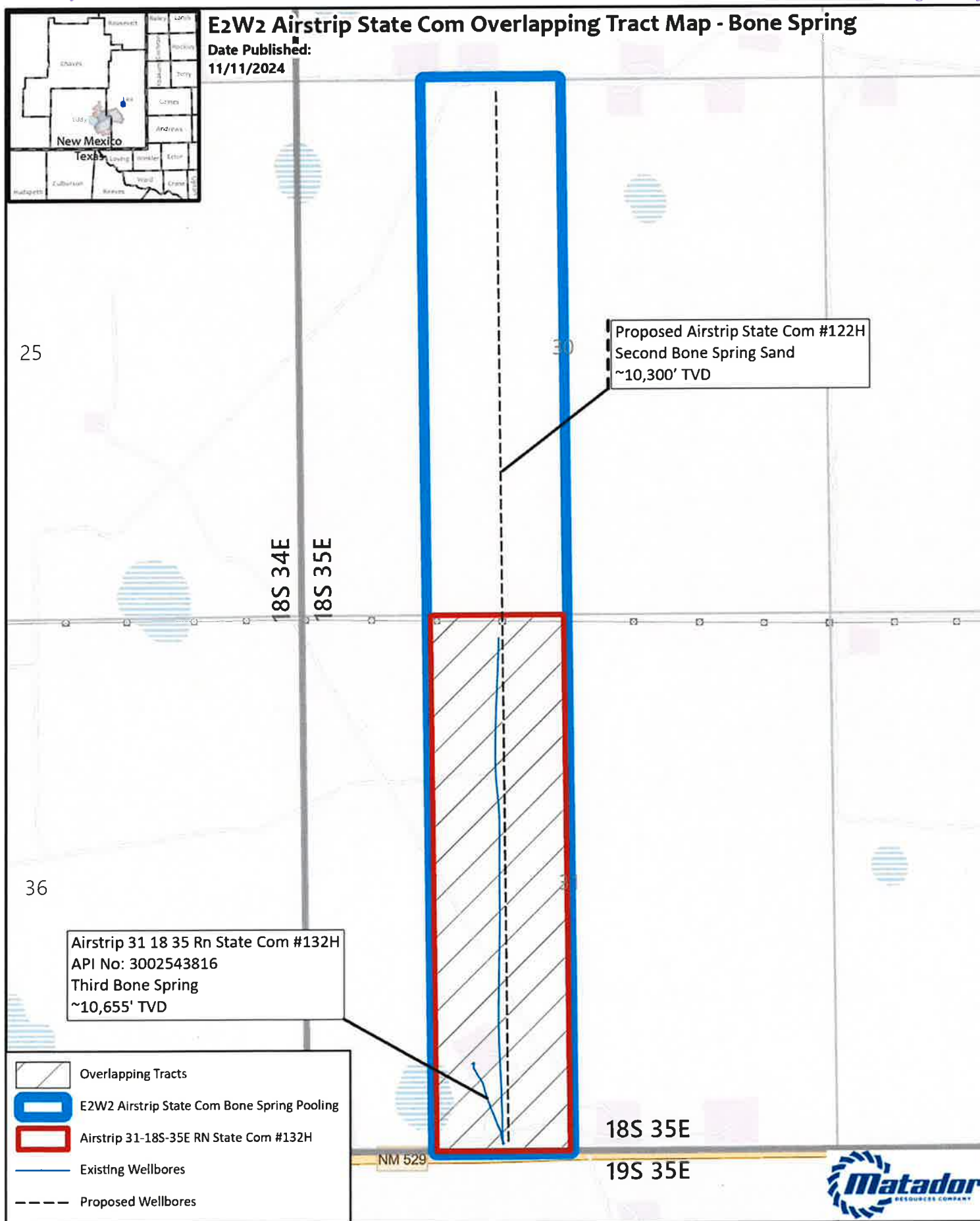
EXHIBIT A-4

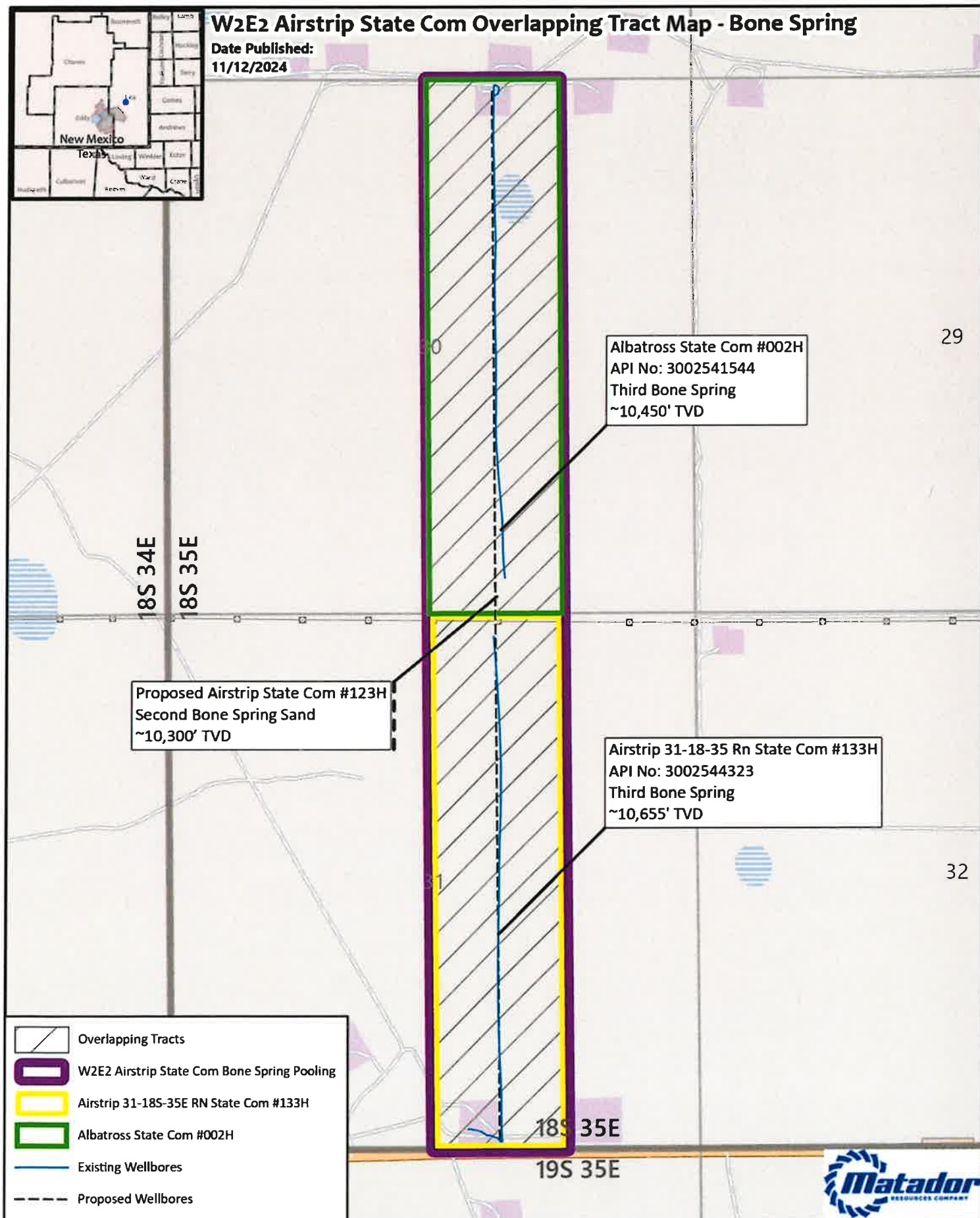
**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-4**

**Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786**









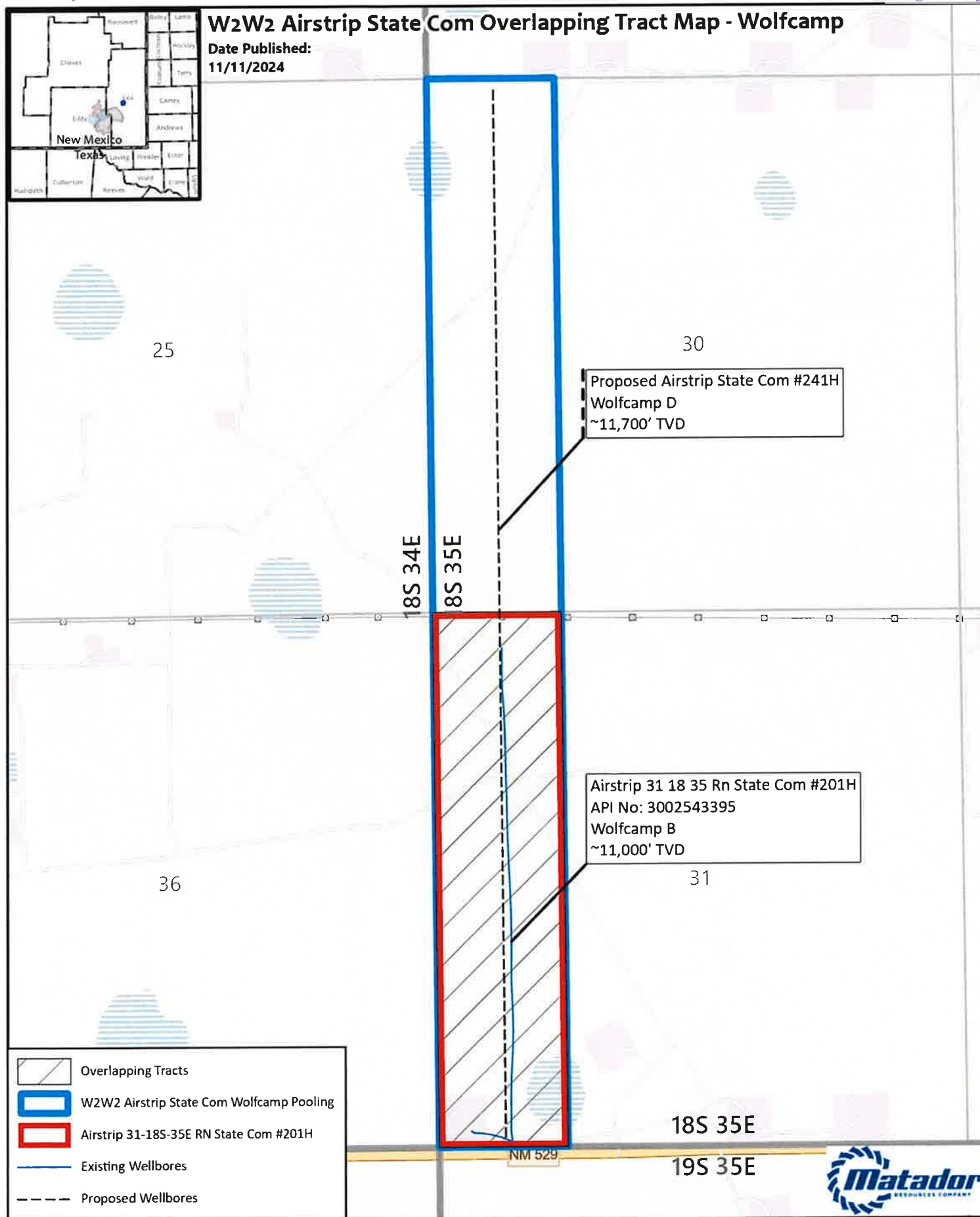


EXHIBIT A-5

MRC Permian Company

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

Voice 972.371.5401 • Fax 972.371.5201

ethan.frasier@matadorresources.com

**Ethan Frasier
Landman**

July 31, 2024

VIA FEDERAL EXPRESS

Franklin Mountain Energy 3, LLC
44 Cook Street, Suite 1000
Denver, CO 80206

Re: Airstrip State Com #110H, #119H, #130H, #121H, #122H, #123H, #241H, #242H, #243H & #244H (the
"Wells")
Participation Proposal
Sections 30 & 31, Township 18 South, Range 35 East
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") hereby rescinds the well proposals sent to Franklin Mountain Energy 3, LLC dated May 20, 2024 related to the Shoffner State Com #111H, Shoffner State Com #112H, Shoffner State Com #113H, Shoffner State Com #114H, Shoffner State Com #121H, Shoffner State Com #122H, Shoffner State Com #123H, Shoffner State Com #131H, Shoffner State Com #132H & Shoffner State Com #134H wells, located in Sections 19, 30 & 31 Township 18 South, Range 35 East, Lea County, New Mexico.

To provide further clarification and details, MRC Permian Company ("MRC") now proposes the drilling of Matador Production Company's Airstrip State Com #110H, Airstrip State Com #119H, Airstrip State Com #130H, Airstrip State Com #121H, Airstrip State Com #122H, & Airstrip State Com #123H wells, located in Sections 30 & 31 Township 18 South, Range 35 East, Lea County, New Mexico.

MRC Permian Company ("MRC") also proposes the drilling of Matador Production Company's Airstrip State Com #241H, Airstrip State Com #242H, Airstrip State Com #243H & Airstrip State Com #244H wells, located in Sections 30 & 31 Township 18 South, Range 35 East, Lea County, New Mexico.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the six (6) enclosed Authority for Expenditures ("AFE") dated July 26, 2024 and July 16, 2024.

- **Airstrip State Com #110H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 30-18S-35E, a proposed first take point located at 1,980' FWL and 100' FNL of Section 30-18S-35E, and a proposed last take point located at 660' FWL and 100' FNL of Section 30-18S-35E. The Well will have a targeted interval within the First Bone Spring formation and will be drilled horizontally in the First Bone Spring (~9,150' TVD) to a Measured Depth of approximately 19,994'.
- **Airstrip State Com #119H:** to be drilled from a legal location with a proposed surface hole location in the N/2NE/4 of Section 30-18S-35E, a proposed first take point located at 1,980' FEL and 100' FNL of Section 30-18S-35E, and a proposed last take point located at 660' FEL and 100' FNL of Section 30-18S-35E. The

Well will have a targeted interval within the First Bone Spring formation and will be drilled horizontally in the First Bone Spring (~9,150' TVD) to a Measured Depth of approximately 19,994'.

- **Airstrip State Com #130H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 30-18S-35E, a proposed first take point located at 1,980' FWL and 100' FNL of Section 30-18S-35E, and a proposed last take point located at 660' FWL and 100' FNL of Section 30-18S-35E. The Well will have a targeted interval within the Third Bone Spring formation and will be drilled horizontally in the Third Bone Spring (~10,600' TVD) to a Measured Depth of approximately 21,394'.
- **Airstrip State Com #121H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 30-18S-35E, a proposed first take point located at 660' FWL and 100' FNL of Section 30-18S-35E, and a proposed last take point located at 660' FWL and 100' FSL of Section 31-18S-35E. The Well will have a targeted interval within the Second Bone Spring formation and will be drilled horizontally in the Second Bone Spring (~10,300' TVD) to a Measured Depth of approximately 20,354'.
- **Airstrip State Com #122H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 30-18S-35E, a proposed first take point located at 1,980' FWL and 100' FNL of Section 30-18S-35E, and a proposed last take point located at 1,980' FWL and 100' FSL of Section 31-18S-35E. The Well will have a targeted interval within the Second Bone Spring formation and will be drilled horizontally in the Second Bone Spring (~10,300' TVD) to a Measured Depth of approximately 20,354'.
- **Airstrip State Com #123H:** to be drilled from a legal location with a proposed surface hole location in the N/2NE/4 of Section 30-18S-35E, a proposed first take point located at 1,980' FEL and 100' FNL of Section 30-18S-35E, and a proposed last take point located at 1,980' FEL and 100' FSL of Section 31-18S-35E. The Well will have a targeted interval within the Second Bone Spring formation and will be drilled horizontally in the Second Bone Spring (~10,300' TVD) to a Measured Depth of approximately 20,354'.
- **Airstrip State Com #241H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 30-18S-35E, a proposed first take point located at 660' FWL and 100' FNL of Section 30-18S-35E, and a proposed last take point located at 660' FWL and 100' FSL of Section 31-18S-35E. The Well will have a targeted interval within the Wolfcamp D formation and will be drilled horizontally in the Wolfcamp D (~11,700' TVD) to a Measured Depth of approximately 21,964'.
- **Airstrip State Com #242H:** to be drilled from a legal location with a proposed surface hole location in the N/2NW/4 of Section 30-18S-35E, a proposed first take point located at 1,980' FWL and 100' FNL of Section 30-18S-35E, and a proposed last take point located at 1,980' FWL and 100' FSL of Section 31-18S-35E. The Well will have a targeted interval within the Wolfcamp D formation and will be drilled horizontally in the Wolfcamp D (~11,700' TVD) to a Measured Depth of approximately 21,964'.
- **Airstrip State Com #243H:** to be drilled from a legal location with a proposed surface hole location in the N/2NE/4 of Section 30-18S-35E, a proposed first take point located at 1,980' FEL and 100' FNL of Section 30-18S-35E, and a proposed last take point located at 1,980' FEL and 100' FSL of Section 31-18S-35E. The Well will have a targeted interval within the Wolfcamp D formation and will be drilled horizontally in the Wolfcamp D (~11,700' TVD) to a Measured Depth of approximately 21,964'.

- **Airstrip State Com #244H:** to be drilled from a legal location with a proposed surface hole location in the N/2NE/4 of Section 30-18S-35E, a proposed first take point located at 660' FEL and 100' FNL of Section 30-18S-35E, and a proposed last take point located at 660' FEL and 100' FSL of Section 31-18S-35E. The Well will have a targeted interval within the Wolfcamp D formation and will be drilled horizontally in the Wolfcamp D (~11,700' TVD) to a Measured Depth of approximately 21,964'.

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

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

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement, which will be provided at a later date, covering Sections 30 & 31, Township 18 South, Range 35 East, Lea County, New Mexico, and has the following general provisions:

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

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFEs within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFEs are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

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

Sincerely,

MRC PERMIAN COMPANY



Ethan Frasier

Franklin Mountain Energy 3, LLC hereby elects to:

- _____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Airstrip State Com #110H** well.
_____ Not to participate in the **Airstrip State Com #110H**.
- _____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Airstrip State Com #119H** well.
_____ Not to participate in the **Airstrip State Com #119H**.
- _____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Airstrip State Com #130H** well.
_____ Not to participate in the **Airstrip State Com #130H**.
- _____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Airstrip State Com #121H** well.
_____ Not to participate in the **Airstrip State Com #121H**.
- _____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Airstrip State Com #122H** well.
_____ Not to participate in the **Airstrip State Com #122H**.
- _____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Airstrip State Com #123H** well.
_____ Not to participate in the **Airstrip State Com #123H**.
- _____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Airstrip State Com #241H** well.
_____ Not to participate in the **Airstrip State Com #241H**.
- _____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Airstrip State Com #242H** well.
_____ Not to participate in the **Airstrip State Com #242H**.
- _____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Airstrip State Com #243H** well.
_____ Not to participate in the **Airstrip State Com #243H**.
- _____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Airstrip State Com #244H** well.
_____ Not to participate in the **Airstrip State Com #244H**.

Franklin Mountain Energy 3, LLC

By: _____

Title: _____

Date: _____

Contact Number: _____

EXHIBIT A-6

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-6
Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.587.4628 • Fax 972.371.5201
isaac.evans@matadorresources.com

Isaac C. Evans
Vice President – Land

November 7, 2024

VIA FEDERAL EXPRESS

Franklin Mountain Energy 3, LLC
44 Cook Street, Suite 1000
Denver, CO 80206

Re: Airstrip State Com #110H, #119H, #130H, #121H, #122H, #123H, #241H, #242H, #243H & #244H
(the "Wells")
Participation Proposal
Sections 30 & 31, Township 18 South, Range 35 East, Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") previously proposed Matador Production Company's above-referenced wells to Franklin Mountain Energy 3 LLC for the initial development of the Bone Spring and Wolfcamp formations under Sections 30 & 31, Township 18 South, Range 35 East, NMPM, Lea County, NM, which were sent on July 31, 2024 and August 1, 2024. In connection with your review of the subject well proposals, enclosed please find updated AFEs, which have been updated to reflect the current estimated costs for the Wells. The subject well proposals otherwise remain the same.

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

Sincerely,

MRC PERMIAN COMPANY



Isaac C. Evans

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:	November 1, 2024	AFE NO.:	
WELL NAME:	Airstrip State Com 110H	FIELD:	
LOCATION:	Section 30-18S-35E	MD/TVD:	19944/9150'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	About 9,625'
MRC WI:			
GEOLOGIC TARGET:	First Bone Spring Sand		
REMARKS:	Drill and complete a horseshoe 2 mile long First Bone Spring target with about 40 frac stages.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ 10,000	\$ 10,000	\$ 78,000
Location, Surveys & Damages	153,333	13,000	15,000	20,000	201,333
Drilling	1,025,335	-	-	-	1,025,335
Cementing & Float Equip	345,000	-	-	-	345,000
Logging / Formation Evaluation	-	3,780	3,000	-	6,780
Flowback - Labor	-	-	31,600	-	31,600
Flowback - Surface Rentals	-	-	111,350	-	111,350
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	28,800	-	-	-	28,800
Mud Circulation System	159,555	-	-	-	159,555
Mud & Chemicals	355,000	47,850	70,000	-	472,850
Mud / Wastewater Disposal	235,000	-	25,000	1,000	261,000
Freight / Transportation	22,500	36,850	7,000	-	66,350
Rig Supervision / Engineering	160,800	78,760	10,000	3,600	253,160
Drill Bits	101,600	-	-	-	101,600
Fuel & Power	179,550	441,231	15,000	-	635,781
Water	95,000	525,000	2,000	1,000	623,000
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	284,744	-	-	-	284,744
Completion Unit, Swab, CTU	-	136,125	9,000	-	145,125
Perforating, Wireline, Slickline	-	204,574	7,000	-	211,574
High Pressure Pump Truck	-	62,590	5,000	-	67,590
Stimulation	-	2,171,184	-	-	2,171,184
Stimulation Flowback & Disp	-	17,050	157,500	-	174,550
Insurance	35,899	-	-	-	35,899
Labor	220,500	62,700	25,000	5,000	313,200
Rental - Surface Equipment	107,810	254,755	40,000	5,000	407,565
Rental - Downhole Equipment	336,650	85,250	-	-	421,900
Rental - Living Quarters	50,655	33,677	15,000	5,000	104,332
Contingency	309,104	205,737	55,845	5,060	665,746
Operations Center	25,308	-	-	-	25,308
TOTAL INTANGIBLES >	4,390,144	4,380,111	614,285	55,660	9,440,210
TANGIBLE COSTS					
Surface Casing	\$ 120,201	\$ -	\$ -	\$ -	\$ 120,201
Intermediate Casing	336,750	-	-	-	336,750
Drilling Liner	-	-	-	-	-
Production Casing	726,534	-	-	-	726,534
Production Liner	-	-	-	-	-
Tubing	-	-	122,400	-	122,400
Wellhead	83,500	-	45,000	-	128,500
Packers, Liner Hangers	-	70,546	6,000	-	76,546
Tanks	-	-	-	49,650	49,650
Production Vessels	-	-	-	159,420	159,420
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	320,000	-	320,000
Compressor	-	-	-	26,000	26,000
Installation Costs	-	-	-	84,000	84,000
Surface Pumps	-	-	5,000	-	5,000
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	70,291	81,291
Gas Conditioning / Dehydration	-	-	-	6,000	6,000
Interconnecting Facility Piping	-	-	-	80,500	80,500
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	2,000	4,900	6,900
Flare Stack	-	-	15,000	14,650	29,650
Electrical / Grounding	-	-	30,000	32,400	62,400
Communications / SCADA	-	-	5,000	8,450	13,450
Instrumentation / Safety	-	-	-	22,900	22,900
TOTAL TANGIBLES >	1,286,985	70,546	563,400	677,461	2,578,392
TOTAL COSTS >	5,657,129	4,450,657	1,177,695	733,121	12,018,602

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Julio Mayol	Team Lead - WTX/NM	<i>JM</i>
Completions Engineer:	Will Stalon		FM
Production Engineer:	Josh Bryant		

MATADOR RESOURCES COMPANY APPROVAL:

CFO	SW	Chief Geologist	NLF
EVP	BE	COO, EVP Operations	CC
EVP, Reservoir	WTE		

NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be confirmed as savings on any specific day in the total cost of the project. Tallying and/or other estimates on this AFE may be derived up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, royalties, regulatory, leasehold and well costs under the terms of the applicable gas operating agreement, regulatory order or other agreement governing this well. Participants shall be covered by and shall proportionately share the Operator's well control and general liability insurance unless participant provides Operator a certificate endorsing its own insurance in an amount accessible to the Operator by the date of input.

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:	November 1, 2024	AFE NO.:	
WELL NAME:	Airstrip State Com 119H	FIELD:	
LOCATION:	Section 30-18S-35E	MD/TVD:	19944'/9150'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	About 9,625'
MRC Wt:			
GEOLOGIC TARGET:	First Bone Spring Sand		
REMARKS:	Drill and complete a horseshoe 2 mile long First Bone Spring target with about 40 frac stages.		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 58,000	\$	\$ 10,000	\$ 10,000	\$ 78,000
Location, Surveys & Damages	153,333	13,000	15,000	20,000	201,333
Drilling	1,025,335				1,025,335
Cementing & Float Equip	345,000				345,000
Logging / Formation Evaluation	-	3,780	3,000		6,780
Flowback - Labor			31,600		31,600
Flowback - Surface Rentals			111,350		111,350
Flowback - Rental Living Quarters			-		-
Mud Logging	28,800				28,800
Mud Circulation System	159,555				159,555
Mud & Chemicals	355,000	47,850	70,000		472,850
Mud / Wastewater Disposal	235,000	-	25,000	1,000	261,000
Freight / Transportation	22,500	36,850	7,000	-	66,350
Rig Supervision / Engineering	160,800	78,760	10,000	3,600	253,160
Drill Bits	101,600				101,600
Fuel & Power	179,550	441,231	15,000	-	635,781
Water	95,000	525,000	2,000	1,000	623,000
Drig & Completion Overhead	10,000	-		-	10,000
Plugging & Abandonment					-
Directional Drilling, Surveys	284,744				284,744
Completion Unit, Swab, CTU	-	136,125	9,000		145,125
Perforating, Wireline, Slickline	-	204,574	7,000		211,574
High Pressure Pump Truck	-	62,590	5,000	-	67,590
Stimulation	-	2,171,184			2,171,184
Stimulation Flowback & Disp	-	17,050	157,500		174,550
Insurance	35,899				35,899
Labor	220,500	62,700	25,000	5,000	313,200
Rental - Surface Equipment	107,810	254,755	40,000	5,000	407,565
Rental - Downhole Equipment	336,650	85,250	-	-	421,900
Rental - Living Quarters	50,655	33,677	15,000	5,000	104,332
Contingency	369,104	205,737	55,845	5,060	655,746
Operations Center	25,308				25,308
TOTAL INTANGIBLES >	4,390,144	4,380,111	614,295	55,660	9,440,210
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 120,201	\$	\$	\$	\$ 120,201
Intermediate Casing	336,750				336,750
Drilling Liner	-				-
Production Casing	726,534				726,534
Production Liner	-				-
Tubing	-		122,400		122,400
Wellhead	83,500		45,000		128,500
Packers, Liner Hangers	-	70,546	6,000		76,546
Tanks	-			49,650	49,650
Production Vessels	-			159,420	159,420
Flow Lines	-			120,000	120,000
Rod string	-				-
Artificial Lift Equipment	-		320,000		320,000
Compressor	-			26,000	26,000
Installation Costs	-			64,000	64,000
Surface Pumps	-		5,000	16,300	21,300
Non-controllable Surface	-		-	2,000	2,000
Non-controllable Downhole	-		-		-
Downhole Pumps	-		-		-
Measurement & Meter Installation	-		11,000	70,291	81,291
Gas Conditioning / Dehydration	-		-	6,000	6,000
Interconnecting Facility Piping	-		-	80,500	80,500
Gathering / Bulk Lines	-		-	-	-
Valves, Dumps, Controllers	-		2,000	-	2,000
Tank / Facility Containment	-		2,000	4,900	6,900
Flare Stack	-		15,000	14,650	29,650
Electrical / Grounding	-		30,000	32,400	62,400
Communications / SCADA	-		5,000	8,450	13,450
Instrumentation / Safety	-			22,900	22,900
TOTAL TANGIBLES >	1,266,985	70,546	563,400	877,461	2,578,382
TOTAL COSTS >	5,657,129	4,450,657	1,177,695	733,121	12,018,602

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Julio Mayol	Team Lead - WTX/NM	<i>Jm</i>
Completions Engineer:	Will Stalon		FM
Production Engineer:	Josh Bryant		

MATADOR RESOURCES COMPANY APPROVAL:

CFO	_____	Chief Geologist	_____
	BW		NLF
EVP	_____	COO, EVP Operations	_____
	BE		CC
EVP, Reservoir	_____		
	WTE		

NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be correct as budgets are only specific items or the total cost of the project. Tubing installation approval under the AFE may be required as to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, derivative, regulatory, litigation and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be bound by and held proportionately for Operator's well control and general liability insurance. Unless participant provides Operator a certificate evidencing its well insurance in an amount acceptable to the Operator by the date of launch.

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:	November 1st, 2024	AFE NO.:	0
WELL NAME:	Airstrip State Com 121H	FIELD:	0
LOCATION:	Section 30 & 31-18S-35E	MD/TVD:	20354/10300'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 10,000
MRC WI:			
GEOLOGIC TARGET:	2nd Bone Spring		
REMARKS:	Drill and complete a 2-mile 2nd Bone Spring horizontal well with about 45 frac stages.		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 17,500	\$ -	\$ -	\$ 10,000	\$ 27,500
Location, Surveys & Damages	134,500	13,000	15,000	20,000	182,500
Drilling	878,311	-	-	-	878,311
Cementing & Float Equip	307,000	-	-	-	307,000
Logging / Formation Evaluation	-	8,000	-	-	8,000
Mud Logging	24,000	-	-	-	24,000
Mud Circulation System	135,880	-	-	-	135,880
Mud & Chemicals	331,695	57,500	-	-	389,195
Mud / Wastewater Disposal	235,000	-	-	1,000	236,000
Freight / Transportation	22,500	33,500	-	-	56,000
Rig Supervision / Engineering	136,800	81,100	7,500	3,600	229,000
Drill Bits	130,000	-	-	-	130,000
Fuel & Power	164,500	418,118	-	-	582,618
Water	76,250	462,500	-	1,000	539,750
Drig & Completion Overhead	11,750	-	-	-	11,750
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	330,279	-	-	-	330,279
Completion Unit, Swab, CTU	-	150,000	25,000	-	175,000
Perforating, Wireline, Slickline	-	229,131	-	-	229,131
High Pressure Pump Truck	-	97,000	-	-	97,000
Stimulation	-	2,211,876	-	-	2,211,876
Stimulation Flowback & Disp	-	15,500	157,500	-	173,000
Insurance	12,823	-	-	-	12,823
Labor	203,000	57,000	110,000	5,000	375,000
Rental - Surface Equipment	128,101	287,070	70,000	5,000	490,171
Rental - Downhole Equipment	201,250	82,500	-	-	283,750
Rental - Living Quarters	44,037	43,365	-	5,000	92,402
Contingency	177,312	152,846	19,250	5,060	354,268
Operations Center	20,868	-	-	-	20,868
TOTAL INTANGIBLES >	3,723,555	4,399,806	404,250	55,660	8,583,272
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 86,501	\$ -	\$ -	\$ -	\$ 86,501
Intermediate Casing	325,089	-	-	-	325,089
Drilling Liner	-	-	-	-	-
Production Casing	551,748	-	-	-	551,748
Production Liner	-	-	-	-	-
Tubing	-	-	126,000	-	126,000
Wellhead	83,500	-	45,000	-	128,500
Packers, Liner Hangers	-	64,258	5,000	-	69,258
Tanks	-	-	-	49,650	49,650
Production Vessels	-	-	-	159,420	159,420
Flow Lines	-	-	40,000	120,000	160,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	275,000	-	275,000
Compressor	-	-	-	26,000	26,000
Installation Costs	-	-	-	64,000	64,000
Surface Pumps	-	-	-	16,300	16,300
Non-controllable Surface	400	-	-	2,000	2,400
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	16,000	70,291	86,291
Gas Conditioning / Dehydration	-	-	-	6,000	6,000
Interconnecting Facility Piping	-	-	-	80,500	80,500
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	4,900	4,900
Tank / Facility Containment	-	-	-	14,650	14,650
Flare Stack	-	-	-	-	-
Electrical / Grounding	-	-	25,000	32,400	57,400
Communications / SCADA	-	-	2,500	8,450	10,950
Instrumentation / Safety	-	-	12,500	22,900	35,400
TOTAL TANGIBLES >	1,047,238	64,258	547,000	677,461	2,335,957
TOTAL COSTS >	4,770,794	4,464,064	951,250	733,121	10,919,229

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Julio Mayol	Team Lead - WTX/NM	<i>JM</i>
Completions Engineer:	Will Statton		FM
Production Engineer:	Josh Bryant		

MATADOR RESOURCES COMPANY APPROVAL:

President	VS	Chief Geologist	NLF
CFO	BW	COO	CC
EVP, Reservoir	WTE		

NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be incurred in full or in part. The AFE may be amended as to a cost after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, corporate, regulatory, brokerage and well costs under the terms of the collective joint operating agreement, regulatory order or other agreement governing this well. Participant's shall be covered by and shall proportionately be Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of bid.

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:	November 1st, 2024	AFE NO.:	0
WELL NAME:	Airstrip State Com 122H	FIELD:	0
LOCATION:	Section 30 & 31-18S-35E	MD/TVD:	20354'/10300'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 10,000
MRC WL:			
GEOLOGIC TARGET:	2nd Bone Spring		
REMARKS:	Drill and complete a 2-mile 2nd Bone Spring horizontal well with about 45 frac stages.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 17,500			\$ 10,000	\$ 27,500
Location, Surveys & Damages	134,500	13,000	15,000	20,000	182,500
Drilling	878,311				878,311
Cementing & Float Equip	307,000				307,000
Logging / Formation Evaluation	-	8,000			8,000
Mud Logging	24,000				24,000
Mud Circulation System	135,880				135,880
Mud & Chemicals	331,895	57,500			389,395
Mud / Wastewater Disposal	235,000			1,000	236,000
Freight / Transportation	22,500	33,500			56,000
Rig Supervision / Engineering	136,800	81,100	7,500	3,600	229,000
Drill Bits	130,000				130,000
Fuel & Power	164,500	418,118			582,618
Water	76,250	462,500		1,000	539,750
Drig & Completion Overhead	11,750				11,750
Plugging & Abandonment	-				-
Directional Drilling, Surveys	330,279				330,279
Completion Unit, Swab, CTU	-	150,000	25,000		175,000
Perforating, Wireline, Slickline	-	229,131			229,131
High Pressure Pump Truck	-	97,000			97,000
Stimulation	-	2,211,876			2,211,876
Stimulation Flowback & Disp	-	15,500	157,500		173,000
Insurance	12,823				12,823
Labor	203,000	57,000	110,000	5,000	375,000
Rental - Surface Equipment	128,101	287,070	70,000	5,000	490,171
Rental - Downhole Equipment	201,250	82,500			283,750
Rental - Living Quarters	44,037	43,365		5,000	92,402
Contingency	177,312	152,646	19,250	5,060	354,268
Operations Center	20,868				20,868
TOTAL INTANGIBLES >	3,723,555	4,399,806	404,250	55,660	8,583,272
TANGIBLE COSTS					
Surface Casing	\$ 86,501				\$ 86,501
Intermediate Casing	325,089				325,089
Drilling Liner	-				-
Production Casing	551,748				551,748
Production Liner	-				-
Tubing	-		126,000		126,000
Wellhead	83,500		45,000		128,500
Packers, Liner Hangers	-	64,258	5,000		69,258
Tanks	-			49,650	49,650
Production Vessels	-			159,420	159,420
Flow Lines	-		40,000	120,000	160,000
Rod string	-				-
Artificial Lift Equipment	-		275,000		275,000
Compressor	-			26,000	26,000
Installation Costs	-			64,000	64,000
Surface Pumps	-			16,300	16,300
Non-controllable Surface	400			2,000	2,400
Non-controllable Downhole	-				-
Downhole Pumps	-				-
Measurement & Meter Installation	-		16,000	70,291	86,291
Gas Conditioning / Dehydration	-			6,000	6,000
Interconnecting Facility Piping	-			80,500	80,500
Gathering / Bulk Lines	-				-
Valves, Dumps, Controllers	-				-
Tank / Facility Containment	-			4,900	4,900
Flare Stack	-			14,650	14,650
Electrical / Grounding	-		25,000	32,400	57,400
Communications / SCADA	-		2,500	8,450	10,950
Instrumentation / Safety	-		12,500	22,900	35,400
TOTAL TANGIBLES >	1,047,238	64,258	547,000	677,461	2,335,957
TOTAL COSTS >	4,770,794	4,464,064	951,250	733,121	10,919,229

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Julio Mayol	Team Lead - WTX/NM	FM
Completions Engineer:	Will Station		
Production Engineer:	Josh Bryant		

MATADOR RESOURCES COMPANY APPROVAL:

President	VS	Chief Geologist	NLF
CFO	BW	COO	CC
EVP, Reservoir	WTE		

NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be comparable to costs on any specific item or the total cost of the project. Tubing installation approved under the AFE, may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, insurance, regulatory, average and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and shall be jointly and severally liable for the Operator's well control and general liability insurance unless a participant provides Operator's a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of bid.

MATADOR PRODUCTION COMPANY

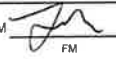
ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240
Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	November 1st, 2024	AFE NO.:	0
WELL NAME:	Airstrip State Com 123H	FIELD:	0
LOCATION:	Section 30 & 31-18S-35E	MO/TVD:	20354'/10300'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 10,000
MRC WI:			
GEOLOGIC TARGET:	2nd Bone Spring		
REMARKS:	Drill and complete a 2-mile 2nd Bone Spring horizontal well with about 45 frac stages.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 17,500	\$ -	\$ -	\$ 10,000	\$ 27,500
Location, Surveys & Damages	134,500	13,000	15,000	20,000	182,500
Drilling	878,311	-	-	-	878,311
Cementing & Float Equip	307,000	-	-	-	307,000
Logging / Formation Evaluation	-	8,000	-	-	8,000
Mud Logging	24,000	-	-	-	24,000
Mud Circulation System	135,880	-	-	-	135,880
Mud & Chemicals	331,895	57,500	-	-	389,395
Mud / Wastewater Disposal	235,000	-	-	1,000	236,000
Freight / Transportation	22,500	33,500	-	-	56,000
Rig Supervision / Engineering	136,800	81,100	7,500	3,600	229,000
Drill Bits	130,000	-	-	-	130,000
Fuel & Power	184,500	418,118	-	-	582,618
Water	76,250	462,500	-	1,000	539,750
Drig & Completion Overhead	11,750	-	-	-	11,750
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	330,279	-	-	-	330,279
Completion Unit, Swab, CTU	-	150,000	25,000	-	175,000
Perforating, Wireline, Slickline	-	229,131	-	-	229,131
High Pressure Pump Truck	-	97,000	-	-	97,000
Stimulation	-	2,211,876	-	-	2,211,876
Stimulation Flowback & Disp	-	15,500	157,500	-	173,000
Insurance	12,823	-	-	-	12,823
Labor	203,000	57,000	110,000	5,000	375,000
Rental - Surface Equipment	128,101	287,070	70,000	5,000	490,171
Rental - Downhole Equipment	201,250	82,500	-	-	283,750
Rental - Living Quarters	44,037	43,365	-	5,000	92,402
Contingency	177,312	152,646	19,250	5,060	354,268
Operations Center	20,868	-	-	-	20,868
TOTAL INTANGIBLES >	3,723,555	4,399,806	404,250	55,660	8,583,272
TANGIBLE COSTS					
Surface Casing	\$ 86,501	\$ -	\$ -	\$ -	\$ 86,501
Intermediate Casing	325,089	-	-	-	325,089
Drilling Liner	-	-	-	-	-
Production Casing	551,748	-	-	-	551,748
Production Liner	-	-	-	-	-
Tubing	-	-	126,000	-	126,000
Wellhead	83,500	-	45,000	-	128,500
Packers, Liner Hangers	-	64,258	5,000	-	69,258
Tanks	-	-	-	49,650	49,650
Production Vessels	-	-	-	159,420	159,420
Flow Lines	-	-	40,000	120,000	160,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	275,000	-	275,000
Compressor	-	-	-	26,000	26,000
Installation Costs	-	-	-	64,000	64,000
Surface Pumps	-	-	-	16,300	16,300
Non-controllable Surface	400	-	-	2,000	2,400
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	16,000	70,291	86,291
Gas Conditioning / Dehydration	-	-	-	6,000	6,000
Interconnecting Facility Piping	-	-	-	80,500	80,500
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	4,900	4,900
Flare Stack	-	-	-	14,650	14,650
Electrical / Grounding	-	-	25,000	32,400	57,400
Communications / SCADA	-	-	2,500	8,450	10,950
Instrumentation / Safety	-	-	12,500	22,900	35,400
TOTAL TANGIBLES >	1,047,238	64,258	547,000	677,461	2,335,957
TOTAL COSTS >	4,770,794	4,464,064	951,250	733,121	10,919,229

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Julio Mayol	Team Lead - WTX/NM	
Completions Engineer:	Will Statton		FM
Production Engineer:	Josh Bryant		

MATADOR RESOURCES COMPANY APPROVAL:

President	VS	Chief Geologist	NLF
CFO	BW	COO	CC
EVP, Reservoir	WTE		

NON OPERATING PARTNER APPROVAL:

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

The signers on this AFE are certifying that they are not be construed as a contract or any other legal instrument. This AFE may be used up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, insurance, regulatory, licensing and well costs, under the terms of the applicable joint operating agreement, regulatory order or other agreement governing this well. Participants shall be bound by and shall proportionately for Operator's and control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance or an amount accessible to the Operator by the date of sign.

Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	November 1st, 2024	AFE NO.:	0
WELL NAME:	Airstep State Com 130H	FIELD:	0
LOCATION:	Section 30-18S-35E	MD/TVD:	21394'/10600'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 9,625'
MRC WI:			
GEOLOGIC TARGET:	3rd Bone Spring		
REMARKS:	Drill and complete a horizontal horseshoe 3rd BS well with about 37 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 17,500	\$ -	\$ -	\$ 10,000	\$ 27,500
Location, Surveys & Damages	134,500	13,000	15,000	20,000	182,500
Drilling	1,095,555	-	-	-	1,095,555
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	57,500	-	-	400,395
Mud / Wastewater Disposal	235,000	-	-	1,000	236,000
Freight / Transportation	22,500	33,500	-	-	56,000
Rig Supervision / Engineering	168,000	81,100	15,000	3,600	267,700
Drill Bits	130,000	-	-	-	130,000
Fuel & Power	210,000	481,515	-	-	691,515
Water	76,250	450,000	-	1,000	527,250
Drig & Completion Overhead	15,000	-	-	-	15,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	344,319	-	-	-	344,319
Completion Unit, Swab, CTU	-	150,000	45,000	-	195,000
Perforating, Wireline, Slickline	-	224,068	15,000	-	239,068
High Pressure Pump Truck	-	97,000	-	-	97,000
Stimulation	-	2,198,015	-	-	2,198,015
Stimulation Flowback & Disp	-	15,500	157,500	-	173,000
Insurance	13,478	-	-	-	13,478
Labor	203,000	57,000	110,000	5,000	375,000
Rental - Surface Equipment	141,515	287,070	70,000	5,000	503,585
Rental - Downhole Equipment	193,450	82,500	-	-	275,950
Rental - Living Quarters	51,800	43,365	25,000	5,000	125,165
Contingency	316,484	156,084	45,250	5,060	522,878
Operations Center	26,640	-	-	-	26,640
TOTAL INTANGIBLES >	4,272,536	4,435,216	497,750	55,560	9,261,162
TANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS	COSTS
Surface Casing	\$ 85,901	\$ -	\$ -	\$ -	\$ 85,901
Intermediate Casing	332,004	-	-	-	332,004
Drilling Liner	-	-	-	-	-
Production Casing	577,832	-	-	-	577,832
Production Liner	-	-	-	-	-
Tubing	-	-	129,600	-	129,600
Wellhead	63,500	-	45,000	-	128,500
Packers, Liner Hangers	-	62,949	5,000	-	67,949
Tanks	-	-	-	49,650	49,650
Production Vessels	-	-	-	159,420	159,420
Flow Lines	-	-	40,000	120,000	160,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	275,000	-	275,000
Compressor	-	-	-	26,000	26,000
Installation Costs	-	-	-	64,000	64,000
Surface Pumps	-	-	-	16,300	16,300
Non-controllable Surface	400	-	5,000	2,000	7,400
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	16,000	70,291	86,291
Gas Conditioning / Dehydration	-	-	-	6,000	6,000
Interconnecting Facility Piping	-	-	20,000	80,500	100,500
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	5,000	-	5,000
Tank / Facility Containment	-	-	-	4,900	4,900
Flare Stack	-	-	-	14,550	14,550
Electrical / Grounding	-	-	45,000	32,400	77,400
Communications / SCADA	-	-	2,500	8,450	10,950
Instrumentation / Safety	-	-	12,500	22,900	35,400
TOTAL TANGIBLES >	1,079,637	62,949	600,600	677,461	2,420,647
TOTAL COSTS >	5,352,173	4,498,165	1,098,350	733,121	11,681,809

PREPARED BY MATADOR PRODUCTION COMPANY:

Dnllng Engineer: Julio Mayo
Complelions Engineer: Will Statton
Production Engineer: Josh Bryant

Team Lead - WTX/NM 
FM

MATADOR RESOURCES COMPANY APPROVAL:

President VS
CFO BW
EVH Reservoir WTE

Chief Geologist _____ NLF
COO _____ CC

NON OPERATING PARTNER APPROVAL:

Company Name: _____ Working Interest (%): _____ Tax ID: _____

Signed by: _____ Date: _____

Title: _____ Approval: Yes _____ No _____ (mark one)

The costs under this AFE are estimates only and may not be attributable as charges on any specific date or to a particular cost of the project. Funding resolution approved under this AFE may be delayed up to a year after the fund has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, regulatory, engineering, brokerage and well costs under the terms of the applicable well spacing agreement, regulatory order or other agreement covering this well. Participants shall be covered by and held proportionately for Operator's well control and general liability insurance unless Participant provides Operator a certificate evidencing its own insurance in the amount of at least \$10 million per occurrence, with a maximum aggregate limit of \$10 million per occurrence, covering the period of operations under this AFE.

AFF - Version 3

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:	11/1/2024	AFE NO.:	0
WELL NAME:	Airstrip State Com 241H	FIELD:	0
LOCATION:	Sections 30&31-18S-35E	MD/TVD:	21964'/11700'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 10,000
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp D		
REMARKS:	Drill and complete a 2 mile long Wolfcamp "D" target with about 40 frac stages.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 17,500			\$ 10,000	\$ 27,500
Location, Surveys & Damages	164,500	13,000	15,000	20,000	212,500
Drilling	1,069,329				1,069,329
Cementing & Float Equip	351,000				351,000
Logging / Formation Evaluation	-	8,000			8,000
Mud Logging	32,250				32,250
Mud Circulation System	163,050				163,050
Mud & Chemicals	366,550	65,000			431,550
Mud / Wastewater Disposal	235,000			1,000	236,000
Freight / Transportation	22,500	33,500			56,000
Rig Supervision / Engineering	166,000	82,900	7,500	3,600	261,500
Drill Bits	130,000				130,000
Fuel & Power	210,000	473,566			683,566
Water	66,000	615,000		1,000	682,000
Drig & Completion Overhead	15,000				15,000
Plugging & Abandonment	-				-
Directional Drilling, Surveys	352,014				352,014
Completion Unit, Swab, CTU	-	170,000	25,000		195,000
Perforating, Wireline, Slickline	-	211,385			211,385
High Pressure Pump Truck	-	102,000			102,000
Stimulation	-	3,350,694			3,350,694
Stimulation Flowback & Disp	-	15,500	105,000		120,500
Insurance	13,837				13,837
Labor	220,000	58,250	110,000	5,000	393,250
Rental - Surface Equipment	151,377	297,290	70,000	5,000	523,667
Rental - Downhole Equipment	200,531	91,000			291,531
Rental - Living Quarters	51,800	45,700		5,000	102,500
Contingency	322,161	171,149	33,250	5,060	531,620
Operations Center	26,670				26,670
TOTAL INTANGIBLES >	4,349,168	5,803,834	365,750	55,660	10,574,413
TANGIBLE COSTS					
Surface Casing	\$ 85,588				\$ 85,588
Intermediate Casing	396,478				396,478
Drilling Liner	-				-
Production Casing	588,499				588,499
Production Liner	-				-
Tubing	-		132,000		132,000
Wellhead	83,500		45,000		128,500
Packers, Liner Hangers	-	84,269	5,000		89,269
Tanks	-			49,650	49,650
Production Vessels	-			159,420	159,420
Flow Lines	-		40,000		40,000
Rod string	-			120,000	120,000
Artificial Lift Equipment	-		25,000		25,000
Compressor	-			26,000	26,000
Installation Costs	-			64,000	64,000
Surface Pumps	-			16,300	16,300
Non-controllable Surface	400			2,000	2,400
Non-controllable Downhole	-				-
Downhole Pumps	-				-
Measurement & Meter Installation	-		16,000	70,291	86,291
Gas Conditioning / Dehydration	-			6,000	6,000
Interconnecting Facility Piping	-			80,500	80,500
Gathering / Bulk Lines	-				-
Valves, Dumps, Controllers	-				-
Tank / Facility Containment	-			4,900	4,900
Flare Stack	-			14,650	14,650
Electrical / Grounding	-		25,000	32,400	57,400
Communications / SCADA	-		2,500	8,450	10,950
Instrumentation / Safety	-		12,500	22,900	35,400
TOTAL TANGIBLES >	1,154,466	84,269	303,000	677,461	2,219,196
TOTAL COSTS >	5,503,634	5,888,104	668,750	733,121	12,793,608

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Julio Mayol	Team Lead - WTX/NM	
Completions Engineer:	Will Statton		FM
Production Engineer:	Josh Bryant		

MATADOR RESOURCES COMPANY APPROVAL:

President	VS	Chief Geologist	NLF
CFO	BW	COO	CC
EVP, Reservoir	WTE		

NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be considered as ceilings on any specific item on the total cost of the project. Tubing installation approval under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, royalties, regulatory, permitting and well costs under the terms of the applicable non operating agreement, regulatory order or other agreement governing this well. Participants shall be covered by and held proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of input.

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:	11/1/2024	AFE NO.:	0
WELL NAME:	Airstrip State Com 242H	FIELD:	0
LOCATION:	Sections 30&31-18S-35E	MD/TVD:	21964'/11700'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 10,000
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp D		
REMARKS:	Drill and complete a 2 mile long Wolfcamp "D" target with about 40 frac stages.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 17,500	\$ -	\$ -	\$ 10,000	\$ 27,500
Location, Surveys & Damages	164,500	13,000	15,000	20,000	212,500
Drilling	1,069,329	-	-	-	1,069,329
Cementing & Float Equip	351,000	-	-	-	351,000
Logging / Formation Evaluation	-	8,000	-	-	8,000
Mud Logging	32,250	-	-	-	32,250
Mud Circulation System	163,050	-	-	-	163,050
Mud & Chemicals	366,650	65,000	-	-	431,650
Mud / Wastewater Disposal	235,000	-	-	1,000	236,000
Freight / Transportation	22,500	33,500	-	-	56,000
Rig Supervision / Engineering	168,000	82,800	7,500	3,600	261,900
Drill Bits	130,000	-	-	-	130,000
Fuel & Power	210,000	473,568	-	-	683,568
Water	66,000	615,000	-	1,000	682,000
Drig & Completion Overhead	15,000	-	-	-	15,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	352,014	-	-	-	352,014
Completion Unit, Swab, CTU	-	170,000	25,000	-	195,000
Perforating, Wireline, Stickline	-	211,385	-	-	211,385
High Pressure Pump Truck	-	102,000	-	-	102,000
Stimulation	-	3,350,694	-	-	3,350,694
Stimulation Flowback & Disp	-	15,500	105,000	-	120,500
Insurance	13,837	-	-	-	13,837
Labor	220,000	58,250	110,000	5,000	393,250
Rental - Surface Equipment	151,377	297,290	70,000	5,000	523,667
Rental - Downhole Equipment	200,531	91,000	-	-	291,531
Rental - Living Quarters	51,800	45,700	-	5,000	102,500
Contingency	322,161	171,149	33,250	5,060	531,620
Operations Center	26,670	-	-	-	26,670
TOTAL INTANGIBLES >	4,349,168	5,803,834	385,750	55,860	10,574,413
TANGIBLE COSTS					
Surface Casing	\$ 85,568	\$ -	\$ -	\$ -	\$ 85,568
Intermediate Casing	396,478	-	-	-	396,478
Drilling Liner	-	-	-	-	-
Production Casing	588,499	-	-	-	588,499
Production Liner	-	-	-	-	-
Tubing	-	-	132,000	-	132,000
Wellhead	83,500	-	45,000	-	128,500
Packers, Liner Hangers	-	84,269	5,000	-	89,269
Tanks	-	-	-	49,650	49,650
Production Vessels	-	-	-	159,420	159,420
Flow Lines	-	-	40,000	120,000	160,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	25,000	-	25,000
Compressor	-	-	-	26,000	26,000
Installation Costs	-	-	-	64,000	64,000
Surface Pumps	-	-	-	16,300	16,300
Non-controllable Surface	400	-	-	2,000	2,400
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	16,000	70,291	86,291
Gas Conditioning / Dehydration	-	-	-	6,000	6,000
Interconnecting Facility Piping	-	-	-	80,500	80,500
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	4,900	4,900
Flare Stack	-	-	-	14,650	14,650
Electrical / Grounding	-	-	25,000	32,400	57,400
Communications / SCADA	-	-	2,500	8,450	10,950
Instrumentation / Safety	-	-	12,500	22,900	35,400
TOTAL TANGIBLES >	1,164,466	84,269	303,000	677,461	2,219,196
TOTAL COSTS >	5,503,634	5,888,104	688,750	733,121	12,793,608

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Julio Mayol	Team Lead - WTX/NM	
Completions Engineer:	Will Statton		FM
Production Engineer:	Josh Bryant		

MATADOR RESOURCES COMPANY APPROVAL:

President	VS	Chief Geologist	NLF
CFO	BW	COO	CC
EVP, Reservoir	WTE		

NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be considered as ceilings on any specific item or the total cost of the project. Tubing modification approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participants agree to pay its proportionate share of actual costs incurred, including legal, surface, regulatory, licensing and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and added pro rata to the Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of sign.

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240

Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	11/1/2024	AFE NO.:	0
WELL NAME:	Airstrip State Com 243H	FIELD:	0
LOCATION:	Sections 30&31-18S-35E	MD/TVD:	21964'/11700'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 10,000
MRC Wt:			
GEOLOGIC TARGET:	Wolfcamp D		
REMARKS:	Drill and complete a 2 mile long Wolfcamp "D" target with about 40 frac stages.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 17,500			\$ 10,000	\$ 27,500
Location, Surveys & Damages	164,500	13,000	15,000	20,000	212,500
Drilling	1,069,329				1,069,329
Cementing & Float Equip	351,000				351,000
Logging / Formation Evaluation		8,000			8,000
Mud Logging	32,250				32,250
Mud Circulation System	163,050				163,050
Mud & Chemicals	366,650	65,000			431,650
Mud / Wastewater Disposal	235,000			1,000	236,000
Freight / Transportation	22,500	33,500			56,000
Rig Supervision / Engineering	168,000	82,800	7,500	3,600	261,900
Drill Bits	130,000				130,000
Fuel & Power	210,000	473,566			683,566
Water	66,000	615,000		1,000	682,000
Drig & Completion Overhead	15,000				15,000
Plugging & Abandonment					
Directional Drilling, Surveys	352,014				352,014
Completion Unit, Swab, CTU		170,000	25,000		195,000
Perforating, Wireline, Slickline		211,385			211,385
High Pressure Pump Truck		102,000			102,000
Stimulation		3,350,694			3,350,694
Stimulation Flowback & Disp		15,500	105,000		120,500
Insurance	13,837				13,837
Labor	220,000	58,250	110,000	5,000	393,250
Rental - Surface Equipment	151,377	297,290	70,000	5,000	523,667
Rental - Downhole Equipment	200,531	91,000			291,531
Rental - Living Quarters	51,800	45,700		5,000	102,500
Contingency	322,161	171,149	33,250	5,060	531,620
Operations Center	26,670				26,670
TOTAL INTANGIBLES >	4,349,168	5,803,834	365,750	55,660	10,574,413
TANGIBLE COSTS					
Surface Casing	\$ 85,568				\$ 85,568
Intermediate Casing	396,478				396,478
Drilling Liner					
Production Casing	588,499				588,499
Production Liner					
Tubing			132,000		132,000
Wellhead	83,500		45,000		128,500
Packers, Liner Hangers		84,269	5,000		89,269
Tanks				49,650	49,650
Production Vessels				159,420	159,420
Flow Lines			40,000	120,000	160,000
Rod string					
Artificial Lift Equipment			25,000		25,000
Compressor				26,000	26,000
Installation Costs				64,000	64,000
Surface Pumps				16,300	16,300
Non-controllable Surface	400			2,000	2,400
Non-controllable Downhole					
Downhole Pumps					
Measurement & Meter Installation			16,000	70,291	86,291
Gas Conditioning / Dehydration				6,000	6,000
Interconnecting Facility Piping				80,500	80,500
Gathering / Bulk Lines					
Valves, Dumps, Controllers				4,900	4,900
Tank / Facility Containment				14,850	14,850
Flare Stack					
Electrical / Grounding			25,000	32,400	57,400
Communications / SCADA			2,500	8,450	10,950
Instrumentation / Safety			12,500	22,900	35,400
TOTAL TANGIBLES >	1,154,466	84,269	303,000	677,461	2,219,196
TOTAL COSTS >	5,503,634	5,888,104	668,750	733,121	12,793,608

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Julio Mayol	Team Lead - WTX/NM	
Completions Engineer:	Will Statton		FM
Production Engineer:	Josh Bryant		

MATADOR RESOURCES COMPANY APPROVAL:

President	VS	Chief Geologist	NLF
CFO	BW	COO	CC
EVP, Reservoir	WTE		

NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be sufficient to complete the project. Tubing installation approval under the AFE may be delayed up to 30 days after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, location, regulatory, licensing and well costs under the terms of the applicable cost sharing agreement, regulatory order or other agreement covering this well. Participants will be deemed to have agreed to the Participant's well control and general liability insurance policy. Participant agrees to maintain an insurance policy in the event of a spill.

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:	11/1/2024	AFE NO.:	0
WELL NAME:	Airstrip State Com 244H	FIELD:	0
LOCATION:	Sections 30&31-18S-35E	MD/TVD:	21964/11700'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 10,000
MRC Wt:			
GEOLOGIC TARGET:	Wolfcamp D		
REMARKS:	Drill and complete a 2 mile long Wolfcamp "D" target with about 40 frac stages.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
INTANGIBLE COSTS					
Land / Legal / Regulatory	\$ 17,500	\$ -	\$ -	\$ 10,000	\$ 27,500
Location, Surveys & Damages	164,500	13,000	15,000	20,000	212,500
Drilling	1,069,329	-	-	-	1,069,329
Cementing & Float Equip	351,000	-	-	-	351,000
Logging / Formation Evaluation	-	8,000	-	-	8,000
Mud Logging	32,250	-	-	-	32,250
Mud Circulation System	163,050	-	-	-	163,050
Mud & Chemicals	366,650	65,000	-	-	431,650
Mud / Wastewater Disposal	235,000	-	-	1,000	236,000
Freight / Transportation	22,500	33,500	-	-	56,000
Rig Supervision / Engineering	168,000	82,800	7,500	3,600	261,900
Drill Bits	130,000	-	-	-	130,000
Fuel & Power	210,000	473,566	-	-	683,566
Water	66,000	615,000	-	1,000	682,000
Drig & Completion Overhead	15,000	-	-	-	15,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	352,014	-	-	-	352,014
Completion Unit, Swab, CTU	-	170,000	25,000	-	195,000
Perforating, Wireline, Slickline	-	211,385	-	-	211,385
High Pressure Pump Truck	-	102,000	-	-	102,000
Stimulation	-	3,350,694	-	-	3,350,694
Stimulation Flowback & Disp	-	15,500	105,000	-	120,500
Insurance	13,837	-	-	-	13,837
Labor	220,000	58,250	110,000	5,000	393,250
Rental - Surface Equipment	151,377	297,290	70,000	5,000	523,667
Rental - Downhole Equipment	200,531	91,000	-	-	291,531
Rental - Living Quarters	51,800	45,700	-	5,000	102,500
Contingency	322,161	171,149	33,250	5,060	531,620
Operations Center	26,670	-	-	-	26,670
TOTAL INTANGIBLES >	4,349,168	5,803,834	365,750	55,660	10,574,413
TANGIBLE COSTS					
Surface Casing	\$ 85,588	\$ -	\$ -	\$ -	\$ 85,588
Intermediate Casing	396,478	-	-	-	396,478
Drilling Liner	-	-	-	-	-
Production Casing	588,499	-	-	-	588,499
Production Liner	-	-	-	-	-
Tubing	-	-	132,000	-	132,000
Wellhead	83,500	-	45,000	-	128,500
Packers, Liner Hangers	-	84,269	5,000	-	89,269
Tanks	-	-	-	49,650	49,650
Production Vessels	-	-	-	159,420	159,420
Flow Lines	-	-	40,000	120,000	160,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	25,000	-	25,000
Compressor	-	-	-	26,000	26,000
Installation Costs	-	-	-	64,000	64,000
Surface Pumps	-	-	-	16,300	16,300
Non-controllable Surface	400	-	-	2,000	2,400
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	16,000	70,291	86,291
Gas Conditioning / Dehydration	-	-	-	6,000	6,000
Interconnecting Facility Piping	-	-	-	80,500	80,500
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	-	-
Tank / Facility Containment	-	-	-	4,900	4,900
Flare Stack	-	-	-	14,650	14,650
Electrical / Grounding	-	-	25,000	32,400	57,400
Communications / SCADA	-	-	2,500	8,450	10,950
Instrumentation / Safety	-	-	12,500	22,900	35,400
TOTAL TANGIBLES >	1,154,466	84,269	303,000	677,461	2,219,196
TOTAL COSTS >	5,503,634	5,888,104	668,750	733,121	12,793,608

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Julio Mayol	Team Lead - WTX/NM	<i>ZM</i>
Completions Engineer:	Walt Stanton		FM
Production Engineer:	Josh Bryant		

MATADOR RESOURCES COMPANY APPROVAL:

President	VS	Chief Geologist	NLF
CFO	BW	COO	CC
EVP, Reservoir	WTE		

NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be based on an estimate of the total cost of the project. Taking into account the AFE may be applied to it in a year after the well has been completed. In executing the AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, regulatory, engineering and other costs, under the terms of the applicable joint operating agreement, regulatory order or other agreement governing this well. Parties agree to be bound by and shall be responsible for the Participant's and operator's obligations to the Operator to a certificate of completion of the well in an amount proportionate to the Operator by the date of the well.

EXHIBIT A-7

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-7
Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786

Summary of Communications – MRC Airstrip State Com Cases

1. Franklin Mountain Energy 3, LLC

In addition to sending well proposals, Matador has had discussions with Franklin Mountain Energy 3, LLC regarding this project and its potential voluntary joinder. MRC has also sent Franklin Mountain a trade offer regarding this acreage. These communications are described in more detail in my filed testimony in these cases.

2. Axis Energy Corporation

Axis Energy Corporation has signed MRC's joint operating agreements for these cases and has also submitted a letter of support in support of MRC's development plans.

3. The Eastland Oil Company

In addition to sending well proposals, Matador had discussions with The Eastland Oil Co. regarding this project and potential voluntary joinder and are continuing those discussions.

4. Yates Energy Corporation

In addition to sending well proposals, Matador had discussions with Yates Energy Corporation regarding this project and potential voluntary joinder and are continuing those discussions.

5. Spinnaker Oil & Gas, LP

In addition to sending well proposals, Matador had discussions with Spinnaker Oil & Gas, LP regarding this project and potential voluntary joinder and are continuing those discussions.

6. Jalapeno Corporation

Jalapeno Corporation has signed MRC's well proposals and AFEs and stated it will be signing JOAs with MRC.

EXHIBIT A-8

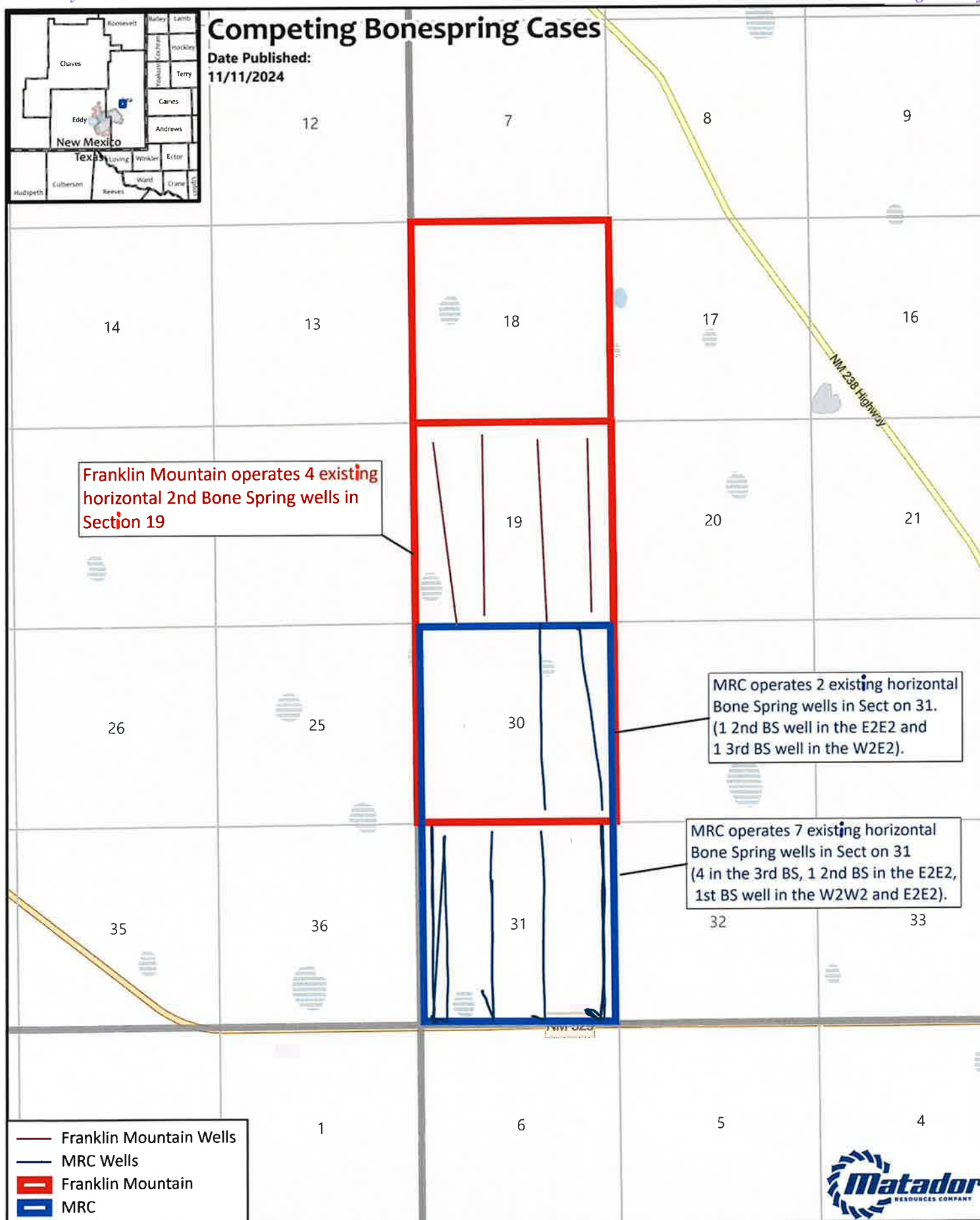


EXHIBIT A-9



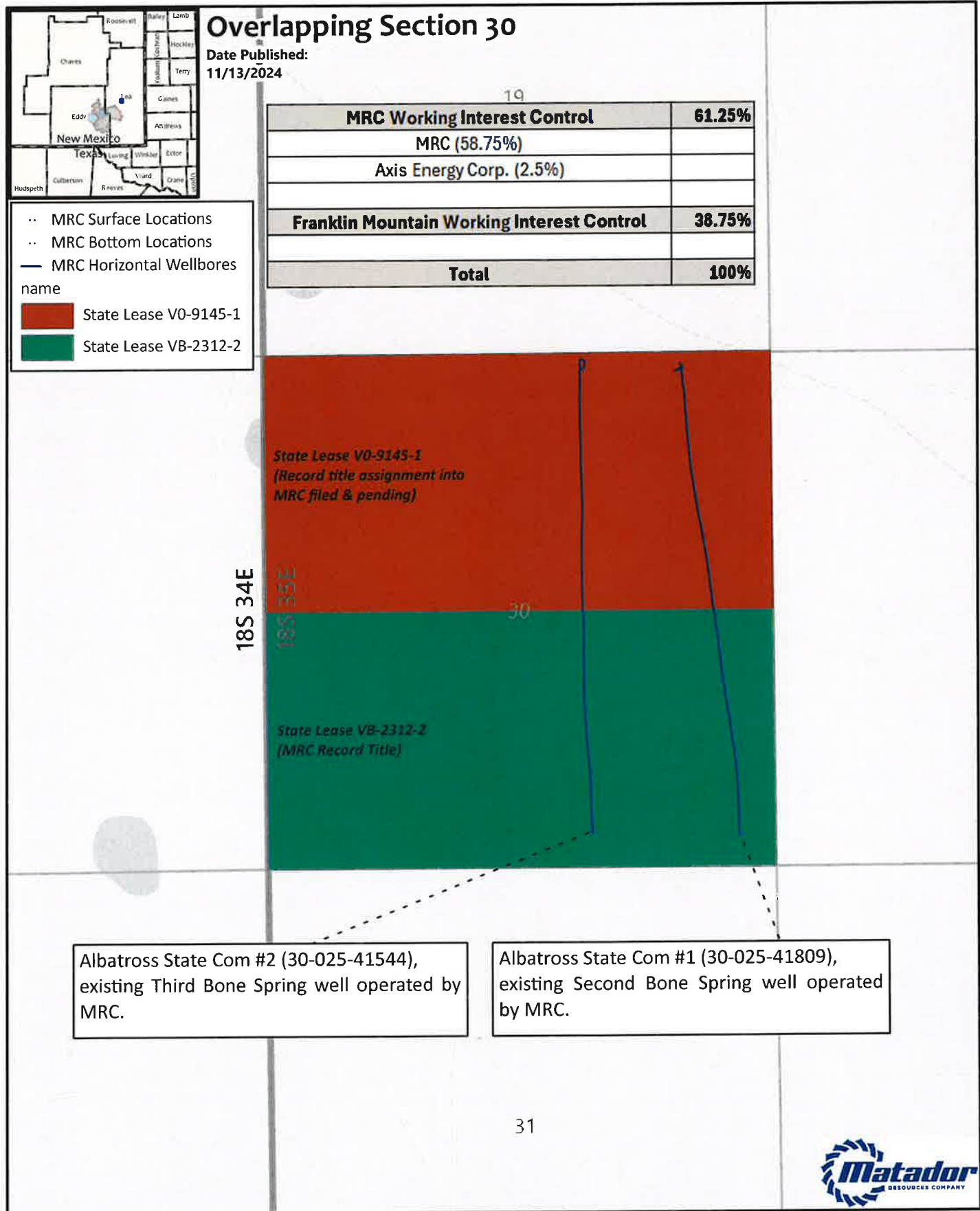
GIS Standard Map Disclaimer:
This cartographic product is for informational purposes and may not have been prepared for or be suitable for legal engineering or surveying purposes. Users of this information should review or consult the primary data and information sources to determine the validity of the information.

0 1,500 3,000 6,000 Feet

1:40,000
1 inch equals 3,333 feet

Map Prepared by: Lillian yeargins
Date: November 7, 2024
Project: \\gis\UserData\yeargins\~projects\Tract Maps\Tract Maps.aprx
Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet
Sources: IHS; ESRI; US DOI BLM Carlsbad, NM Field Office, GIS Department;
Texas Cooperative Wildlife Collection, Texas A&M University;
United States Census Bureau (TIGER);

EXHIBIT A-10



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0 500 1,000 2,000 Feet

1:15,500

1 inch equals 1,292 feet

Map Prepared by: Lillian yeargins
Date: November 13, 2024

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

EXHIBIT A-11

Isaac Evans
Vice President - Land
MRC Permian Company
5400 LBJ Fwy, Suite 1500
Dallas, Texas 75240

Re: Contested Force Pooling Cases involving MRC Permian Company's Airstrip State Com project to develop the Bone Spring and Wolfcamp formations in Sections 30 and 31, Township 18 South, Range 35 East, Lea County, New Mexico (Case Nos. 24778, 24779, 24780, 24781, 24782, 24783, 24784, 24785, and 24786).

Dear Isaac,

As you know, Axis Energy Corporation owns a working interest in Section 30-T18S-35E, which is included within MRC Permian Company's ("Matador") above-referenced Airstrip State Com project. Axis Energy Corporation is aware of the upcoming force pooling hearing involving (i) Matador's proposed Airstrip State Com project, and (ii) Franklin Mountain Energy III, LLC's proposed Rope State Com project, which overlaps with Matador's proposed Airstrip State Com project in Section 30 where Axis Energy Corporation owns a working interest.

In connection with those contested force pooling hearings, I write to confirm that Axis Energy Corporation is in support of Matador as operator for its proposed Airstrip State Com project. For purposes of the hearing, Axis Energy Corporation wishes for its working interest to be considered as committed to Matador's development plan in its Airstrip State Com project.

Please feel free to submit this letter of support in connection with your filings in the above-referenced force pooling proceedings.


KENNETH BARBEE
PRESIDENT
AXIS ENERGY CORPORATION

EXHIBIT A-12

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-12
Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786

From: Isaac Evans
Sent: Wednesday, September 25, 2024 2:14 PM
To: Lee Zink <lzink@fmellc.com>
Subject: RE: [External] 18S-35E: Proposed Trade

Good Afternoon Lee,

Hope the month is going well!

Wanted to quickly touch base on the trade we previously proposed. If FME is not interested in our previous trade proposal or sending a trade counter, another solution that would resolve the contested hearings at Airstrip-Shoffner-Rope would be to execute mutually-agreeable JOAs between MRC & FME on the following – (i) Ball State, *FME operated*; (ii) a JOA amending Rope State to a 2-mile Bone Spring and Wolfcamp development across Sections 18 & 19, *FME operated*; and (iii) a JOA on MRC's 2-mile Airstrip State proposals across Section 30 & 31, *MRC operated*.

Is this something y'all would consider as a resolution?

Thanks,
Isaac

From: Isaac Evans
Sent: Wednesday, August 21, 2024 6:23 PM
To: Lee Zink <lzink@fmellc.com>
Subject: RE: [External] 18S-35E: Proposed Trade

Sounds good. Thank you sir.

From: Lee Zink <lzink@fmellc.com>
Sent: Wednesday, August 21, 2024 4:29 PM
To: Isaac Evans <isaac.evans@matadorresources.com>
Subject: RE: [External] 18S-35E: Proposed Trade

****EXTERNAL EMAIL****

Thanks Isaac. We'll review and report back with any questions or concerns.

Lee

From: Isaac Evans <isaac.evans@matadorresources.com>
Sent: Wednesday, August 21, 2024 2:14 PM
To: Lee Zink <lzink@fmellc.com>
Subject: [External] 18S-35E: Proposed Trade

Lee,

Good speaking with you yesterday. Given the overlap between MRC & FME in the 18S-35E neighborhood, it would be advisable for both companies to work something out for the long-haul. And we think there's a mutually beneficial outcome in that resolution where both parties end up with operated units via a trade.

Conceptually, the proposed trade would split operatorship between MRC and FME across the 4-mile block of Sections 18 – 31. FME would operate Sections 18 & 19 and MRC would operate Sections 30 & 31. As an added bonus, we would throw in our acreage in the W/2 of Section 20 to FME for your Ball State project. That being the case, the end result of this trade would have FME ending up with two operated units – Ball State and Rope State and MRC ending up with one unit – Airstrip State Com.

Please see below and attached for an initial trade proposal. Let me know what you think. In the meantime, I would also advocate for continuing the Rope-Airstrip-Shoffner hearings for a shot period of time so that both parties can vet through this proposal.

REDACTED

MRC to FME							
FME Unit Name	MRC Unit Name	Lease No.	S-T-R	Legal	Gross	Net	Depths
W2 Ball State	Condor State	VB-1381-1	S20-18S-35E	W2			
Rope State	Shoffner State Com	VB-1313 & VB-1325	S18-18S-35E	All			
Rope State	Shoffner State Com	FEE	S19-18S-35E	Lot 2 (SW4NW4)			

FME to MRC							
FME Unit Name	MRC Unit Name	Lease No.	S-T-R	Legal	Gross	Net	Depths
Rope State	Airstrip State Com	V0-9145-1	S30-18S-35E	NE4			
Rope State	Airstrip State Com	VB-2312-1	S30-18S-35E	SE4			
Rope State	Airstrip State Com	VB-2312-1	S30-18S-35E	Lots 3 & 4, E2SW4 (SW4)			
Rope State	Airstrip State Com	V0-9145-1	S30-18S-35E	Lots 1 & 2, E2NW4 (NW4)			

Best,
Isaac

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[External Email]

Please be aware this email has originated from an outside source.

EXHIBIT A-13

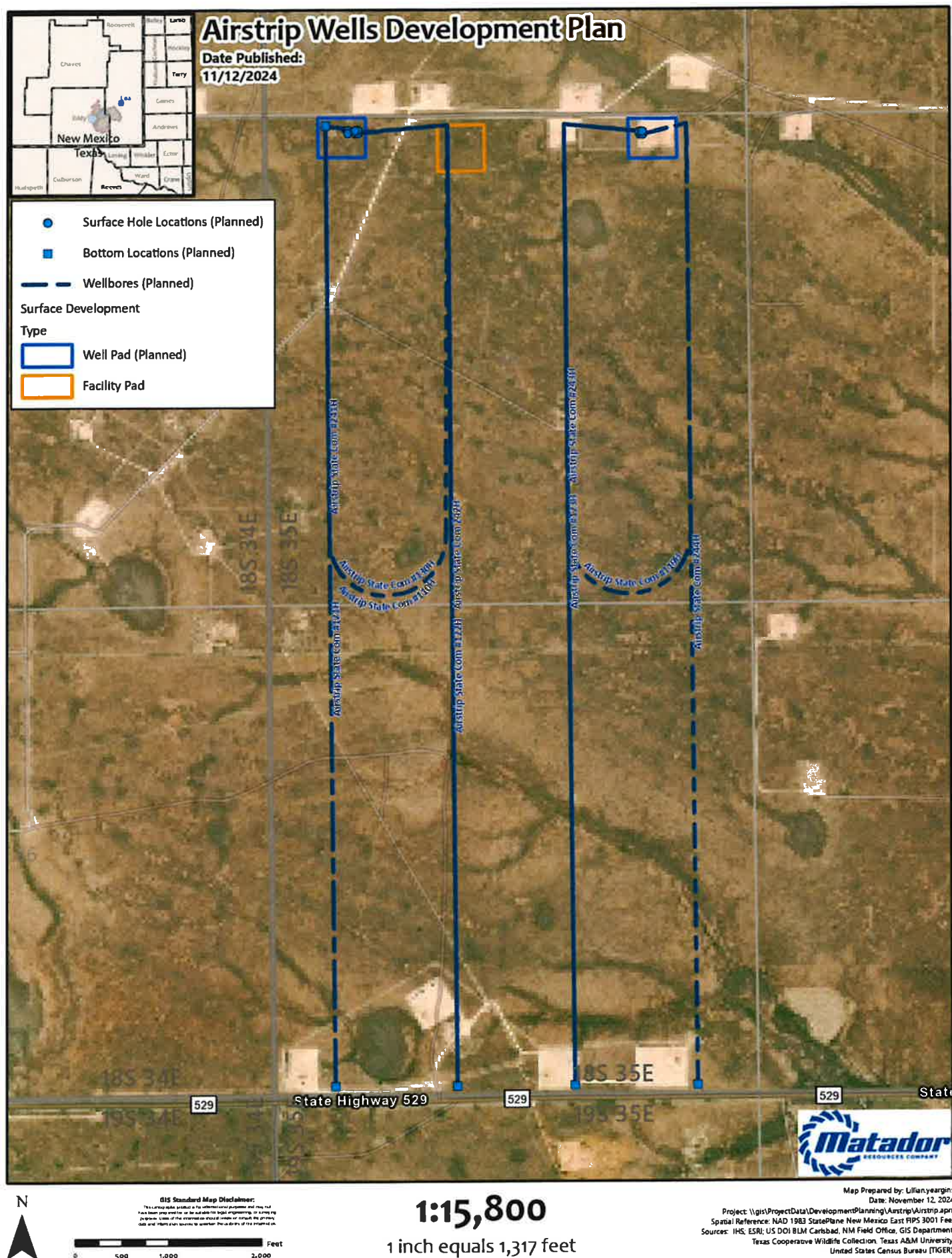


EXHIBIT A-14

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-14**

**Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786**



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Coterra Announces Accretive Permian Basin Acquisitions

November 13, 2024

HOUSTON--(BUSINESS WIRE)-- **Coterra Energy Inc. (NYSE: CTRA) ("Coterra" or the "Company")** today announced it has entered into two separate definitive agreements to acquire certain assets of Franklin Mountain Energy and Avant Natural Resources and its affiliates for aggregate consideration of \$3.95 billion, consisting of \$2.95 billion of cash and \$1.0 billion of Coterra common stock, issued to one of the sellers, subject to certain purchase price adjustments. The cash portion of the consideration is expected to be funded through a combination of cash on hand and borrowings. The transactions are each subject to satisfaction of customary terms and conditions and are expected to close during the first quarter of 2025, with effective dates as of October 1, 2024. Neither acquisition is conditioned on the closing of the other acquisition.

Tom Jorden, Chairman, CEO, and President of Coterra, noted, "We are thrilled to announce the pending acquisition of two high-quality Permian Basin asset packages. These highly accretive acquisitions create an expanded core area in New Mexico that plays to Coterra's organizational strengths. In addition to adding significant oil volumes in 2025, the acquired assets provide inventory upside to established and emerging oil-weighted formations."

Mr. Jorden continued, "We have been drilling horizontal wells in Lea County, New Mexico since 2010 and are extremely excited with the recent results and future opportunity across the area. The newly scaled platform provides a long runway for capital efficient development and substantial free cash flow generation. Importantly, we are maintaining an industry-leading balance sheet."

Highlights

[Skip to main content](#)

- Creating an additional oil-weighted focus area in New Mexico, with acreage adjacent to our existing footprint
- Highly accretive, >15% accretive to estimated 2025-2027 per share Discretionary Cash Flow and Free Cash Flow, and accretive to Net Asset Value per share
- Disciplined 2025 Permian New Mexico, with expected pro forma reinvestment rate of approximately 50%. Pro forma production expected to be 150-to-170 mbod and 720-to-760 mboed with a total capital budget anticipated at \$2,100-to-\$2,400 million
- Deep pro forma inventory, with over 15 years of runway in the Permian Basin
- Expect to maintain top-tier balance sheet and liquidity, with estimated year-end 2025 Net Leverage Ratio of 0.6x, which is expected to remain below 1.0x, even in a \$55/bbl and \$2.50/MMBtu commodity price environment
- Estimate corporate breakeven prices, with Free Cash Flow after the base dividend, to be below \$50/bbl WTI and \$2.50/MMBtu Henry Hub
- Remain committed to minimum 50%+ return of annual Free Cash Flow to shareholders through base dividends and buybacks

Acquisition Details: Adding scale in New Mexico, creating additional premier core footprint

- Acquisition valued at 3.8x estimated 4Q24 annualized EBITDAX and approximately 13% estimated 2025 Free Cash Flow yield at \$70/bbl WTI and \$3.00/MMBtu Henry Hub price assumptions
- Coring up position in the northern Delaware Basin with approximately 49,000 net highly contiguous acres concentrated in Lea County, New Mexico, creating a new approximately 83,000 net acre focus area within the Coterra portfolio
- Assets to be acquired include 400-550 net Permian locations, primarily targeting Bone Spring, Harkey, Avalon and the emerging oily Lower Wolfcamp/Penn Shale. Assets to be acquired are expected to generate 1.8x PVI₁₀ on average, at \$70/bbl WTI and \$3.00/MMBtu NYMEX price assumptions.
 - Increases Coterra's New Mexico net locations by approximately 75%, and Coterra's Permian net locations by approximately 25%
 - Average lateral length of 9,500 feet
 - Acquiring approximately 125 miles of pipeline and other infrastructure, which is expected to enhance netbacks and economics across existing acreage and the new focus area
 - Multiple horizons and contiguous drilling spacing units help maximize wells per pad, reduce facilities and infrastructure costs
- Estimate 2025 capital expenditures of \$400-to-\$500 million, 2025 oil production of 40-to-50 mbopd, and total equivalent production of 60-to-70 mboed for the acquired assets

2025 Pro Forma Coterra Outlook

- Expect to reinvest approximately 50% of Discretionary Cash Flow in 2025 assuming \$70/bbl WTI and \$3.00/MMBtu Henry Hub
- Estimate 2025 oil production of 150-to-170 mbod, an increase of approximately 49% compared to estimated 2024 mid-point of oil guidance. Standalone Coterra assets are expected to generate 5-10% growth in 2025.
- Total equivalent production of 720-760 mboed, an increase of approximately 11% compared to estimated 2024 mid-point of total equivalent production guidance.
- Expect oil revenue mix of approximately 55-to-60% based on estimated 2025 production and assuming \$70/bbl WTI and \$3.00/MMBtu Henry Hub
- Estimate \$2,100-to-\$2,400 million of capital expenditures in 2025, approximately 75% weighted to the Permian Basin

Financing Details

Coterra will fund the acquisitions with \$2.95 billion of cash and the issuance of approximately 40.9 million shares of Coterra common stock to certain sellers, which is valued at approximately \$1.0 billion. The Company plans to finance the cash portion of the purchase price through a combination of cash on hand and new borrowings.

Advisors

JPMorgan Chase Bank, N.A., PNC Capital Markets LLC, and TD Securities (USA) LLC are providing committed financing for the transaction. Gibson, Dunn & Crutcher LLP is serving as legal advisor to Coterra. Veriten served as independent advisor.

Jefferies LLC is serving as financial advisor to Franklin Mountain Energy. Kirkland & Ellis LLP served as legal advisor to Franklin Mountain Energy.

TPH&Co, the energy business of Perella Weinberg Partners, and Petrie Partners, LLC are acting as financial advisors to Avant Natural Resources. Kirkland & Ellis LLP served as legal advisor to Avant Natural Resources.

Both acquisitions are subject to customary closing conditions and are expected to close in the first quarter of 2025 with an effective date of October 1, 2024. A slide deck related to the acquisitions is available under the "Events & Presentations" page under the "Investors" section of the Company's website at www.coterra.com. Coterra management will host a live conference call to discuss the acquisitions on Wednesday, November 13, 2024 at 7:30 AM Central Time. Further details are provided at the end of this press release.

Conference Call Information

Management will host a live conference call to discuss the acquisitions.

Date: Wednesday, November 13, 2024

Time: 7:30 AM CT / 8:30 AM ET

USA / International Toll +1 (646) 307-1963

USA - Toll-Free (800) 715-9871

Canada - Toronto (647) 932-3411

Canada - Toll-Free (800) 715-9871

Conference ID: 8994034

To access the live webcast, visit the "Events & Presentations" page under the "Investors" section of the Company's website at www.coterra.com. The replay will be archived and available at the same location after the conclusion of the live event.

About Coterra Energy

Coterra is a premier exploration and production company based in Houston, Texas with focused operations in the Permian Basin, Marcellus Shale and Anadarko Basin. We strive to be a leading energy producer, delivering sustainable returns through the efficient and responsible development of our diversified asset base. Learn more about us at www.coterra.com.

Cautionary Statement Regarding Forward-Looking Information

This press release contains certain forward-looking statements within the meaning of federal securities laws. Forward-looking statements are not statements of historical fact and reflect Coterra's current views about future events. Such forward-looking statements include, but are not limited to, statements about the closing of the

acquisitions, the anticipated indebtedness to be incurred in connection with the acquisitions, the performance of the assets to be acquired, returns to shareholders, growth rates, enhanced shareholder value, reserves estimates (both of Coterra and for the reserves to be acquired), future financial and operating performance and goals and commitment to sustainability and ESG leadership, strategic pursuits and goals, and other statements that are not historical facts contained in this press release. The words "expect," "project," "estimate," "believe," "anticipate," "intend," "budget," "plan," "predict," "potential," "possible," "may," "should," "could," "would," "will," "strategy," "outlook," "guide" and similar expressions are also intended to identify forward-looking statements. We can provide no assurance that the forward-looking statements contained in this press release will occur as projected and actual results may differ materially from those projected. Forward-looking statements are based on current expectations, estimates and assumptions that involve a number of risks and uncertainties that could cause actual results to differ materially from those projected. These risks and uncertainties include, without limitation: our ability to integrate the assets to be acquired into our operations and to implement our capital plan with respect to such assets; the volatility in commodity prices for crude oil and natural gas; cost increases; the effect of future regulatory or legislative actions; actions by, or disputes among or between, the Organization of Petroleum Exporting Countries and other producer countries; market factors; market prices (including geographic basis differentials) of oil and natural gas; impacts of inflation; labor shortages and economic disruption (including as a result of geopolitical disruptions such as the war in Ukraine or the conflict in the Middle East or further escalation thereof); determination of reserves estimates, adjustments or revisions, including factors impacting such determination such as commodity prices, well performance, operating expenses and completion of Coterra's annual PUD reserves process (including for the assets to be acquired), as well as the impact on our financial statements resulting therefrom; the presence or recoverability of estimated reserves; the ability to replace reserves; environmental risks; drilling and operating risks; exploration and development risks; competition; the ability of management to execute its plans to meet its goals; and other risks inherent in Coterra's businesses. In addition, the declaration and payment of any future dividends, whether regular base quarterly dividends, variable dividends or special dividends, will depend on Coterra's financial results, cash requirements, future prospects and other factors deemed relevant by Coterra's Board. While the list of factors presented here is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. For additional information about other factors that could cause actual results to differ materially from those described in the forward-looking statements, please refer to Coterra's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other filings with the SEC, which are available on Coterra's website at www.coterra.com.

Forward-looking statements are based on the estimates and opinions of management at the time the statements are made. Except to the extent required by applicable law, Coterra does not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

Supplemental Non-GAAP Financial Measures (Unaudited)

We report our financial results in accordance with accounting principles generally accepted in the United States (GAAP). However, we believe certain non-GAAP performance measures may provide financial statement users with additional meaningful comparisons between current results and results of prior periods. In addition, we believe these measures are used by analysts and others in the valuation, rating and investment recommendations of companies within the oil and natural gas exploration and production industry. See the

[Skip to main content](#)

reconciliations below that compare GAAP financial measures to non-GAAP financial measures for the periods



We have also included herein certain forward-looking non-GAAP financial measures. Due to the forward-looking nature of these non-GAAP financial measures, we cannot reliably predict certain of the necessary components of the most directly comparable forward-looking GAAP measures, such as changes in assets and liabilities (including future impairments) and cash paid for certain capital expenditures. Accordingly, we are unable to present a quantitative reconciliation of such forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures. Reconciling items in future periods could be significant.

Capital expenditures is defined as cash capital expenditures for drilling, completion and other fixed asset additions less changes in accrued capital costs.

Discretionary Cash Flow is defined as cash flow from operating activities excluding changes in assets and liabilities. Discretionary Cash Flow is widely accepted as a financial indicator of an oil and gas company's ability to generate available cash to internally fund exploration and development activities, return capital to shareholders through dividends and share repurchases, and service debt and is used by our management for that purpose. Discretionary Cash Flow is presented based on our management's belief that this non-GAAP measure is useful information to investors when comparing our cash flows with the cash flows of other companies that use the full cost method of accounting for oil and gas produced activities or have different financing and capital structures or tax rates. Discretionary Cash Flow is not a measure of financial performance under GAAP and should not be considered as an alternative to cash flows from operating activities or net income, as defined by GAAP, or as a measure of liquidity.

Free Cash Flow is defined as Discretionary Cash Flow less cash paid for capital expenditures Free Cash Flow is an indicator of a company's ability to generate cash flow after spending the money required to maintain or expand its asset base and is used by our management for that purpose. Free Cash Flow is presented based on our management's belief that this non-GAAP measure is useful information to investors when comparing our cash flows with the cash flows of other companies. Free Cash Flow is not a measure of financial performance under GAAP and should not be considered as an alternative to cash flow from operating activities or net income, as defined by GAAP, or as a measure of liquidity.

EBITDAX is defined as net income plus interest expense, other expense, income tax expense and benefit, depreciation, depletion, and amortization (including impairments), exploration expense, gain and loss on sale of assets, non-cash gain and loss on derivative instruments, earnings and loss on equity method investments, equity method investment distributions, stock-based compensation expense and merger-related costs. EBITDAX is presented on our management's belief that this non-GAAP measure is useful information to investors when evaluating our ability to internally fund exploration and development activities and to service or incur debt without regard to financial or capital structure. Our management uses EBITDAX for that purpose. EBITDAX is not a measure of financial performance under GAAP and should not be considered as an alternative to cash flows from operating activities or net income, as defined by GAAP, or as a measure of liquidity.

Net Debt and Net Debt to EBITDAX (or Net Leverage)

Net Debt is calculated by subtracting cash and cash equivalents from total debt. Net Debt is a non-GAAP measures which our management believes are also useful to investors when assessing our leverage since we have the ability to and may decide to use a portion of our cash and cash equivalents to retire debt. Our management uses this measure for that purpose.

[Skip to main content](#)

Other Defined Terms



Present Value Index (PVI10) is often used by management as a return-on-investment metric and defined as the estimated net present value (using a 10% discount rate) of the future net cash flows from such reserves (for which we utilize certain assumptions regarding future commodity prices and operating costs), adding back our direct net costs incurred in drilling and adding back our completing, constructing facilities, and flowing back such wells, and then dividing that sum by our direct net costs incurred in drilling, completing, constructing facilities, and flowing back such wells.

Investor Contact

Daniel Guffey – Vice President of Finance, Investor Relations, and Treasurer
281.589.4875

Hannah Stuckey – Investor Relations Manager
281.589.4983

Source: Coterra Energy Inc.

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

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

Case Nos. 24778-24783

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

Case Nos. 24784-24786

**APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3, LLC
FOR COMPULSORY POOLING AND, TO THE EXTENT NECESSARY,
APPROVAL OF OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO**

Case Nos. 24457, 24459, and 24479

**APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3, LLC
FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO**

Case Nos. 24898-24901

SELF-AFFIRMED STATEMENT OF ANDREW PARKER

1. My name is Andrew Parker and I am employed by MRC Energy Company, an affiliate of MRC Permian Company ("MRC"), as a Senior Vice President of Geoscience. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology.

2. I am familiar with the applications filed by MRC in Cases 24778-24786 for the proposed Airstrip wells. These consolidated cases seek to develop horizontal spacing units in the Bone Spring and Wolfcamp formations using a mix of two-mile wells and u-turn wells in Sections 30 and 31, Township 18 South, Range 35 East, Lea County, New Mexico.

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

**Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786**

3. I am also familiar with the applications filed by Franklin Mountain Energy 3, LLC (“Franklin Mountain”) in Case Nos. 24457, 24459, and 24479 and 24898-24901, in which Franklin Mountain seeks to develop the Bone Spring formation in Sections 18, 19 and 30 (using three-mile laterals), and seeks to develop the Wolfcamp formation in Sections 19 and 30 (using two-mile laterals) for its proposed Rope project.

4. I have therefore conducted a geologic study of the Bone Spring and Wolfcamp formations underlying the subject area in these cases.

5. **MRC Exhibit B-1** is a locator map with a large red box in the top right corner. The yellow shaded rectangle within this larger red box identifies the acreage MRC seeks to pool for its proposed Airstrip wells.

Bone Spring Formation

6. In cases 24778-24782, MRC intends to continue to develop the First Bone Spring, Second Bone Spring, and Third Bone Spring of the Bone Spring formation, respectively.

7. **MRC Exhibit B-2** is a subsea structure map prepared off the top of the Bone Spring formation. The contour interval is 200 feet. The structure map shows the Bone Spring formation gently dipping to the south. The structure appears consistent across the proposed wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

8. Also included on MRC Exhibit B-2 is a line of cross section from A to A’.

9. **MRC Exhibit B-3** is a structural cross-section prepared displaying open-hole logs run over the Bone Spring formation from the five representative wells denoted from A to A’. For each well in the cross-section, the following logs are included: gamma ray, caliper, resistivity, and porosity. The proposed target interval for each of the respective proposed wells, which are in the First Bone Spring, Second Bone Spring, and Third Bone Spring of the Bone Spring formation, are

labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted intervals are consistent in thickness across the entirety of the proposed spacing units.

10. 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.

11. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells within the Bone Spring formation in the area of the spacing units proposed in these cases.

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

13. 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.

Wolfcamp Formation

14. In cases 24783-24786, MRC intends to develop what MRC refers to internally as the Wolfcamp D interval. As explained further below, MRC's proposed target interval is highlighted in MRC Exhibit B-5. From a geologic standpoint, the barrier between the base of the Wolfcamp formation and top of the Pennsylvanian age formations below it can be a matter of interpretation. However, it is MRC's understanding that within the industry the consensus is to consider this target to be within the Wolfcamp formation, and therefore MRC is seeking to pool the Wolfcamp formation and I will refer to MRC's proposed targeted interval as part of the Wolfcamp formation.

15. **MRC Exhibit B-4** is a subsea structure map prepared off the top of the Wolfcamp formation. The contour interval is 200 feet. The structure map shows the Wolfcamp formation

gently dipping to the south. The structure appears consistent across the proposed wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

16. Also included on MRC Exhibit B-4 is a line of cross section from A to A'.

17. **MRC Exhibit B-5** is a structural cross-section prepared displaying open-hole logs run over portions of the Wolfcamp formation from the four representative wells denoted from A to A'. For each well in the cross-section, the following logs are included: gamma ray, caliper, resistivity, and porosity, where available. The well logs run over the Wolfcamp D are somewhat limited in this area, which is the reason I included some wells that did not have logs over the entire Wolfcamp. The proposed target interval for each of the respective proposed wells is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted interval is consistent in thickness, across the entirety of the proposed spacing units.

18. In my opinion, the standup well orientation is the preferred orientation for development in this area for Wolfcamp D wells based on the maximum horizontal stress orientation in the area.

19. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells within the Wolfcamp formation in the area of the spacing units proposed in these cases.

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

21. 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.

My Analysis of the Competing Development Plans

22. MRC's and Franklin Mountain's competing development plans cover four different sections, including sections with a number of existing horizontal wells, and include a number of different proposed lateral lengths.

23. **MRC Exhibit B-6** is a diagram showing each of the four sections in these cases, with a separate diagram for each of the targets proposed in initial development by either MRC or Franklin Mountain and showing each company's proposed initial wells in such target (if any) and the general location of the existing horizontal and vertical wells in that section. MRC's proposed initial wells are shown with blue wellbore diagrams. Franklin Mountain's proposed initial wells are shown in red wellbore diagrams. The existing horizontal wells are shown in black wellbore diagrams. The existing vertical wells in Section 18 are shown with black circles. The existing horizontal wellbores shown in Sections 30 and 31 are operated by MRC. The existing horizontal wellbores shown in Section 19 are operated by Franklin Mountain.

24. As shown in Exhibit B-6, with respect to Section 30 where MRC's and Franklin Mountain's competing development plans overlap, both companies have proposed wells in the First Bone Spring, Third Bone Spring, and Wolfcamp D target. MRC has proposed initial wells in the Second Bone Spring, but Franklin Mountain has not. Franklin Mountain has proposed initial wells in the Wolfcamp B, but MRC has not (as discussed further below).

25. **MRC Exhibit B-7** is a comparison of the initial wells targeted by MRC and Franklin Mountain in each of their proposed development plans. MRC Exhibit B-7 also shows the existing horizontal wells in these sections. On the left side of this exhibit, the existing wells and proposed initial wells by MRC in Section 31 are shown on the left. Franklin Mountain's proposed development plan does not include Section 31, but I have included that section in this diagram to

better show MRC's entire proposed initial development. On the right side of this exhibit, the existing wells in the overlapping Section 30 are shown in black, MRC's proposed initial wells in these cases are shown in blue, and Franklin Mountain's proposed initial wells are shown in red.

26. As shown on Exhibit B-7, both companies' development plans include targeting the First Bone spring, Third Bone Spring, and Wolfcamp D. Although the precise targets may vary slightly between the companies' proposals in these targets, I do not think those potential variances are material.

27. My primary concern with Franklin Mountain's proposed development from a geologic standpoint is (i) Franklin Mountain's exclusion of the development of the Second Bone Spring in the overlapping Section 30, and (ii) Franklin Mountain's proposed development of the Wolfcamp B in the overlapping Section 30.

Franklin Mountain's Plan Excludes the Second Bone Spring in Section 30

28. Franklin Mountain's proposed development plan does not include developing the remaining undeveloped Second Bone Spring targets in the overlapping Section 30, whereas MRC's proposed development plan does. Based on my geologic review, the Second Bone Spring is a viable target that should be developed in section 30. MRC's reservoir expert in this case will discuss Franklin Mountain's exclusion of the Second Bone Spring in the overlapping Section 30 in more detail.

Concerns with Franklin Mountain's Development of Wolfcamp B

29. As shown on MRC exhibits B-6 and B-7, Franklin Mountain has proposed to drill four Wolfcamp B wells that include the overlapping Section 30.

30. MRC has a number of concerns about Franklin Mountain's proposed development of the Wolfcamp B target, which will be discussed in more detail by MRC's reservoir expert in

this case. However, one of MRC's concerns relates to Franklin Mountain's drilling ability and/or geologic interpretation and well steering of Franklin Mountain's recent Gold State 701 well. Franklin Mountain's Gold State 701 is a recent well drilled and completed by Franklin Mountain near this acreage in which Franklin Mountain was attempting to develop the Wolfcamp B target.

31. **MRC Exhibit B-8** is a diagram showing the wellbore path of Franklin Mountain's Gold State 701 well compared to my geologic interpretation of where the Wolfcamp B target was located relative to this wellbore's path.

32. As shown on Exhibit B-8, Franklin Mountain's Gold State 701 was drilled out of the actual Wolfcamp B for a very significant portion of the well. In fact, it appears that Franklin Mountain only drilled within the actual Wolfcamp B target for approximately 4,500 feet of this approximately 9,000 foot lateral (i.e., drilling in-zone for only approximately 50% of the well). Over 3,000 feet of the lateral was drilled in non-reservoir carbonate, and the toe of the well (~1,000 feet) was drilled in the overlying Wolfcamp A. Missing the target this significantly for such a large portion of the wellbore would significantly impair well performance to the detriment of all interest owners in the well, as will be discussed in more detail by MRC's reservoir expert.

33. MRC has not included the Wolfcamp B in its proposed initial development. Based on my geologic review of that target and offset well performance of that target in the area, it is my opinion that it is more prudent to first drill the lower Wolfcamp D target and gain more knowledge of the Wolfcamp B target through modern logs of those wells and then continue to evaluate the potential for further infill development of the Wolfcamp B in the future.

MRC's Significant Knowledge of this Area and Superior Operating Ability

34. As shown in MRC Exhibits B-6 and B-7, MRC has drilled and completed eight one-mile horizontal wells in Section 31. These eight previously-drilled wells include (i) two First Bone Spring wells, (ii) one Second Bone Spring well, (iii) four Third Bone Spring wells, and (iv) one Wolfcamp B well. (MRC also now operates two existing horizontal wells in Section 30, but those were drilled and completed by a different operator so I will not be discussing those wells as part of this analysis.)

35. MRC drilled and completed these existing one-mile wells in Section 31 at various times during the 2016-2019 timeframe. During development of the initial wells, MRC did not have modern 3-D seismic covering this acreage and therefore steered the wells using offset well logs. During later development (circa 2018-2019) MRC began to incorporate newly acquired 3D seismic in its geosteering operations.

36. MRC has gained significant knowledge from drilling eight wells on the acreage included in and directly offset the acreage MRC is proposing to develop in its initial wells in these cases, including being able to review the logs and targeting from the wells and being familiar with the production history and performance of these wells for many years.

37. In addition, MRC has significantly improved processing of 3-D seismic covering this acreage and will be able to use that seismic to even further refine our precise well targeting of our initial wells in these cases.

38. MRC recognizes the importance of using 3-D seismic, when available such as on this acreage now, to steer our wells to remain in the precise target of the wells for as much of the wellbore as operationally possible to maximize the recovery from the wells. Indeed, MRC has invested significant time and resources to create what we refer to as our MaxCom Room. The

MaxCom Room is a room located in MRC's Dallas headquarters where we employ both geologists and drilling engineers to monitor the drilling and geologic steering of our wells 24 hours a day / 365 days a year. The room receives real-time data from each of our drilling rigs that is posted on large monitors in the room for review, analysis, and feedback from the drilling engineers and geologists. Through the use of the Max-Com Room and modern 3-D Seismic, MRC estimates that we are drilling in-zone for the target of our wells about 97% of the time, to the significant benefit of all working interest owners and royalty owners in the wells.

39. It is my opinion that with 3-D seismic, the knowledge gained from our earlier development of this acreage, and the use of modern frac designs and other operational improvements since MRC's prior wells on this acreage drilled many years ago, MRC will be able to even further improve the well performance of these targets when we drill MRC's proposed initial wells in these cases.

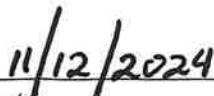
40. Accordingly, in my opinion, approving MRC's pooling applications and denying Franklin Mountain's pooling applications is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

41. **MRC Exhibits B-1 through B-8** were either prepared by me or compiled under my direction and supervision.

42. 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.

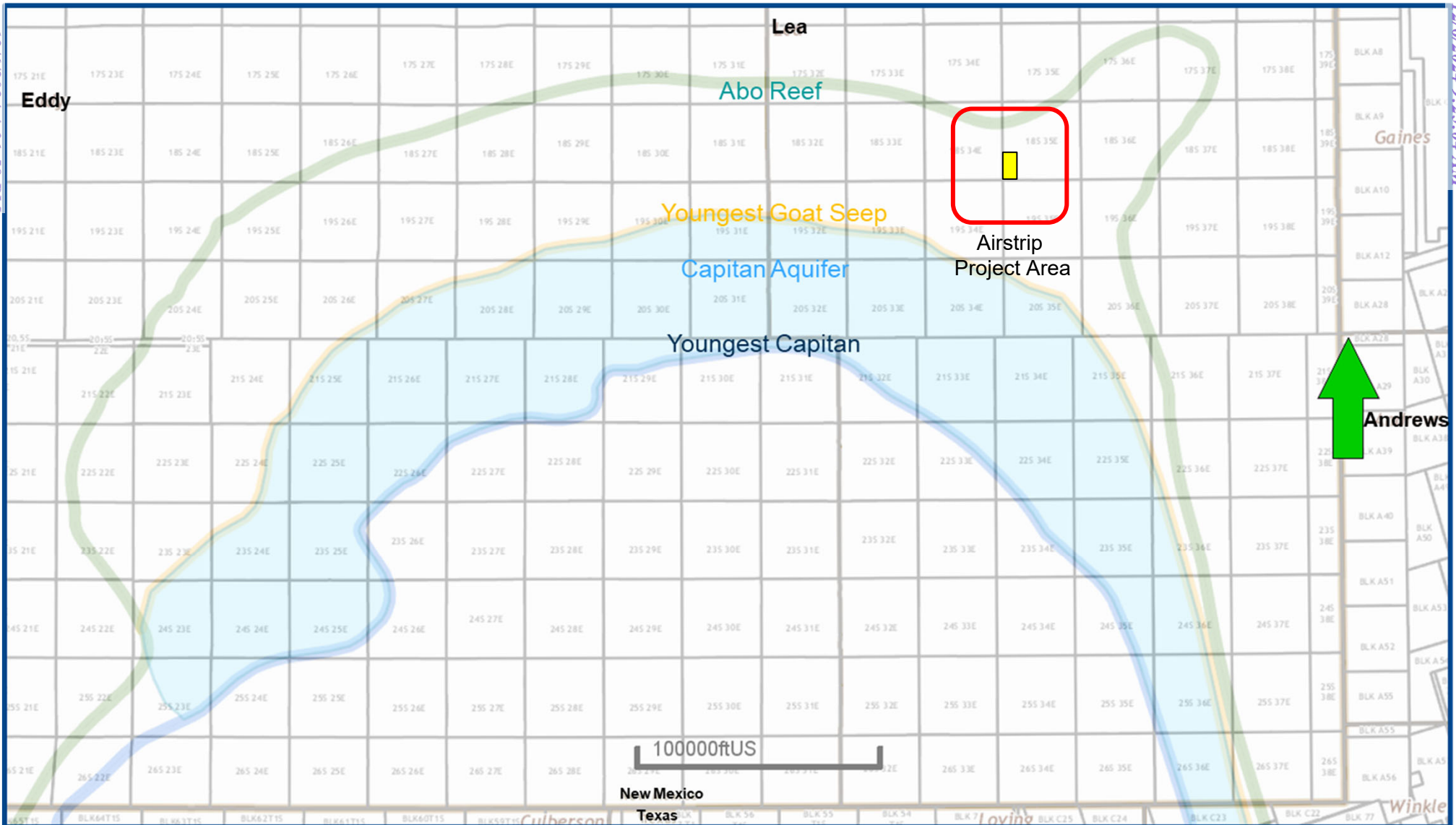


Andrew Parker



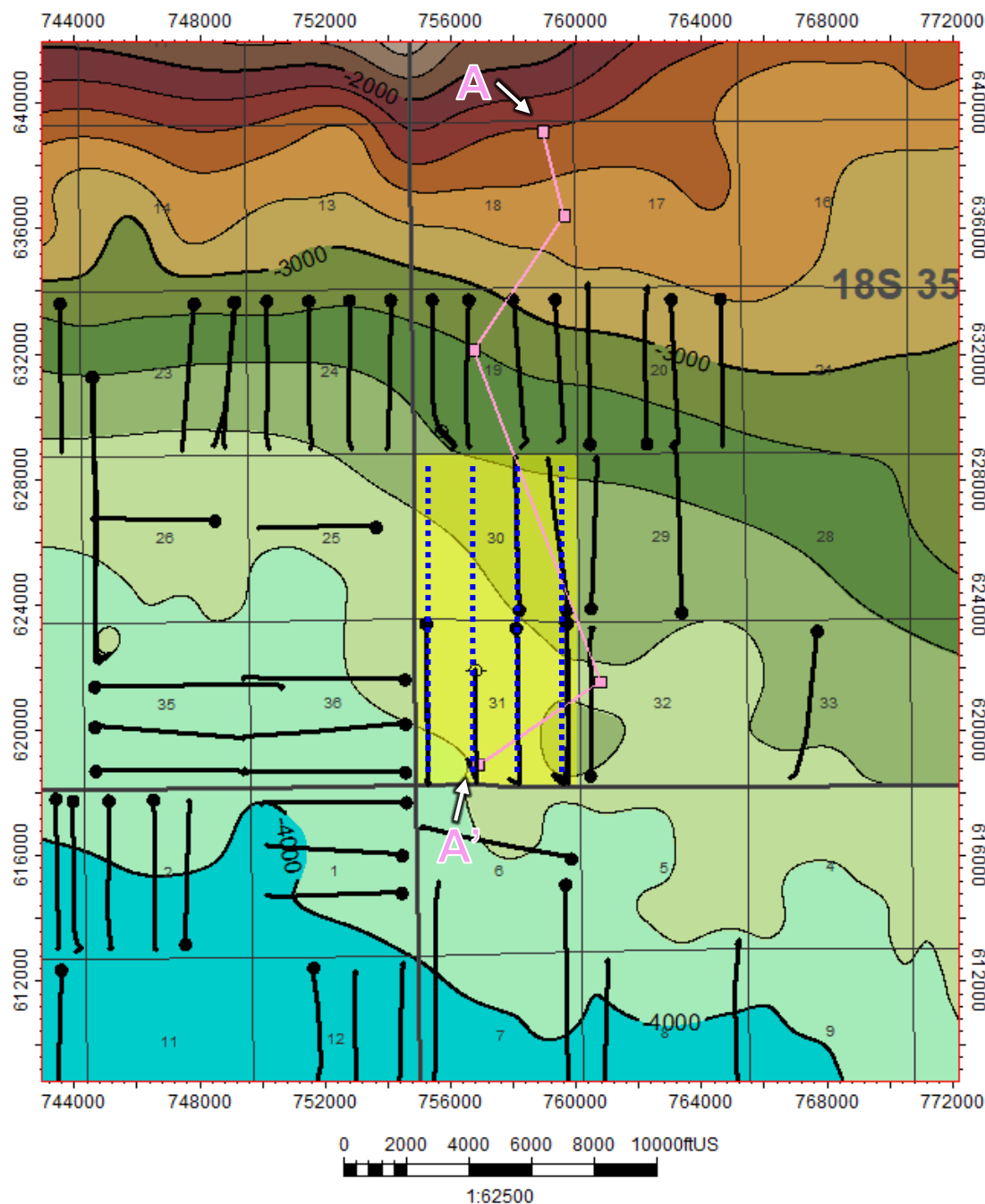
Date

Locator Map



Airstrip; BONE SPRING [960] Structure Map (Bone Spring Subsea) A – A' Reference Line

Exhibit B-2



Map Legend

Airstrip Wells



Bone Spring Wells



Project Area



C. I. = 200'



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-2
Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786

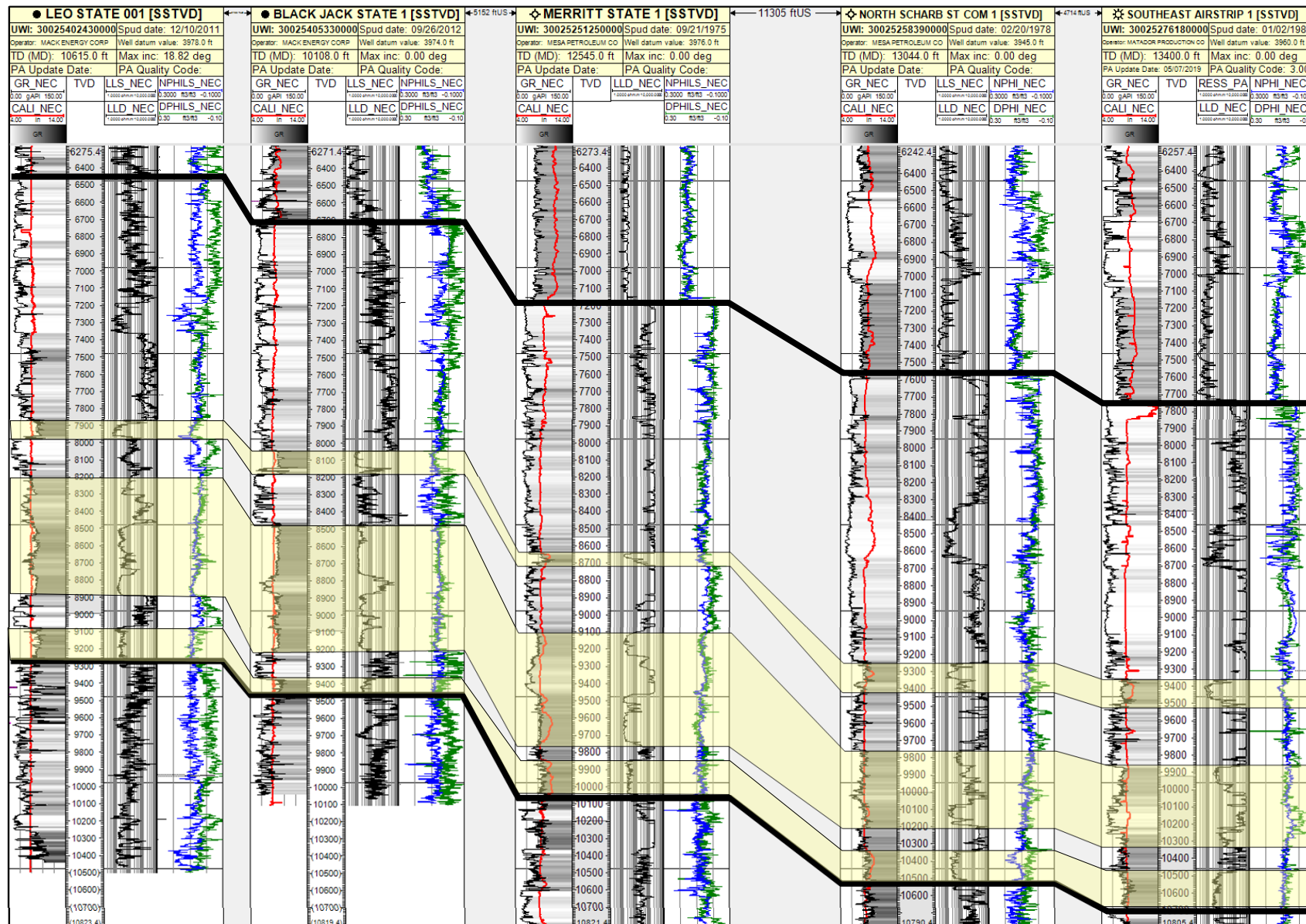


Airstrip; BONE SPRING [960] Structural Cross-Section A – A'

Exhibit B-3

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Page 197 of 295



#110H, #119H
Target

#121H, #122H,
#123H Target

#130H Target

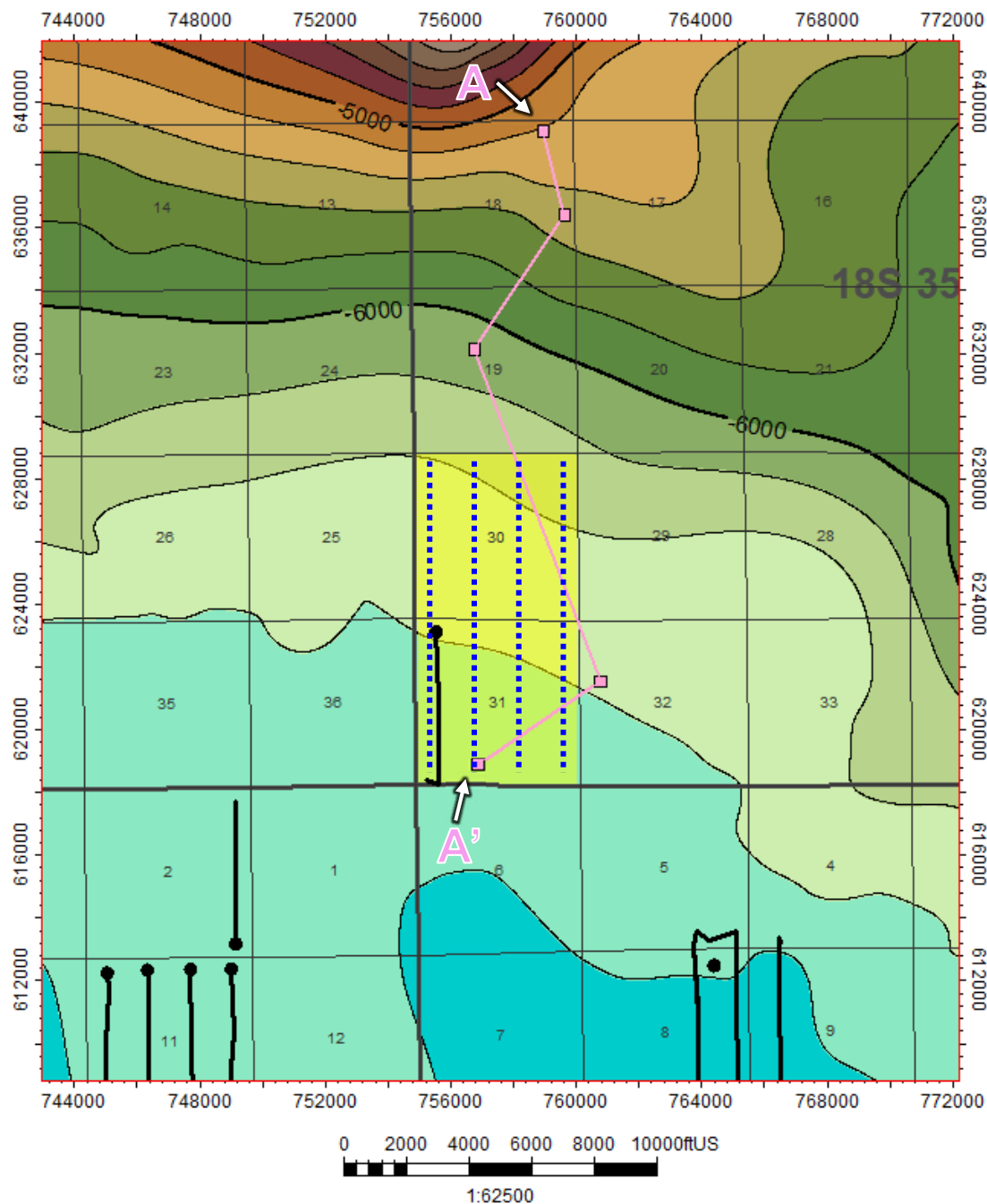
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-3
Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786



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Airstrip; WOLFCAMP [970] Structure Map (Wolfcamp Subsea) A – A' Reference Line

Exhibit B-4



Map Legend

Airstrip Wells

.....

Wolfcamp Wells

—●—

Project Area



C. I. = 200'



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-4
Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786

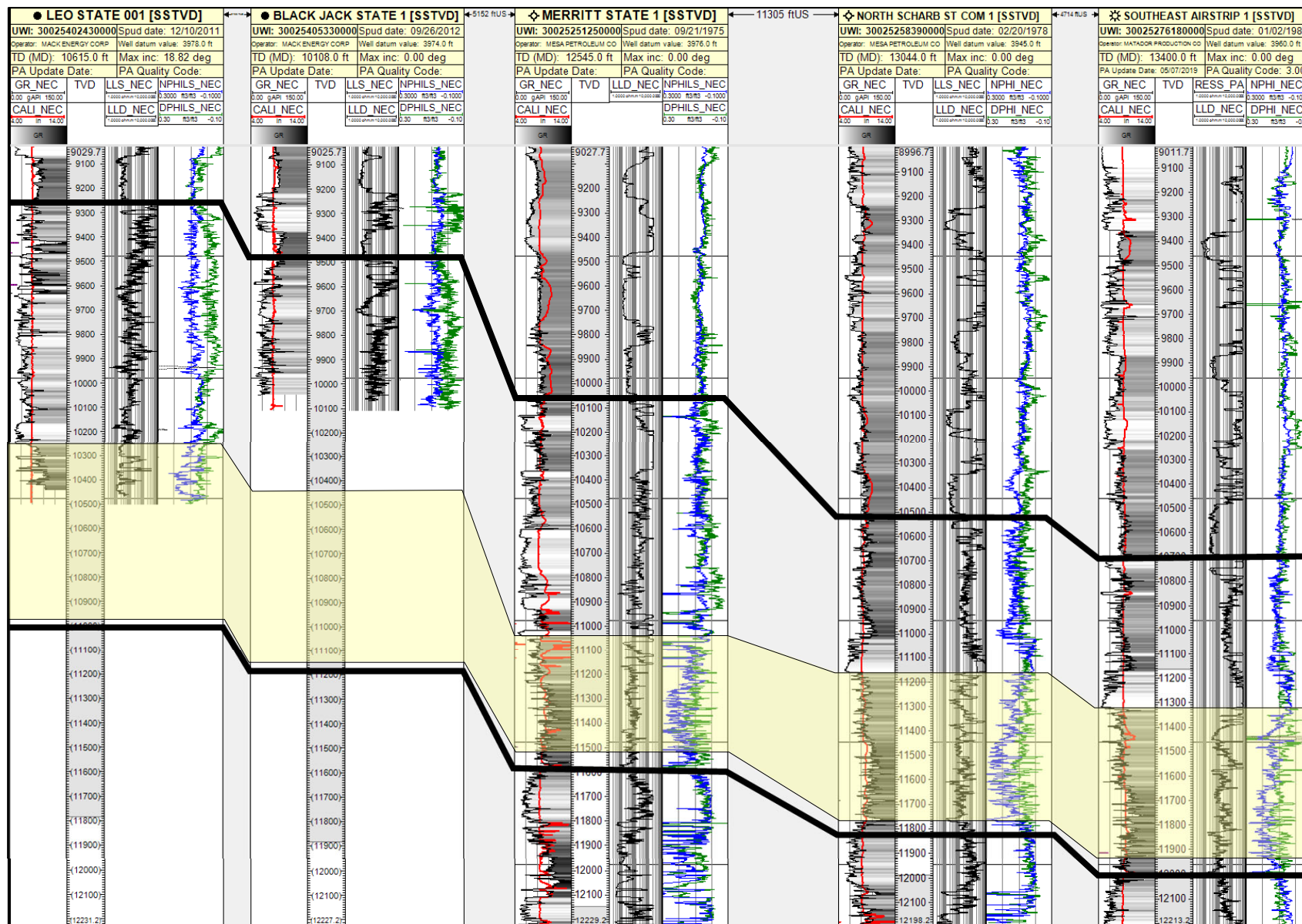


Airstrip; WOLFCAMP [970] Structural Cross-Section A – A'

Exhibit B-5

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Page 199 of 295



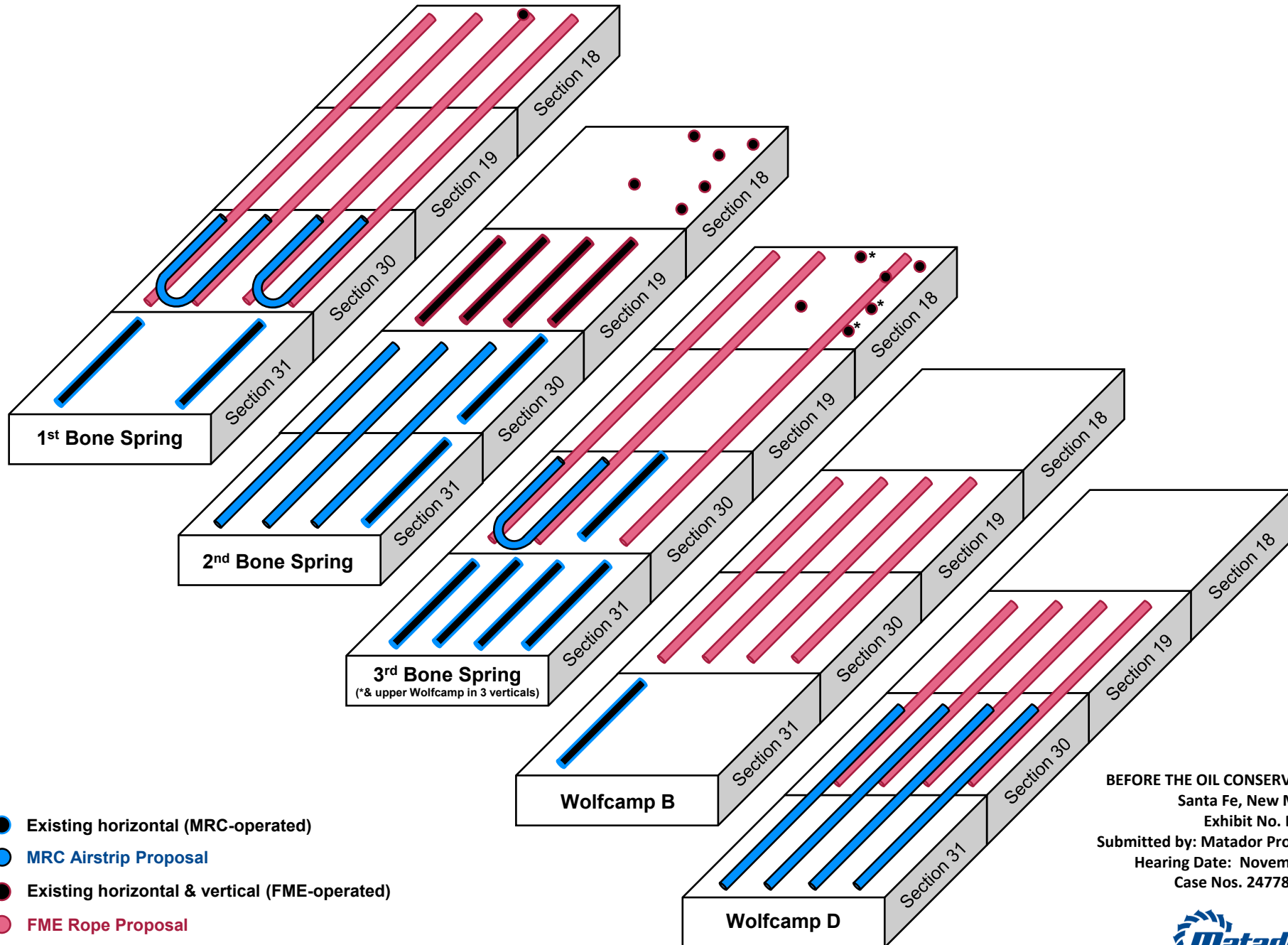
#241H, #242H,
#243H, #244H
Target



MRC Airstrip and FME Rope Development

Township 18 South, Range 35 East, Lea County, New Mexico

Exhibit B-6



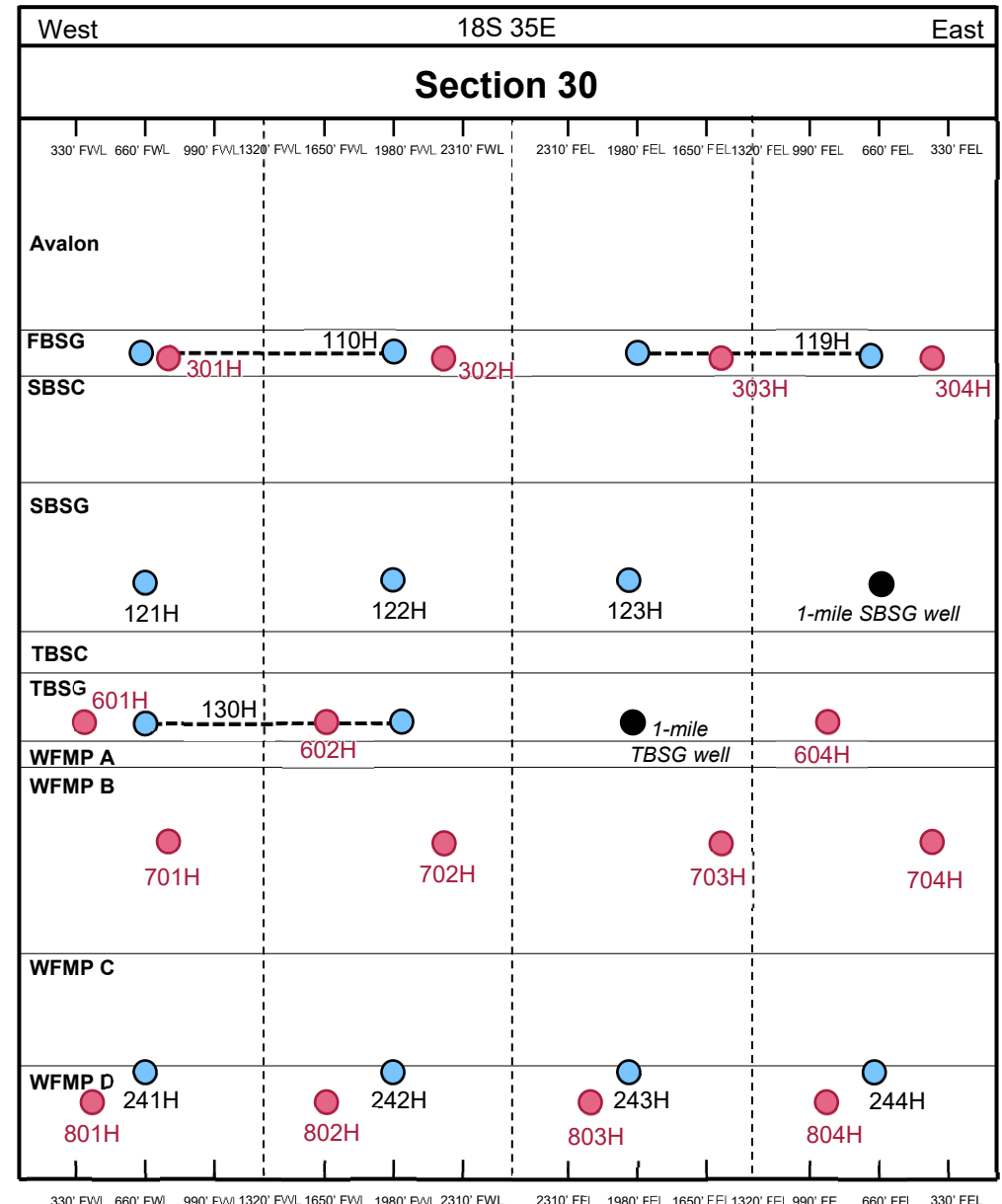
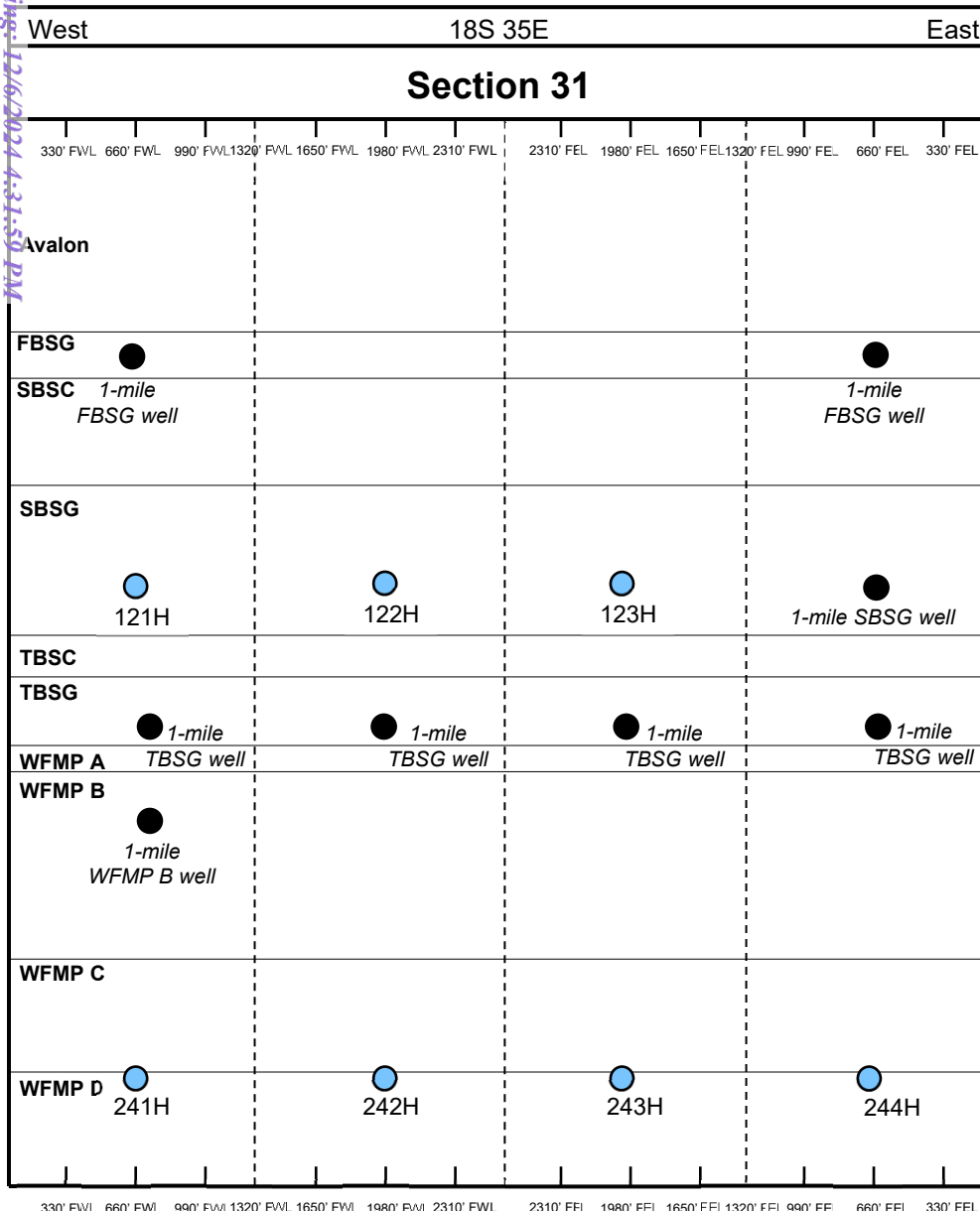
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-6
Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786



MRC Airstrip vs. FME Rope Proposals

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● MRC Airstrip Proposal ● Existing horizontal well
● FME Rope Proposal

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-7
Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786



Gold State 701H MRC Back Steer

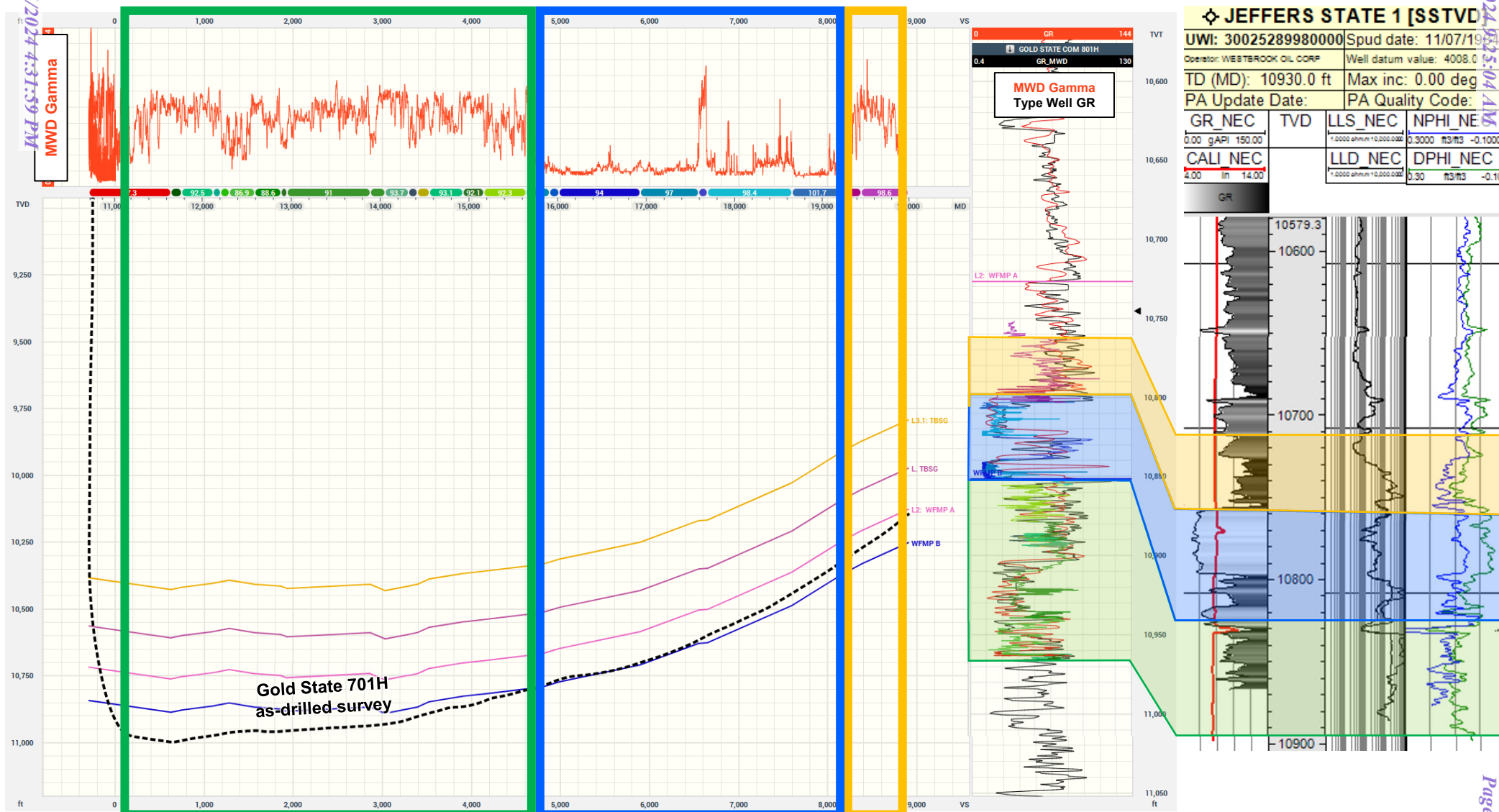
First ~4,500' of the lateral in the WFMP B, then >3,000' of non-reservoir carbonate, then ~1,000' Wolfcamp A at the toe

Exhibit B-8

WFMP B Target Interval

WFMP A Carbonate Interval

WFMP A Shale



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-8
Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786



**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
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**APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3, LLC
FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO**

Case Nos. 24898-24901

SELF-AFFIRMED STATEMENT OF TANNER SCHULZ

1. My name is Tanner Schulz and I am employed by MRC Energy Company, an affiliate of MRC Permian Company ("MRC") and Matador Production Company ("Matador"), as the Vice President of Reservoir Engineering and the Reserves Team.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum engineering. My credentials as a petroleum engineer have been accepted by the Division and made a matter of public record.

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

**Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786**

3. I am familiar with the applications filed by MRC in Cases 24778-24786 for the proposed Airstrip wells. These consolidated cases seek to pool horizontal spacing units in the Bone Spring and Wolfcamp formations for the drilling of two-mile wells and u-turn wells in Sections 30 and 31, Township 18 South, Range 35 East, Lea County, New Mexico.

4. I am also familiar with the applications filed by Franklin Mountain Energy 3, LLC (“Franklin Mountain”) in Case Nos. 24457, 24459, and 24479 and 24898-24901, in which Franklin Mountain seeks to pool three-mile Bone Spring spacing units in Sections 18, 19 and 30 and two-mile Wolfcamp spacing units in Sections 19 and 30 for its proposed Rope project.

5. Attached as **MRC Exhibit C-1** is a diagram prepared by MRC’s geology team showing the four sections included in MRC’s and Franklin Mountain’s competing cases, the existing horizontal wells (Colored in black) in those sections, and the planned initial wells proposed by MRC (Colored in blue) and Franklin Mountain (Colored in red). As shown on MRC Exhibit C-1, with respect to the overlapping Section 30 where both MRC and Franklin Mountain have competing development plans, the primary differences between the companies’ plans are (i) MRC seeks to develop the Second Bone Spring in its initial development and Franklin Mountain does not, and (ii) Franklin Mountain seeks to develop the Wolfcamp B in its initial development and MRC does not.

6. With the exception of the Wolfcamp B target, discussed further below, MRC’s initial development plans fully develop the remaining undeveloped acreage in the overlapping Section 30 in the First Bone Spring, Second Bone Spring, Third Bone Spring and Wolfcamp D. One well not included in MRC’s current applications is a one-mile Third Bone Spring well in the E/2 E/2 of Section 30. MRC anticipates drilling that well at a later time either as an infill well or by the creation of an overlapping horizontal well spacing unit.

Franklin Mountain Excludes the Second Bone Spring in the Overlapping Section 30

7. As shown on Exhibit C-1, there are existing one-mile Second Bone Spring wells in the E/2 E/2 of Sections 30 and 31, both of which are operated by MRC. MRC's proposed development plan includes the continued development of the Second Bone Spring acreage in Section 30 using three two-mile laterals in the W/2 W/2, E/2 W/2 and W/2 E/2 of Sections 30 and 31, respectively.

8. Franklin Mountain's initial development plan, on the other hand, does not include any Second Bone Spring wells to develop the undeveloped acreage in Section 30. In reviewing Franklin Mountain's development plan, I have concerns whether Franklin Mountain will ever seek to develop the Second Bone Spring in Section 30 because (i) based on their proposed surface hole locations and the four existing Second Bone Spring wells Franklin Mountain operates in Section 19, Franklin Mountain would be limited to developing Section 30 on a one-mile basis, and (ii) I understand from MRC's land expert in this case that Franklin Mountain owns only a 38.75% working interest in the overlapping Section 30 while MRC owns 58.75%.

9. The Second Bone Spring is one of the preferred targets on this area and failing to develop the Second Bone Spring in Section 30 will result in significant waste.

10. **MRC Exhibit C-2** contains an analysis of the estimated reserves in the Second Bone Spring that would be wasted if that target was not developed in Section 30.¹ In the middle of Exhibit C-2 is a column titled "MRC's Airstrip (Section 30-31)." This column shows the estimated reserves that will be recovered from the Second Bone Spring interval by the three two-mile Second Bone Spring wells that will be drilled under MRC's development plan.

¹ When conducting this analysis, each case displayed on MRC Exhibit C-2 utilizes (i) the same flat pricing scenario of \$70 per barrel of oil for the life of the wells; (ii) the same ownership, assuming 100% WI and 80% NRI; and (iii) the same lease operating expenses (LOE) model, which is derived from MRC's internal accounting and accounts for MRC's expected LOE for this area based on MRC's existing wells.

11. To the right of that column is a column titled "Section 30 Reserves." The analysis under this column shows the volume of reserves that would be wasted in just Section 30 if the Second Bone Spring interval was not fully developed. These numbers were derived by taking the reserves estimates from MRC's two-mile wells, described in paragraph 10, and dividing them by two to account for the fact that the Section 30 acreage comprises only half of MRC's proposed two-mile wells. Accordingly, under this column, the rows titled "Total Economic Oil Recovered" and "Total Economic BOE Recovered (MBOE)" show that I estimate approximately 805,000 barrels of oil and 939,000 barrels-of-oil-equivalent would be wasted in Section 30 by not fully developing the Second Bone Spring interval underlying that section.

12. MRC's initial development plan fully develops the Second Bone Spring in Section 30 and prevents waste. Franklin Mountain's initial development plan does not, and due to Franklin Mountain's limited ownership in Section 30 and shorter lateral length options, I am concerned this interval will not be fully developed by Franklin Mountain.

Franklin Mountain's Unfavorable Track Record in the Wolfcamp B in this Area

13. Franklin Mountain is seeking to develop the Wolfcamp B target in the overlapping Section 30 as part of its initial development, whereas MRC is not. Based on the modest offset well results in the Wolfcamp B formation and our technical analysis of the target, MRC currently views the Wolfcamp B as an upside target on this acreage, and at this time too risky to include four wells as part of our initial development plan. MRC intends to continue studying the Wolfcamp B underlying Section 30 using additional well logs and other information obtained while drilling through the Wolfcamp B during MRC's initial four well Wolfcamp D development. MRC is also notably concerned with Franklin Mountain's ability to develop the Wolfcamp B, especially in section 30 where it is my understanding that MRC owns the majority working interest.

14. **MRC Exhibit C-3** contains a study comparing Franklin Mountain's well results in the Wolfcamp B target to the results of other operators in the Wolfcamp B in this area. On the right-hand side of Exhibit C-3 is a map showing Franklin Mountain's proposed three-mile spacing unit in a red outline. That map contains the area of review I used when comparing the Wolfcamp B results in this area, and the wells included in my study are shown on that map. There is a legend below the map denoting who the operator is for each of the wells shown. Some of the wells were drilled and completed by Catena, which Franklin Mountain later acquired. Since those wells were drilled and completed by Catena (and not Franklin Mountain), I kept those wells listed as Catena as the operator, for the purpose of this study

15. On the left side of Exhibit C-3 is a chart showing the cumulative oil production graphs for each of the 19 Wolfcamp B wells shown in the area of review. Franklin Mountain has drilled and completed 6 of these 19 wells. As shown on that chart, the average for all operators with Wolfcamp B horizontal wells in the area of review is approximately 50 barrels of oil per foot. However, this same chart shows that Franklin Mountain's six Wolfcamp B horizontal wells in this area of review average only 20 barrels of oil per foot. That is more than 50% worse than the average performance of the Wolfcamp B wells in this area.

16. MRC's geology expert in this case discussed how MRC believes Franklin Mountain drilled its Gold State 701 Wolfcamp B well significantly out of zone. Considering the Gold State 701 is not a representative analog of the Wolfcamp B formation for that reason, I conducted an additional analysis that excludes the Gold State 701 from Franklin Mountain's 6 Wolfcamp B wells in the area of interest. After excluding the Gold State 701 well result, the results of the other five Franklin Mountain's Wolfcamp B wells in the area still only average 32 barrels of oil per foot, which is approximately 36% worse than the area average.

17. **MRC Exhibit C-4** contains an analysis of the economics on Franklin Mountain's proposed three-mile development of the Wolfcamp B target.² Under the row "Oil EUR (bo/ft)" it shows that I ran two cases: (i) the first assuming Franklin Mountain's average results for the Wolfcamp B in the prior study of 20 barrels of oil per foot, and (ii) the second using an average of 32 barrels of oil per foot, if the Gold State 701 result was excluded, as discussed above.

18. As shown on Exhibit C-4, for the first analysis using Franklin Mountain's 20 barrels of oil per foot result, Franklin Mountain's development plan would lose approximately \$20,694,000 on a PV-10 basis, is not expected to payout, and yields a 0.0% rate of return. For the second analysis, using a 32 barrels of oil per foot assumption, Franklin Mountain's Wolfcamp B project would still lose approximately \$8,701,000 on a PV-10 basis, is expected to payout but not for over 19 years, and yields a rate of return of only approximately 0.4%. In other words, based on Franklin Mountain's prior well results in the Wolfcamp B in this area, I am concerned that it will be uneconomic to participate in Franklin Mountain's proposed Wolfcamp B wells and MRC's reserves in Section 30 will be depleted without MRC having the opportunity to economically produce those reserves following the receipt of additional information on this interval.

19. Indeed, MRC has already been negatively impacted by Franklin Mountain's attempts to develop the Wolfcamp B in this area. **MRC Exhibit C-5** is a slide regarding Franklin Mountain's Gold State 701 Wolfcamp B well, which I previously mentioned. As shown on MRC Exhibit C-5, MRC owns approximately 41.4% working interest in the well. Franklin Mountain's AFE for that well was approximately \$11,651,000 but MRC's accounting data shows the actual

² When conducting this analysis, each case displayed on MRC Exhibit C-4 utilizes (i) the same flat pricing scenario of \$70 per barrel of oil for the life of the wells; (ii) the same ownership, assuming 100% WI and 80% NRI; (iii) Franklin Mountain's proposed CapEx from their AFES, and (iv) the same lease operating expenses (LOE) model used in my previous analysis.

costs for the well came in higher than expected at approximately \$13,453,000 (or nearly \$2,000,000 higher).

20. The right side of Exhibit C-5 shows the production history for the Gold State 701 and MRC's production forecast assuming the well is returned to production. The Gold State 701 well is significantly underperforming and, based on the information currently known to MRC, we estimate the well has a technical EUR of approximately 20,000 barrels of oil over its life, if it can be produced. The well is currently not producing, most likely due to its high water oil ratio (>100) attributed to a large portion of the lateral being drilled out of zone. As such, Exhibit C-5 shows MRC's estimated loss of approximately \$5,958,000 based on MRC's participation in Franklin Mountain's Gold State 701 well. This further illustrates MRC's apprehension in Franklin Mountain's ability to effectively drill the Wolfcamp B target.

21. Accordingly, for the reasons discussed above, I have concerns that if Franklin Mountain is granted the ability to develop the Wolfcamp B target underlying Section 30, it will do so uneconomically and negate MRC's ability to potentially produce those Wolfcamp B reserves, on our acreage where we are the majority working interest owner, with the aid of additional information obtained on this interval.

MRC Already Operates Within Section 30

22. As shown in MRC Exhibit C-1, MRC already operates two existing horizontal wells in the overlapping Section 30: (i) a Second Bone Spring well in the E/2 E/2 of Section 30, and (ii) a Third Bone Spring well in the W/2 E/2 of Section 30. In my opinion, there are operational benefits to having MRC be the operator of the future additional horizontal wells in Section 30 where it operates the existing wells rather than Franklin Mountain developing Section 30,

particularly when MRC is proposing to drill additional infill wells in the same targets as the two existing wells.

MRC Outperforms Franklin Mountain in the Area

23. In my opinion, MRC's wells outperform Franklin Mountain's wells in this area and MRC should have the ability to develop the overlapping Section 30 where I understand MRC has the majority working interest.

24. **MRC Exhibit C-6** contains an analysis of the well results of the wells drilled and completed by both MRC and Franklin Mountain in the area of review surrounding the subject acreage. For this analysis, the area of review is shown on the map on the right-hand side of Exhibit C-6. MRC's operated wells are shown in blue and Franklin Mountain's operated wells are shown in red. MRC's wells are older wells which MRC drilled and completed at various times between March 2014 and January 2019. Franklin Mountain's wells are more recent and were drilled and completed between the June 2023 and January 2024 timeframe. Given the improvements in frac designs over the years, I would generally expect wells completed more recently to perform better than wells completed many years before (when all other factors are consistent). However, even with the older completions designs, MRC's wells still outperform Franklin Mountain's more recent wells, as described below.

25. For purposes of the study on MRC Exhibit C-6 (and MRC Exhibits C-7 through C-17), I consulted with MRC's geologists to confirm the landing zones of MRC's and Franklin Mountain's horizontal wells within the area of review shown on the exhibits. Once the target formations were identified, I was able to group these horizontal wells on a formation and target basis. As shown on the exhibits, there is a variance in lateral lengths being compared for some of MRC's and Franklin Mountain's wells in the area of review. Accordingly, in an effort to use the

most comparable data to account for the varying lateral lengths, I used the cumulative oil production for the first six months of each well's life from data pulled from Enverus and then normalized those production numbers to 1,000 feet of lateral length. Moreover, the first six month cut off was used to capture more of Franklin Mountain's recent well activity for comparison.

26. As shown on Exhibit C-6, when comparing all of the horizontal wells drilled and completed by MRC and Franklin Mountain in this area of review, Franklin Mountain's wells performed on average 59% worse than MRC's wells. The well list and production data used to compile C-6 is found in **MRC Exhibit C-7**.

27. For a more focused comparison of well results, I conducted this same analysis within each given target included in the parties' initial well proposals. Accordingly, in **MRC Exhibits C-8 through C-17**, I performed this same analysis but limited it to MRC's and Franklin Mountain's wells in each of the First Bone Spring, Second Bone Spring, Third Bone Spring, Wolfcamp B and Wolfcamp D, respectively.

28. As shown on **MRC Exhibit C-8**, for the First Bone Spring, Franklin Mountain's well results in this area of review have performed 37% worse than MRC's wells. The well list and production data used to compile C-8 is found in **MRC Exhibit C-9**.

29. As shown on **MRC Exhibit C-10**, for the Second Bone Spring, Franklin Mountain's well results in this area of review have performed 41% worse than MRC's wells. The well list and production data used to compile C-10 is found in **MRC Exhibit C-11**.

30. As shown on **MRC Exhibit C-12**, for the Third Bone Spring, Franklin Mountain's well results in this area of review have performed 47% worse than MRC's wells. The well list and production data used to compile C-12 is found in **MRC Exhibit C-13**.

31. As shown on **MRC Exhibit C-14**, for the Wolfcamp B, Franklin Mountain's well results in this area of review have performed 39% worse than MRC's wells. The well list and production data used to compile C-14 is found in **MRC Exhibit C-15**.

32. As shown on **MRC Exhibit C-16**, for the Wolfcamp D, Franklin Mountain's well results in this area of review have performed 31% worse than MRC's wells. The well list and production data used to compile C-16 is found in **MRC Exhibit C-17**.

33. Accordingly, it is my opinion that MRC's wells outperform Franklin Mountain's wells in this area and that MRC should have the ability to develop the overlapping Section 30 where I understand MRC has the majority working interest.

Franklin Mountain's Proposed Three-Mile Development

34. As shown on MRC Exhibit C-1, Franklin Mountain has proposed seven three-mile wells as part of its initial development plan. Based on my review, I was unable to find any circumstance where Franklin Mountain has drilled and completed a three-mile well.

35. Franklin Mountain's combined AFE CapEx for those seven three-mile wells totals \$96,955,211. I understand that MRC's working interest in Franklin Mountain's proposed three-mile spacing units would vary by unit, but assuming for analysis purposes that MRC would have a 20% working interest in each well, that would mean that it would cost MRC approximately \$19,391,042 to participate in Franklin Mountain's effort to drill seven three-mile wells apparently for the first time.

36. If Franklin Mountain has not drilled and completed a three-mile well before, I have concerns about how accurate their AFEs are for these wells.

37. More importantly, if Franklin Mountain has never drilled a 3-mile well, MRC does not want to be forced to choose whether to invest approximately \$19,391,042 to participate in

Franklin Mountain's apparent first attempt to do so, especially on a scale of seven three-mile wells in the first year of the requested pooling orders. Instead, in my opinion, MRC should be allowed to develop Section 30 where I understand we own the majority working interest.

38. Accordingly, in my opinion, approving MRC's pooling applications and denying Franklin Mountain's pooling applications is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

39. **MRC Exhibits C-2 through C-17** were either prepared by me or compiled under my direction and supervision.

40. 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.

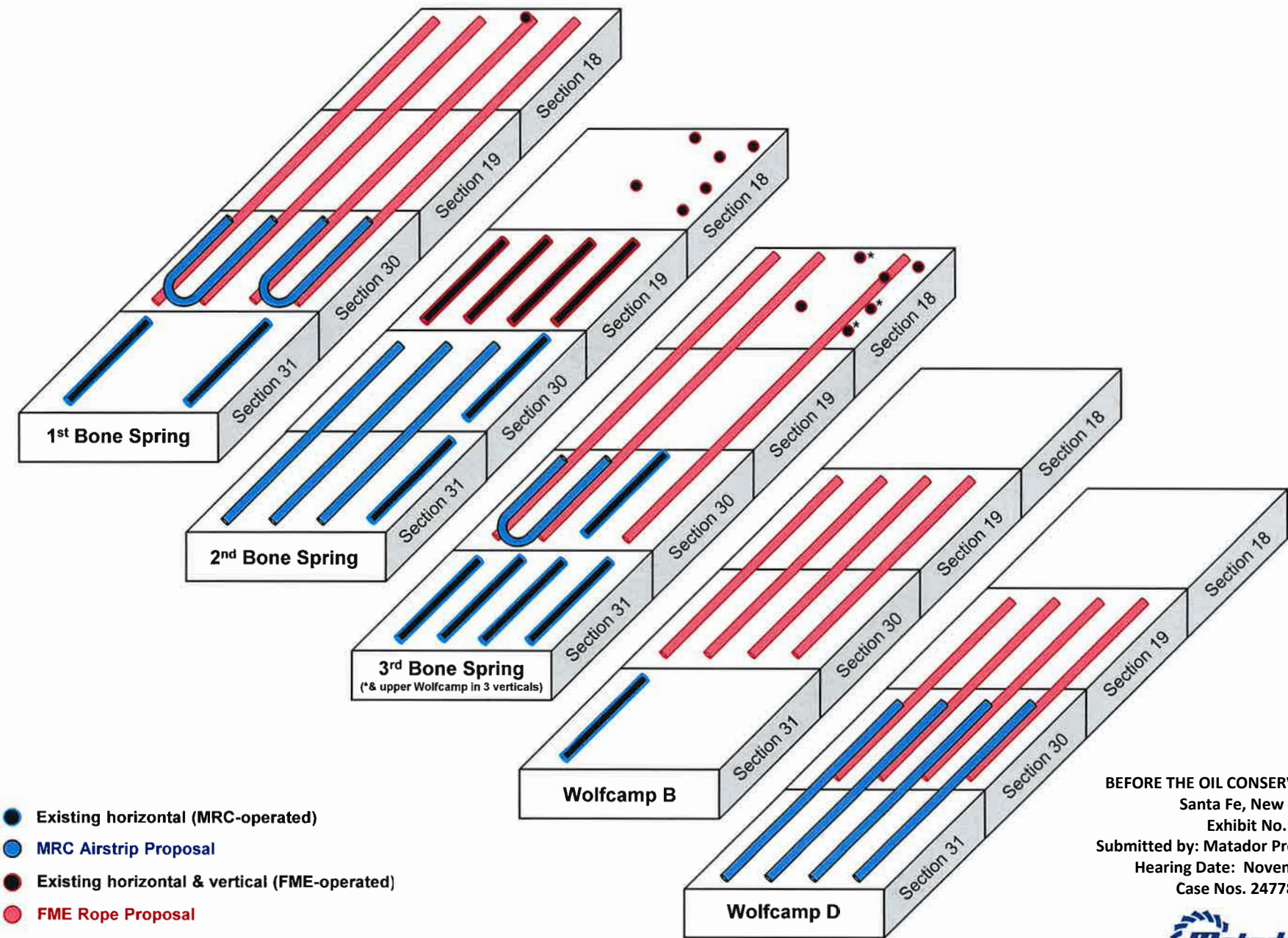

Tanner Schulz

11-13-2024
Date

Airstrip vs. FME Rope Development

Township 18 South, Range 35 East, Lea County, New Mexico

Exhibit C-1



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-1
Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786



Matador 2nd Bone Spring Reserves/Value Add

Exhibit C-2

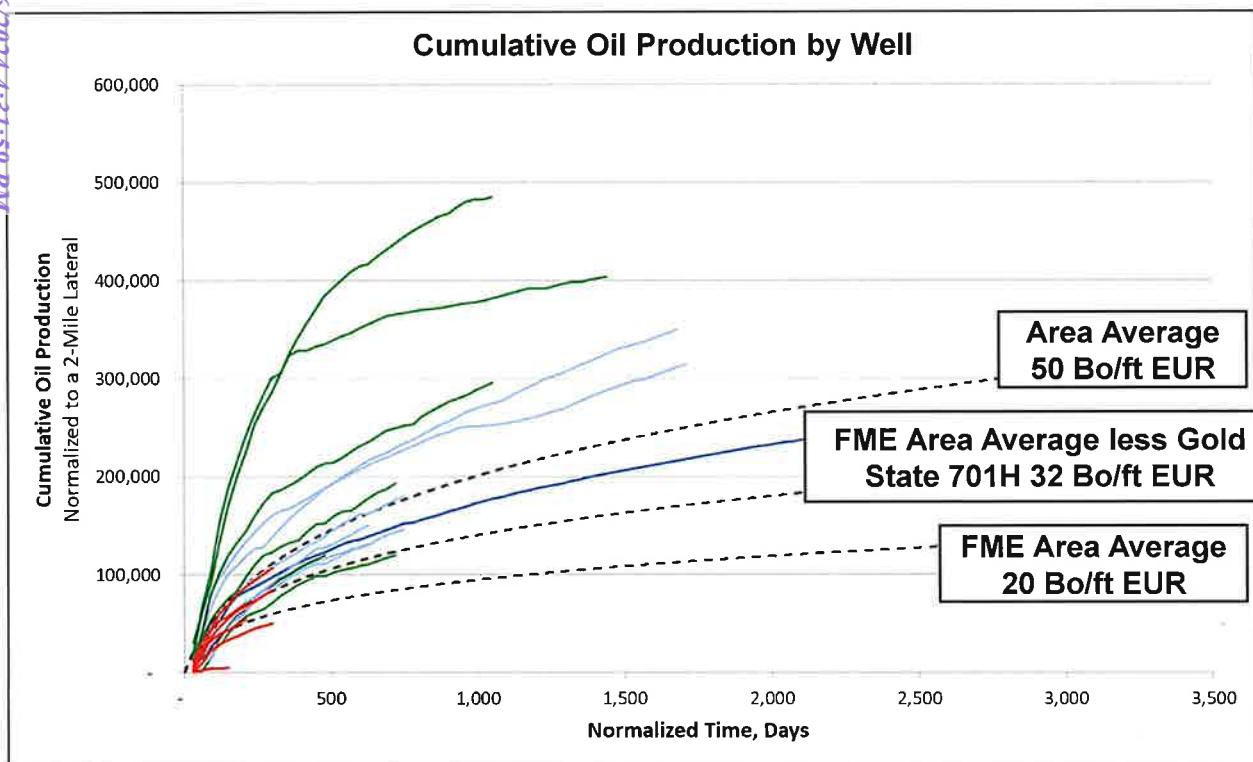
		Associated Reserves Lost if the 2 nd Bone Spring is not Developed in Section 30
Operator	MRC's Airstrip (Section 30-31)	Section 30 Reserves
Proposed Development	3x Second Bone Spring 2-Mile Development	
Pricing / LNRI Scenario	\$70 FLAT / 100% WI 80% NRI	
Oil EUR (Bo/ft)	58	58
Total Technical Recoverable Oil (Mbbl)	1,733	867
Total Economic Oil Recovered (Mbbl)	1,611	805
Total Economic BOE Recovered (MBOE)	1,877	939

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-2
Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786

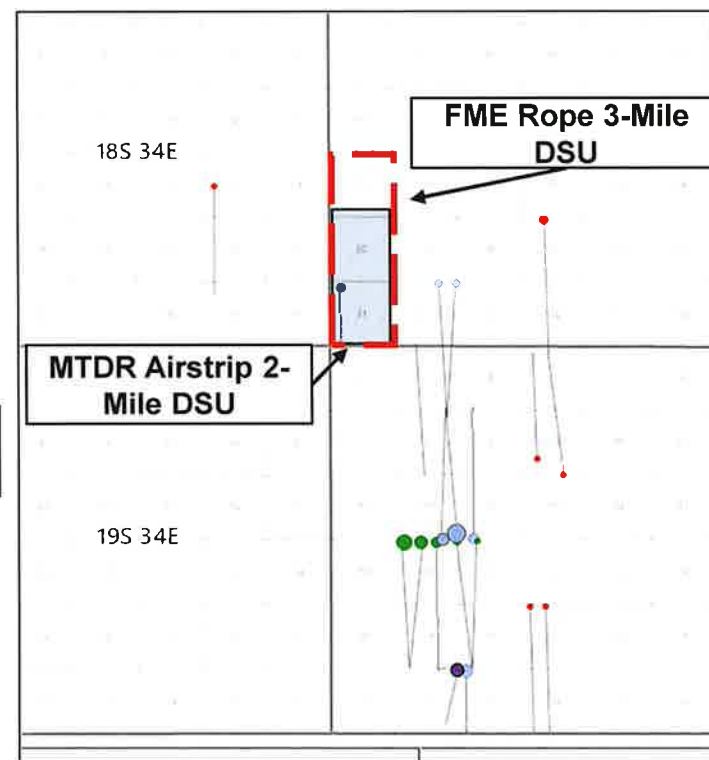


Franklin Mountain Energy vs. Offset Operators within the Wolfcamp B

Exhibit C-3



- Franklin Mountain Wells
- Mewbourne Wells
- Catena Wells
- Matador Well
- Avant Well



- Franklin Mountain Wells
- Mewbourne Wells
- Catena Wells
- Matador Well
- Avant Well

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C-3
 Submitted by: Matador Production Company
 Hearing Date: November 20, 2024
 Case Nos. 24778-24786



Franklin Mountain Energy vs. Offset Operators within the Wolfcamp B

Exhibit C-3 Continued

API10	Well Name	Operator
30-025-51624	ANGRY ANGUS 32 STATE COM #705H	AVANT OPERATING LLC
30-025-45896	ANCHOR 19 35 33 STATE #001H	CATENA RESOURCES OPERATING LLC
30-025-46140	CABLE 19 35 9 STATE COM #001H	CATENA RESOURCES OPERATING LLC
30-025-50168	FOXTAIL E2 05 32 W1 STATE COM #001H	CATENA RESOURCES OPERATING LLC
30-025-50169	FOXTAIL E2 05 32 W1 STATE COM #002H	CATENA RESOURCES OPERATING LLC
30-025-49535	RAMBO E2 08 17 STATE COM #001H	CATENA RESOURCES OPERATING LLC
30-025-49536	RAMBO E2 08 17 STATE COM #002H	CATENA RESOURCES OPERATING LLC
30-025-51199	EAGLE STATE COM #701H	FRANKLIN MOUNTAIN ENERGY 3 LLC
30-025-51201	EAGLE STATE COM #703H	FRANKLIN MOUNTAIN ENERGY 3 LLC
30-025-51668	GOLD STATE COM #701H	FRANKLIN MOUNTAIN ENERGY 3 LLC
30-025-51165	NORTE STATE COM #702H	FRANKLIN MOUNTAIN ENERGY 3 LLC
30-025-51109	TREBLE STATE COM #701H	FRANKLIN MOUNTAIN ENERGY 3 LLC
30-025-51110	TREBLE STATE COM #702H	FRANKLIN MOUNTAIN ENERGY 3 LLC
30-025-43395	AIRSTrip 31 18 35 RN STATE COM #201H	MATADOR PRODUCTION CO
30-025-49904	CHAROLAIS 28 21 W1MD STATE COM #001H	MEWBOURNE OIL CO
30-025-49935	HEREFORD 29 20 W1PA STATE COM #001H	MEWBOURNE OIL CO
30-025-47483	HEREFORD 29-20 W1MD STATE COM #001H	MEWBOURNE OIL CO
30-025-47484	HEREFORD 29-20 W1NC STATE COM #001H	MEWBOURNE OIL CO
30-025-46768	HEREFORD 29-20 W1OB FED COM #001H	MEWBOURNE OIL CO

Franklin Mountain Wolfcamp B Economics

Exhibit C-4

Operator	FME's ROPE (FME CapEx)	
Proposed Development	4x Wolfcamp B (2-Mile Wells)	
Pricing / LNRI Scenario	\$70 FLAT / 100% WI 80% NRI	
Total CapEx Spend (\$MM)	40,744	
Oil EUR (Bo/ft)	20 (FME Area Average)	32 (FME Area Average less Gold State 701H)
Technical Recoverable Per Well (Mbbl)	200	320
Total Technical Recoverable Oil (Mbbl)	800	1,280
Economic Oil Recovery Per Well (Mbbl)	160	280
Total Economic Oil Recovered (Mbbl)	641	1,122
Total Economic BOE Recovered (MBOE)	717	1,253
Cum. Undiscounted Cashflow (\$M)	(18,783)	440
Cum. Discounted Cashflow (10%) (\$M)	(20,694)	(8,701)
Project Undisc. Return on Investment	0.54	1.01
Project Rate of Return (%)	0.00	0.39
Years to Payout of Capital Investment (Years)	N/A	19.18
Project Life (Years)	16.40	24.75

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-4
Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786



FME Gold State 701H – Past/Future Performance

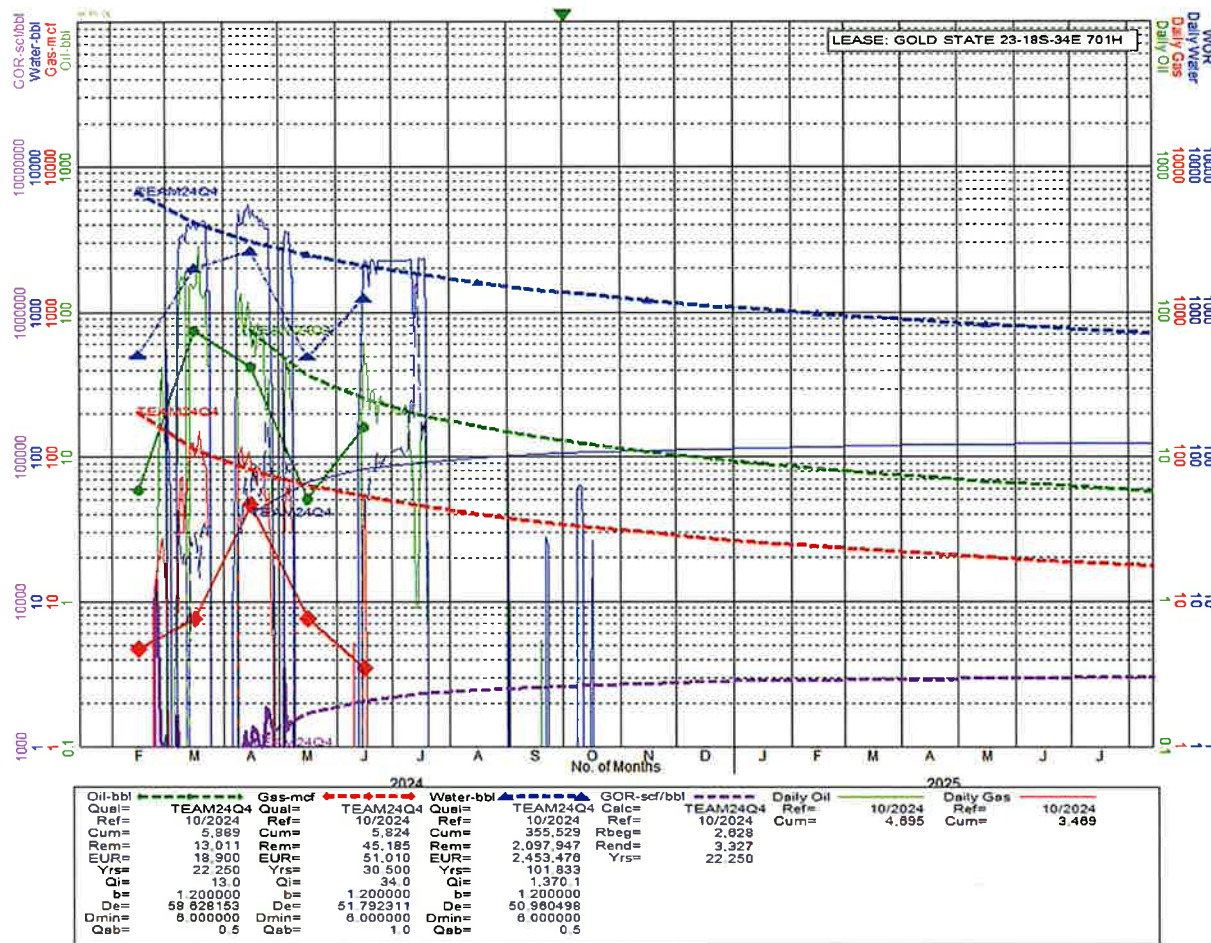
Exhibit C-5

■ Gold State 701H – AFE vs. Actual and NCF to Matador

- Same proposed Target as Rope 700's Wells
- \$11,651 M AFE Cost
- \$13,453 M Actual Billed CapEx
- (\$5,958) M Total Net Cashflow to Matador as of October 2024
- MTDR Ownership WI/NRI: 41.4% / 31.2%

■ Gold State 701H Future Performance

- Water Oil Ratio > 100
- Based on historical water volumes and disposal costs, the Gold State 701H is not economic to produce after less than a year since TIL
- Gold State 701H is estimated to produce less than 20,000 bbls of oil in the well's life.



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-5

Submitted by: Matador Production Company

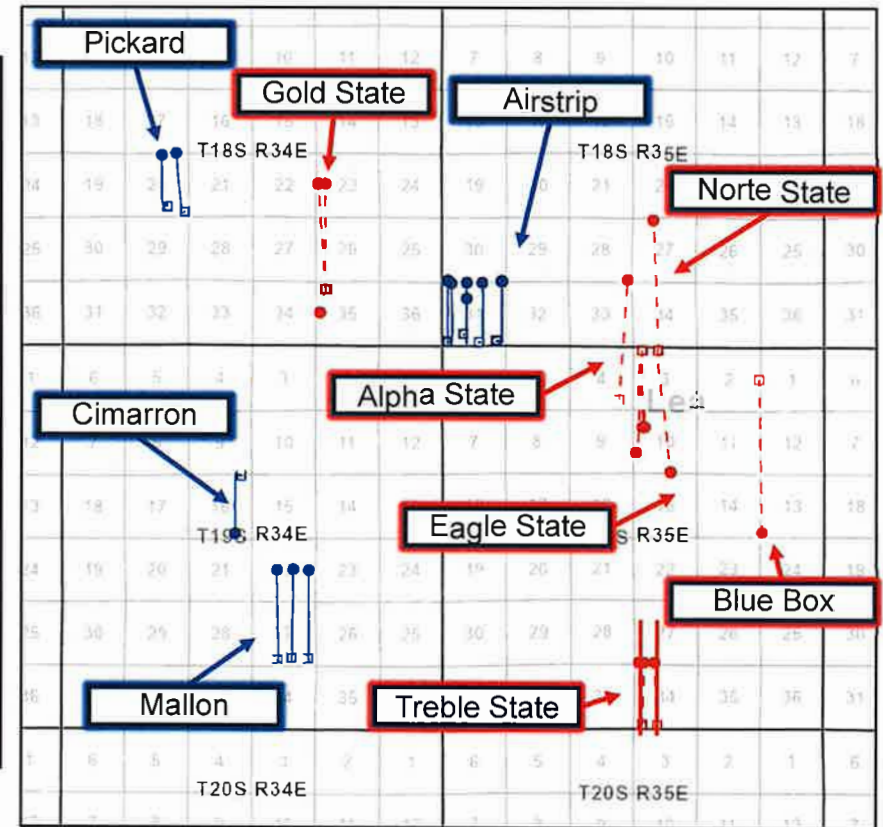
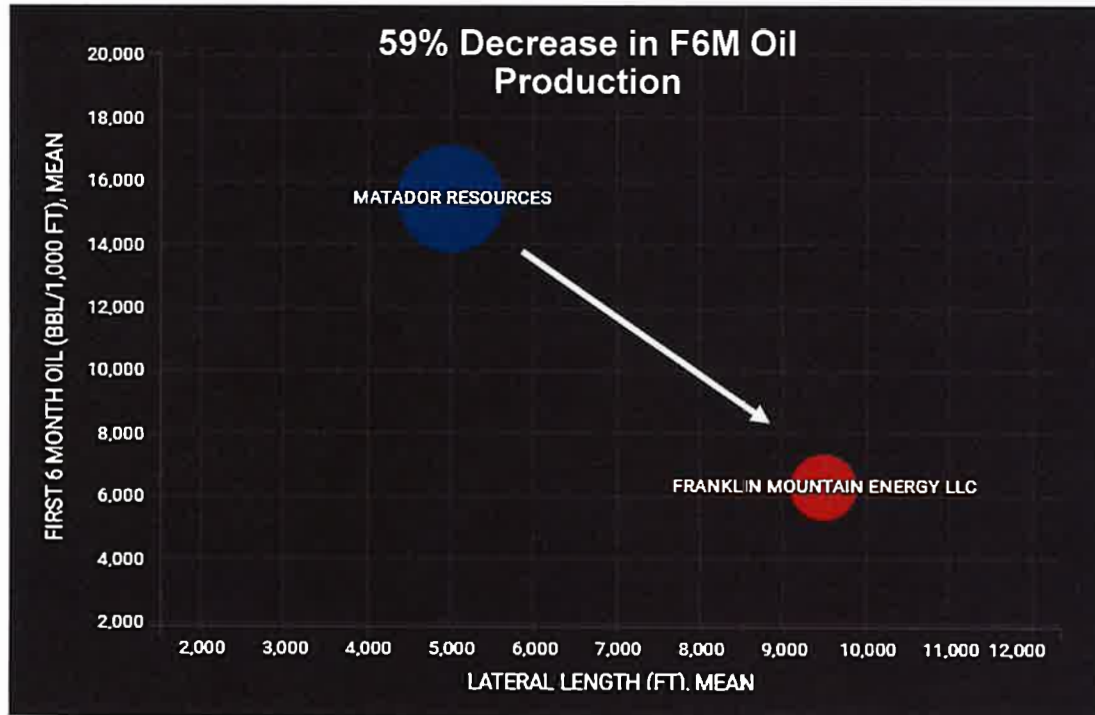
Hearing Date: November 20, 2024

Case Nos. 24778-24786



FME vs. MTDR Well Results

Exhibit C-6



- Franklin Mountain – 14 Wells
- Matador – 14 Wells

FME vs. MTDR Well Results – Analog Wells

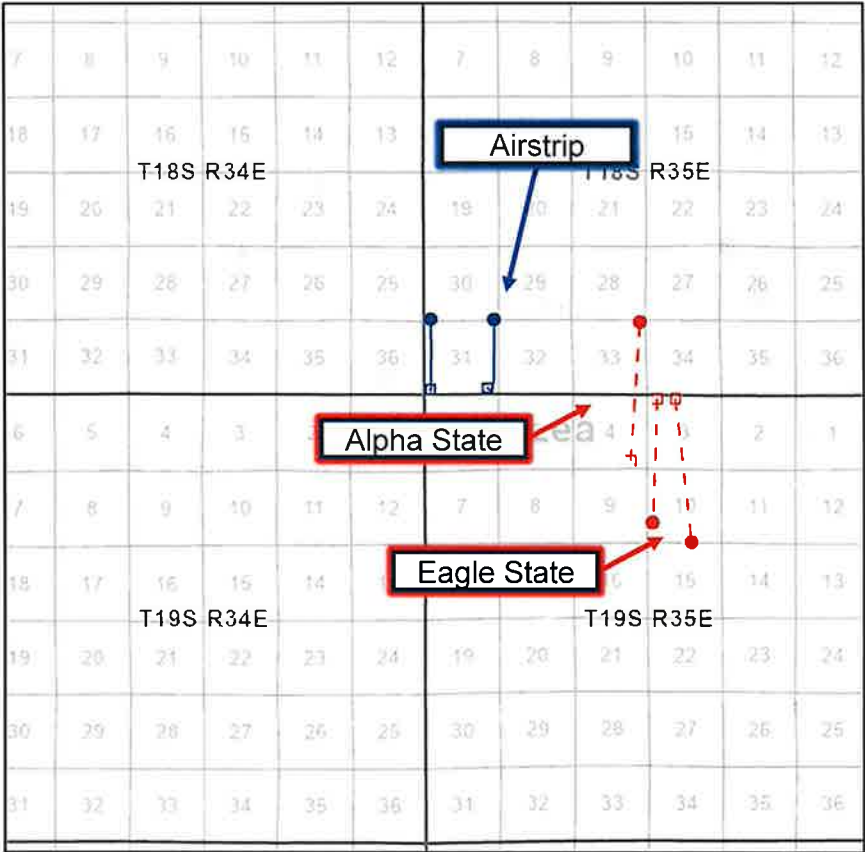
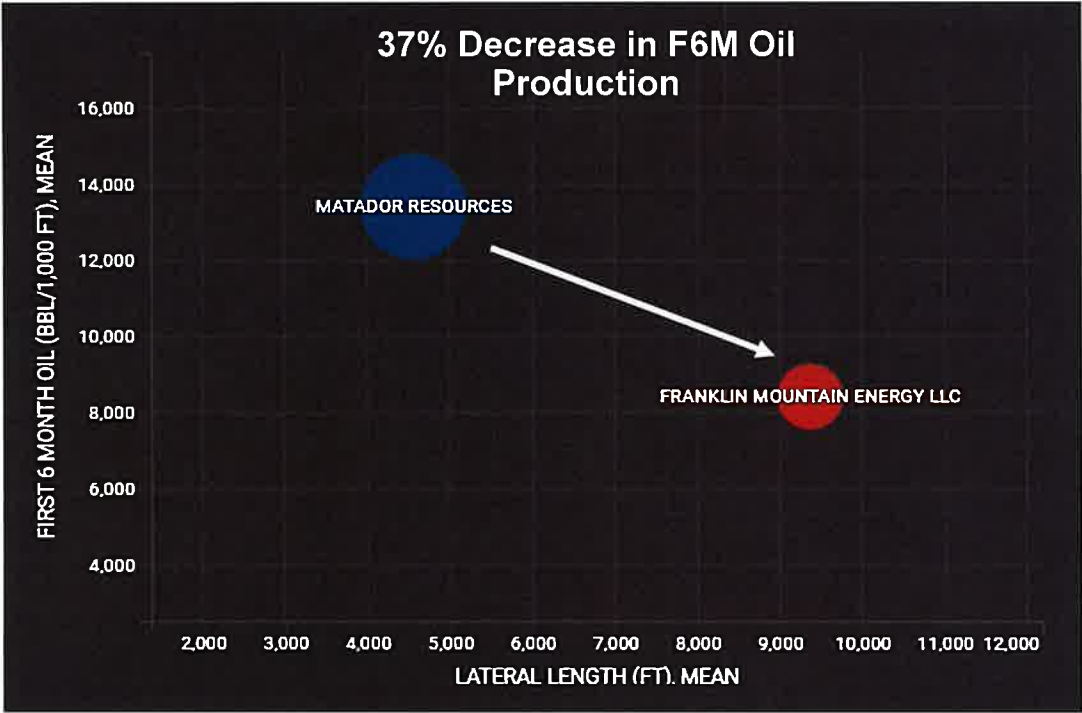
Exhibit C-7

API	Well Name	ENV Operator	First Prod. Date	Lateral Length (Ft)	First 6 Month Oil (BBL/1,000FT)
30-025-45438	AIRSTRIP 31 18 35 RN STATE COM 134H	MATADOR RESOURCES	4/1/2019	4,566	11,267
30-025-42499	PICKARD 20 18 34 RN STATE 124H	MATADOR RESOURCES	1/1/2016	4,567	10,259
30-025-51165	NORTE STATE COM 702H	FRANKLIN MOUNTAIN ENERGY LLC	10/1/2023	10,488	8,458
30-025-44509	AIRSTRIP 31 18 35 RN STATE COM 131H	MATADOR RESOURCES	10/1/2018	4,557	14,691
30-025-41614	PICKARD STATE 002H	MATADOR RESOURCES	7/1/2014	3,885	5,904
30-025-45436	AIRSTRIP 31 18 35 RN STATE COM 114H	MATADOR RESOURCES	4/1/2019	4,506	16,227
30-025-42315	MALLON 27 FEDERAL COM 002H	MATADOR RESOURCES	12/1/2016	7,178	25,442
30-025-52080	BLUE BOX FEDERAL COM 505H	FRANKLIN MOUNTAIN ENERGY LLC	1/1/2024	12,513	5,271
30-025-51667	GOLD STATE COM 601H	FRANKLIN MOUNTAIN ENERGY LLC	3/1/2024	8,549	10,200
30-025-42212	MALLON 27 FEDERAL COM 001H	MATADOR RESOURCES	11/1/2016	7,088	26,672
30-025-51111	TREBLE STATE COM 801H	FRANKLIN MOUNTAIN ENERGY LLC	1/1/2024	9,838	5,606
30-025-43395	AIRSTRIP 31 18 35 RN STATE COM 201H	MATADOR RESOURCES	1/1/2017	4,262	8,949
30-025-43816	AIRSTRIP 31 18 35 RN STATE COM 132H	MATADOR RESOURCES	8/1/2017	4,376	18,401
30-025-51668	GOLD STATE COM 701H	FRANKLIN MOUNTAIN ENERGY LLC	2/1/2024	8,541	544
30-025-51195	EAGLE STATE COM 501H	FRANKLIN MOUNTAIN ENERGY LLC	10/1/2023	8,415	7,031
30-025-44323	AIRSTRIP 31 18 35 RN STATE COM 133H	MATADOR RESOURCES	3/1/2018	4,396	15,433
30-025-51199	EAGLE STATE COM 701H	FRANKLIN MOUNTAIN ENERGY LLC	10/1/2023	8,444	7,333
30-025-51161	EAGLE STATE COM 303H	FRANKLIN MOUNTAIN ENERGY LLC	10/1/2023	9,789	7,409
30-025-51160	EAGLE STATE COM 301H	FRANKLIN MOUNTAIN ENERGY LLC	10/1/2023	8,451	5,807
30-025-41808	MALLON 27 FEDERAL COM 003H	MATADOR RESOURCES	12/1/2016	7,082	26,795
30-025-45025	AIRSTRIP 31 18 35 RN STATE COM 111H	MATADOR RESOURCES	10/1/2018	4,630	10,612
30-025-51990	ALPHA STATE COM 304H	FRANKLIN MOUNTAIN ENERGY LLC	12/1/2023	9,877	12,012
30-025-51110	TREBLE STATE COM 702H	FRANKLIN MOUNTAIN ENERGY LLC	12/1/2023	9,879	6,482
30-025-51109	TREBLE STATE COM 701H	FRANKLIN MOUNTAIN ENERGY LLC	1/1/2024	9,833	5,601
30-025-51201	EAGLE STATE COM 703H	FRANKLIN MOUNTAIN ENERGY LLC	10/1/2023	9,791	4,222
30-025-51669	GOLD STATE COM 801H	FRANKLIN MOUNTAIN ENERGY LLC	2/1/2024	8,403	2,500
30-025-42979	CIMARRON 16 19 34 RN STATE COM 133H	MATADOR RESOURCES	1/1/2017	4,478	14,983
30-025-45437	AIRSTRIP 31 18 35 RN STATE COM 124H	MATADOR RESOURCES	4/1/2019	4,529	10,642



FME vs. MTDR Well Results (FBSG)

Exhibit C-8



- Franklin Mountain – 3 Wells
- Matador – 2 Wells



FME vs. MTDR Well Results – Analog Wells (FBSG)

Exhibit C-9

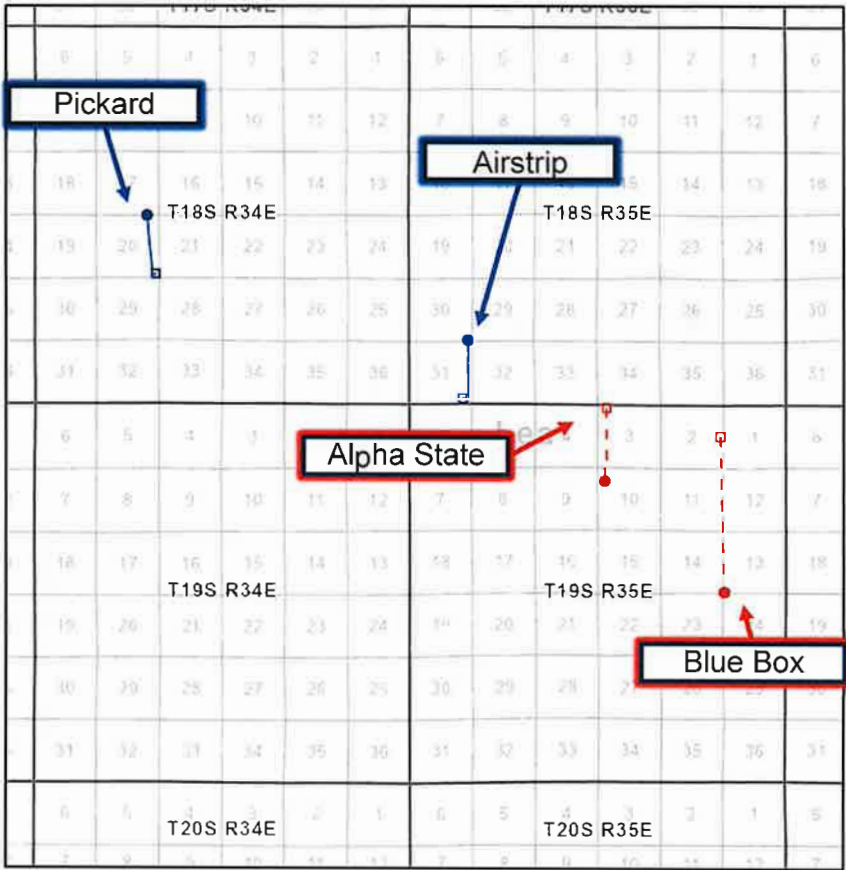
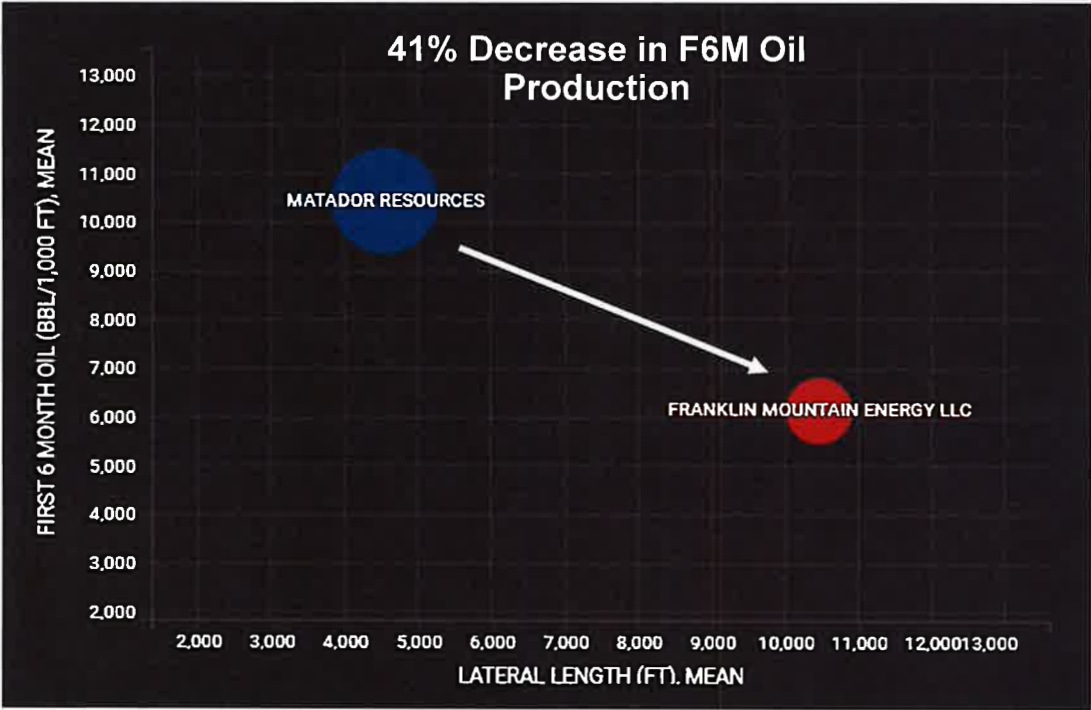
API	Well Name	ENV Operator	First Prod. Date	Lateral Length (Ft)	First 6 Month Oil (BBL/1,000FT)
30-025-45436	AIRSTRIP 31 18 35 RN STATE COM 114H	MATADOR RESOURCES	4/1/2019	4,506	16,227
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30-025-51160	EAGLE STATE COM 301H	FRANKLIN MOUNTAIN ENERGY LLC	10/1/2023	8,451	5,807
30-025-45025	AIRSTRIP 31 18 35 RN STATE COM 111H	MATADOR RESOURCES	10/1/2018	4,630	10,612
30-025-51990	ALPHA STATE COM 304H	FRANKLIN MOUNTAIN ENERGY LLC	12/1/2023	9,877	12,012

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C-9
 Submitted by: Matador Production Company
 Hearing Date: November 20, 2024
 Case Nos. 24778-24786



FME vs. MTDR Well Results (SBSG)

Exhibit C-10



- Franklin Mountain – 2 Wells
- Matador – 2 Wells



FME vs. MTDR Well Results – Analog Wells (SBSG)

Exhibit C-11

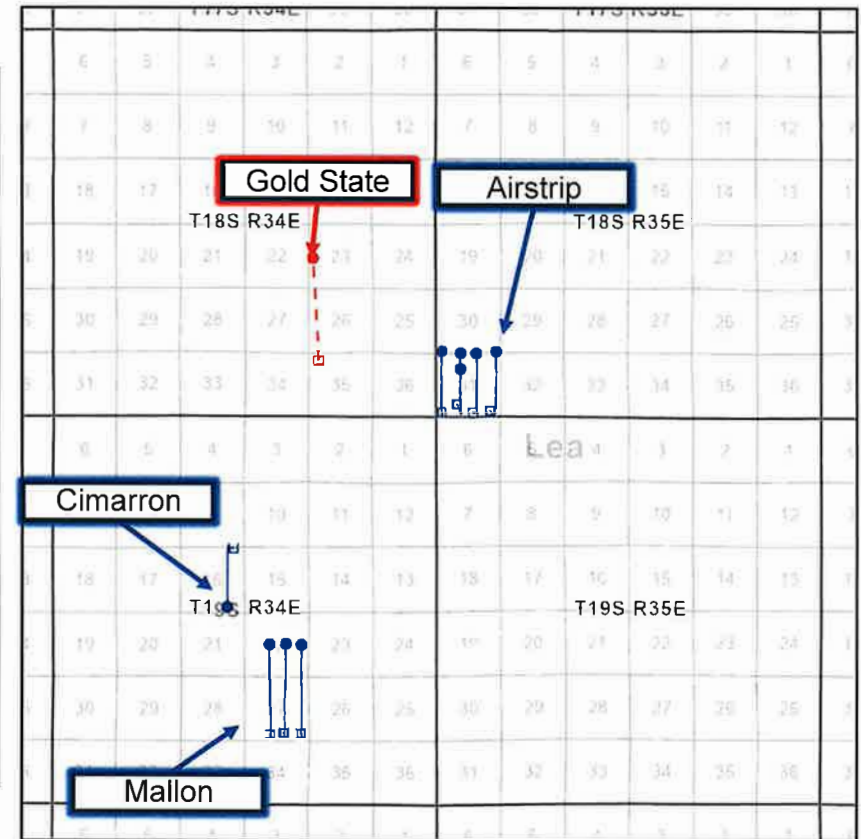
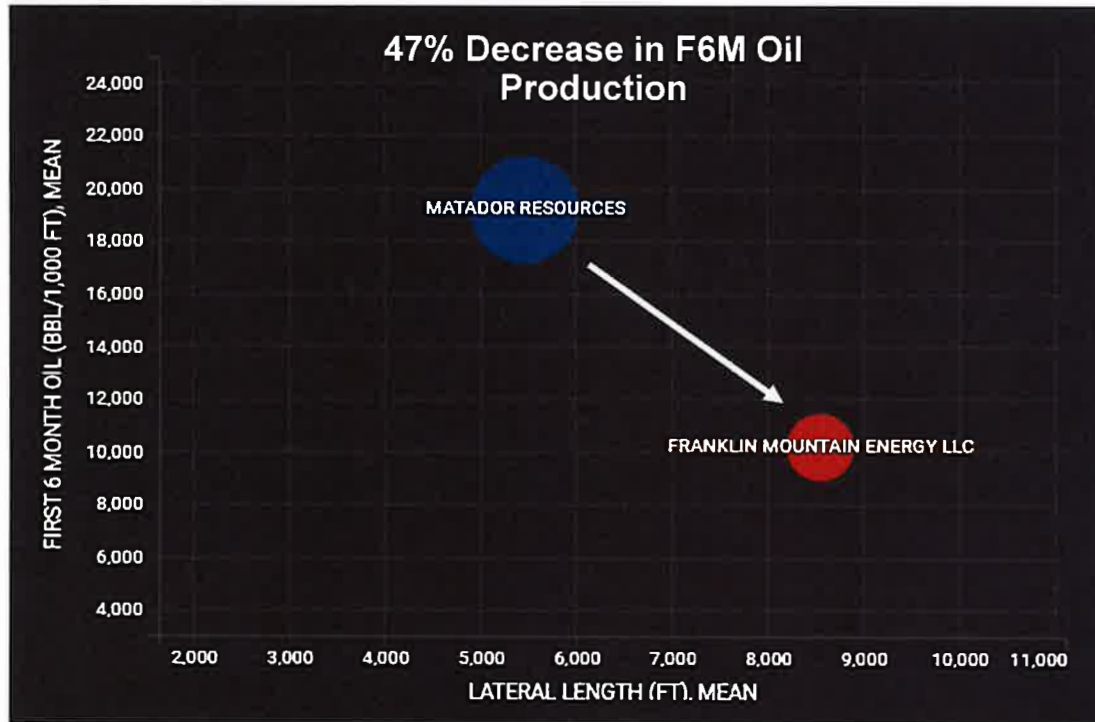
API	Well Name	ENV Operator	First Prod. Date	Lateral Length (Ft)	First 6 Month Oil (BBL/1,000FT)
30-025-42499	PICKARD 20 18 34 RN STATE 124H	MATADOR RESOURCES	1/1/2016	4,567	10,259
30-025-52080	BLUE BOX FEDERAL COM 505H	FRANKLIN MOUNTAIN ENERGY LLC	1/1/2024	12,513	5,271
30-025-51195	EAGLE STATE COM 501H	FRANKLIN MOUNTAIN ENERGY LLC	10/1/2023	8,415	7,031
30-025-45437	AIRSTRIP 31 18 35 RN STATE COM 124H	MATADOR RESOURCES	4/1/2019	4,529	10,642

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-11
Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786



FME vs. MTDR Well Results (TBSG)

Exhibit C-12



- Franklin Mountain – 1 Wells
- Matador – 8 Wells

FME vs. MTDR Well Results – Analog Wells (TBSG)

Exhibit C-13

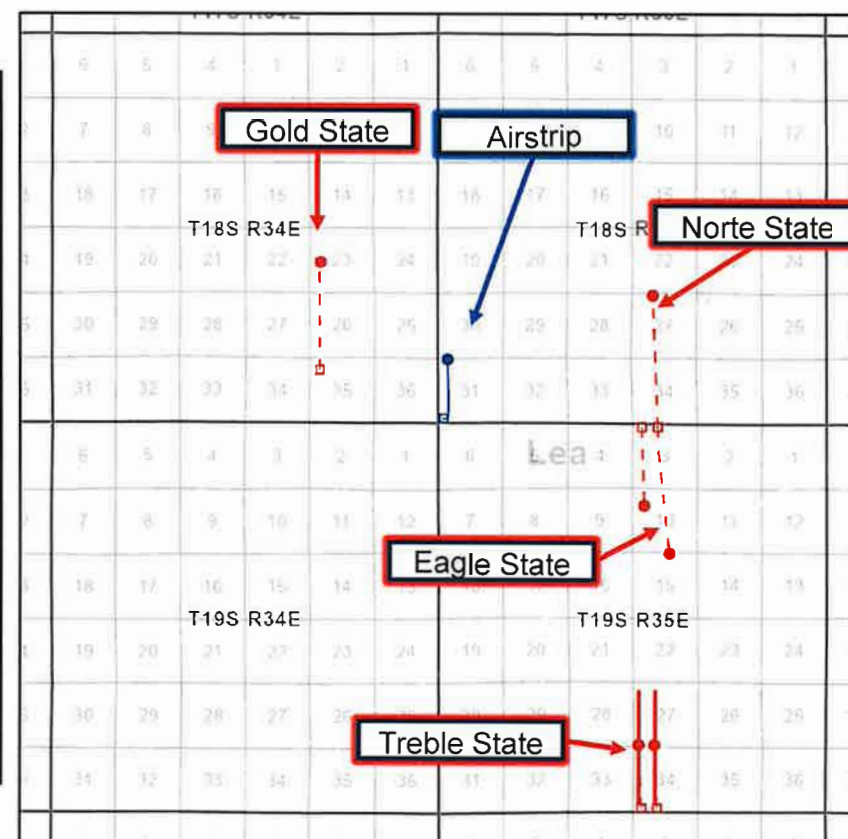
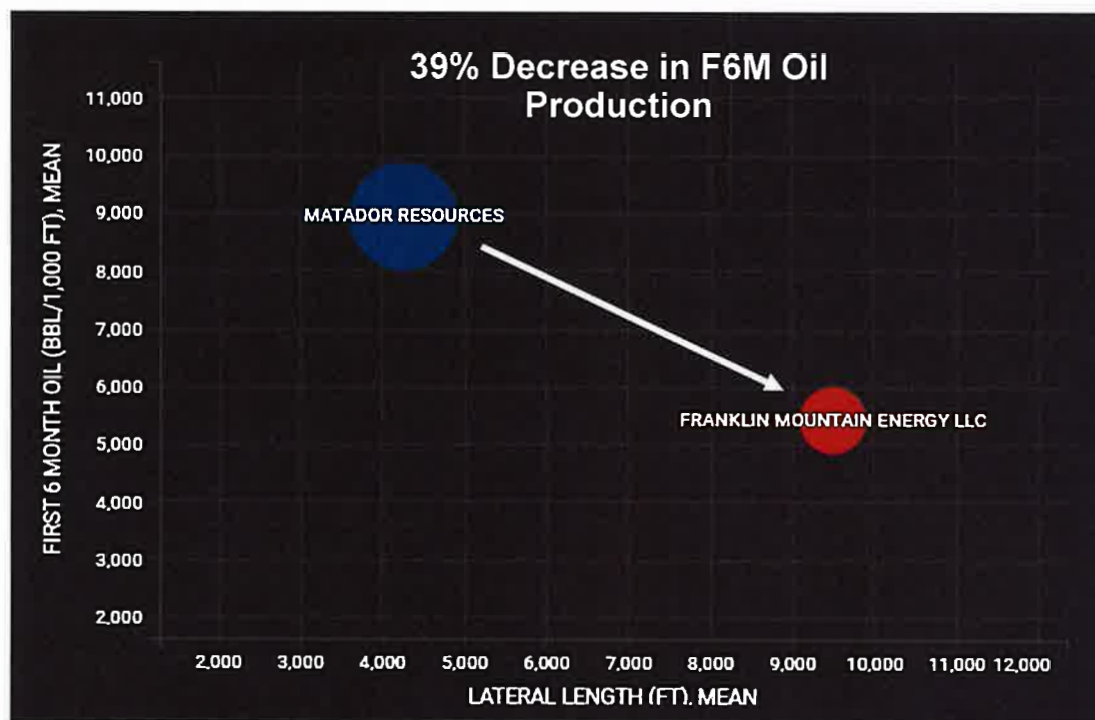
API	Well Name	ENV Operator	First Prod. Date	Lateral Length (Ft)	First 6 Month Oil (BBL/1,000FT)
30-025-45438	AIRSTRIP 31 18 35 RN STATE COM 134H	MATADOR RESOURCES	4/1/2019	4,566	11,267
30-025-44509	AIRSTRIP 31 18 35 RN STATE COM 131H	MATADOR RESOURCES	10/1/2018	4,557	14,691
30-025-42315	MALLON 27 FEDERAL COM 002H	MATADOR RESOURCES	12/1/2016	7,178	25,442
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30-025-42212	MALLON 27 FEDERAL COM 001H	MATADOR RESOURCES	11/1/2016	7,088	26,672
30-025-43816	AIRSTRIP 31 18 35 RN STATE COM 132H	MATADOR RESOURCES	8/1/2017	4,376	18,401
30-025-44323	AIRSTRIP 31 18 35 RN STATE COM 133H	MATADOR RESOURCES	3/1/2018	4,396	15,433
30-025-41808	MALLON 27 FEDERAL COM 003H	MATADOR RESOURCES	12/1/2016	7,082	26,795
30-025-42979	CIMARRON 16 19 34 RN STATE COM 133H	MATADOR RESOURCES	1/1/2017	4,478	14,983

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-13
Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786



FME vs. MTDR Well Results (WFMP B)

Exhibit C-14



- Franklin Mountain – 6 Wells
- Matador – 1 Wells

FME vs. MTDR Well Results – Analog Wells (WFMP B)

Exhibit C-15

API	Well Name	ENV Operator	First Prod. Date	Lateral Length (Ft)	First 6 Month Oil (BBL/1,000FT)
30-025-51165	NORTE STATE COM 702H	FRANKLIN MOUNTAIN ENERGY LLC	10/1/2023	10,488	8,458
30-025-43395	AIRSTIP 31 18 35 RN STATE COM 201H	MATADOR RESOURCES	1/1/2017	4,262	8,949
30-025-51668	GOLD STATE COM 701H	FRANKLIN MOUNTAIN ENERGY LLC	2/1/2024	8,541	544
30-025-51199	EAGLE STATE COM 701H	FRANKLIN MOUNTAIN ENERGY LLC	10/1/2023	8,444	7,333
30-025-51110	TREBLE STATE COM 702H	FRANKLIN MOUNTAIN ENERGY LLC	12/1/2023	9,879	6,482
30-025-51109	TREBLE STATE COM 701H	FRANKLIN MOUNTAIN ENERGY LLC	1/1/2024	9,833	5,601
30-025-51201	EAGLE STATE COM 703H	FRANKLIN MOUNTAIN ENERGY LLC	10/1/2023	9,791	4,222

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-15

Submitted by: Matador Production Company

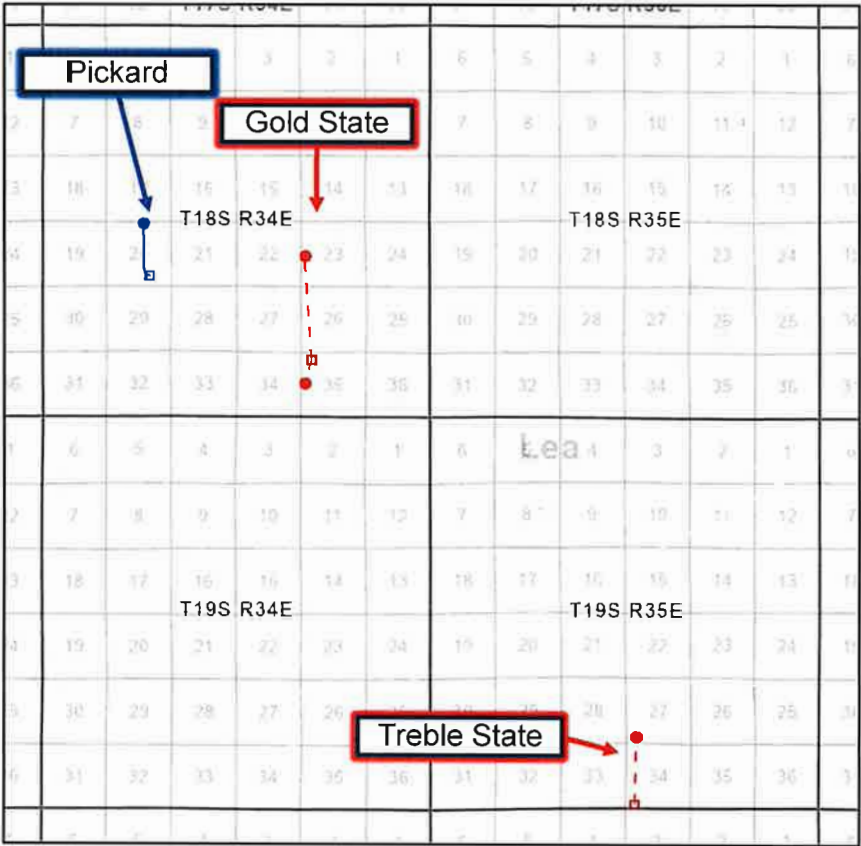
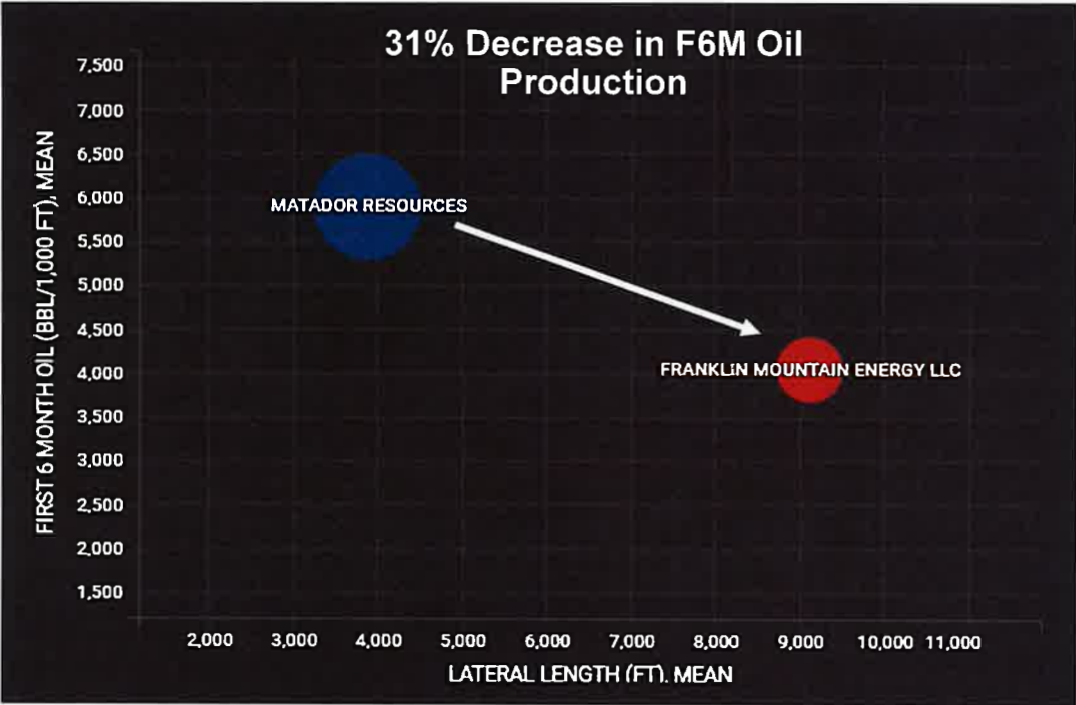
Hearing Date: November 20, 2024

Case Nos. 24778-24786



FME vs. MTDR Well Results (WFMP D)

Exhibit C-16



- Franklin Mountain – 2 Wells
- Matador – 1 Wells



FME vs. MTDR Well Results – Analog Wells (WFMP D)

Exhibit C-17

API	Well Name	ENV Operator	First Prod. Date	Lateral Length (Ft)	First 6 Month Oil (BBL/1,000FT)
30-025-41614	PICKARD STATE 002H	MATADOR RESOURCES	7/1/2014	3,885	5,904
30-025-51111	TREBLE STATE COM 801H	FRANKLIN MOUNTAIN ENERGY LLC	1/1/2024	9,838	5,606
30-025-51669	GOLD STATE COM 801H	FRANKLIN MOUNTAIN ENERGY LLC	2/1/2024	8,403	2,500

BEFORE THE OIL CONSERVATION DIVISION
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Exhibit No. C-17
Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786



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

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

CASE NOS. 24778-24783

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

CASE NOS. 24784-24786

**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 these matters addressed herein and am competent to provide this self-affirmed statement.
 2. The above-referenced applications and notice of the hearing on these applications were sent by certified mail to the affected parties on the date set forth in the letter attached hereto.
 3. The spreadsheets attached hereto contains the names of the parties to whom notice was provided.
 4. The spreadsheets 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 these proceedings.
- Affidavits of publication from the publication’s legal clerk with copies of the notice publications are attached herein.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786**

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.



Michael H. Feldewert

11/12/24

Date



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

August 21, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED INTEREST OWNERS

Re: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico: Airstrip State Com 110H and 130H 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 the September 10, 2024, special docket 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/>.

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If you have any questions about this matter, please contact Ethan Frasier at (972) 371-5401 or at ethan.frasier@matadorresources.com.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Michael H. Feldewert'.

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
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.



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

August 21, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED INTEREST OWNERS

Re: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico: Airstrip State Com 119H well

Ladies & Gentlemen:

This letter is to advise you that MRC Permian Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on the September 10, 2024, special hearing docket and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/oed/>.

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Michael H. Feldewert
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MRC - Airstrip 110H, 131H, 119H wells - Case nos. 24778-24779
Postal Delivery Report

9414811898765482850710	Axis Energy Corporation	PO Box 2107	Roswell	NM	88202-2107	Your item was picked up at the post office at 1:04 pm on August 27, 2024 in ROSWELL, NM 88201.
9414811898765482850758	COG Operating LLC	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 8:27 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482850765	COG Operating LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:56 am on August 27, 2024 in MIDLAND, TX 79701.
9414811898765482850727	Collins & Jones Investments, LLC	3824 Cedar Springs Rd PMB 414	Dallas	TX	75219-4136	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765482850703	Crown Oil Partners, LP	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 8:27 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482850796	David W. Cromwell	2008 Country Club Dr	Midland	TX	79701-5719	Your item was delivered to an individual at the address at 10:42 am on August 26, 2024 in MIDLAND, TX 79701.
9414811898765482850741	Deane Durham	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 8:27 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482850789	Franklin Mountain Energy 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 2:39 pm on August 23, 2024 in DENVER, CO 80206.

MRC - Airstrip 110H, 131H, 119H wells - Case nos. 24778-24779
Postal Delivery Report

9414811898765482850734	Franklin Mountain Royalty Investments 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 2:39 pm on August 23, 2024 in DENVER, CO 80206.
9414811898765482850772	Good News Minerals, LLC	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 8:27 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482850918	H. Jason Wacker	5601 Hillcrest	Midland	TX	79707-9113	Your item was picked up at a postal facility at 11:44 am on September 6, 2024 in MIDLAND, TX 79705.
9414811898765482850956	Kaleb Smith	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 8:27 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482850925	LMC Energy LLC	550 W Texas Ave Ste 945	Midland	TX	79701-4233	Your item has been delivered to the original sender at 5:14 pm on September 20, 2024 in SANTA FE, NM 87501.
9414811898765482850901	Mike Moylett	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 8:27 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482850949	Mongoose Minerals LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:56 am on August 27, 2024 in MIDLAND, TX 79701.
9414811898765482850987	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Your item was picked up at a postal facility at 7:55 am on August 26, 2024 in SANTA FE, NM 87501.

MRC - Airstrip 110H, 131H, 119H wells - Case nos. 24778-24779
Postal Delivery Report

9414811898765482850932	Oak Valley Mineral and Land, LP	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 8:27 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482850970	Post Oak Crown IV, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765482850611	Post Oak Crown IV-B, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765482850659	Post Oak Mavros II, LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	Your item was delivered to an individual at the address at 2:57 pm on August 29, 2024 in HOUSTON, TX 77056.
9414811898765482850666	Sortida Reources, LLC	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 8:27 am on August 26, 2024 in MIDLAND, TX 79705.



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

August 21, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED INTEREST OWNERS

Re: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico: Airstrip State Com 121H well

Ladies & Gentlemen:

This letter is to advise you that MRC Permian Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on the September 10, 2024, special docket and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

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Sincerely,

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

Michael H. Feldewert
ATTORNEY FOR MRC PERMIAN COMPANY

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MRC - Airstrip 121H well - Case no. 24780
Postal Delivery Report

9414811898765482850543	Axis Energy Corporation	PO Box 2107	Roswell	NM	88202-2107	Your item was picked up at the post office at 11:55 am on August 26, 2024 in ROSWELL, NM 88201.
9414811898765482850581	COG Operating LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:57 am on August 27, 2024 in MIDLAND, TX 79701.
9414811898765482850536	Collins & Jones Investments, LLC	3824 Cedar Springs Rd PMB 414	Dallas	TX	75219-4136	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765482858259	Crown Oil Partners V, LP	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858266	Crown Oil Partners, LP	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858297	David W. Cromwell	2008 Country Club Dr	Midland	TX	79701-5719	Your item was delivered to an individual at the address at 10:42 am on August 26, 2024 in MIDLAND, TX 79701.
9414811898765482858280	Deane Durham	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858273	Franklin Mountain Energy 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 2:36 pm on August 23, 2024 in DENVER, CO 80206.

MRC - Airstrip 121H well - Case no. 24780
Postal Delivery Report

9414811898765482858853	Franklin Mountain Royalty Investments 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 2:36 pm on August 23, 2024 in DENVER, CO 80206.
9414811898765482858822	Good News Minerals, LLC	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858808	H. Jason Wacker	5601 Hillcrest	Midland	TX	79707-9113	Your item was picked up at a postal facility at 4:21 pm on September 5, 2024 in MIDLAND, TX 79705.
9414811898765482858846	Jalapeno Corporation	PO Box 1608	Albuquerque	NM	87103-1608	Your item was picked up at the post office at 12:01 pm on August 26, 2024 in ALBUQUERQUE, NM 87102.
9414811898765482858884	Kaleb Smith	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858839	LMC Energy LLC	550 W Texas Ave Ste 945	Midland	TX	79701-4233	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.
9414811898765482858877	Mike Moylett	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858716	Mongoose Minerals LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:57 am on August 27, 2024 in MIDLAND, TX 79701.

MRC - Airstrip 121H well - Case no. 24780
Postal Delivery Report

9414811898765482858754	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Your item was picked up at a postal facility at 7:55 am on August 26, 2024 in SANTA FE, NM 87501.
9414811898765482858761	Oak Valley Mineral and Land, LP	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858723	Post Oak Crown IV, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.
9414811898765482858709	Post Oak Crown IV-B, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.
9414811898765482858792	Post Oak Mavros II, LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	Your item was delivered to an individual at the address at 4:22 pm on August 26, 2024 in HOUSTON, TX 77056.
9414811898765482858747	Sortida Reources, LLC	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482858785	Spinnaker Oil & Gas, LP	PO Box 3488	Midland	TX	79702-3488	This is a reminder to pick up your item before September 7, 2024 or your item will be returned on September 8, 2024. Please pick up the item at the MIDLAND, TX 79702 Post Office.

MRC - Airstrip 121H well - Case no. 24780
Postal Delivery Report

9414811898765482858730	The Eastland Oil Co.	PO Box 3488	Midland	TX	79702-3488	This is a reminder to pick up your item before September 7, 2024 or your item will be returned on September 8, 2024. Please pick up the item at the MIDLAND, TX 79702 Post Office.
9414811898765482858778	Yates Energy Coporation	PO Box 2323	Roswell	NM	88202-2323	Your item was picked up at the post office at 10:16 am on August 26, 2024 in ROSWELL, NM 88201.



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

August 21, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED INTEREST OWNERS

Re: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico: Airstrip State Com 122H well

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Sincerely,

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Michael H. Feldewert
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MRC - Airstrip 122H well - Case no. 24781
Postal Delivery Report

9414811898765482850604	Axis Energy Corporation	PO Box 2107	Roswell	NM	88202-2107	Your item was picked up at the post office at 11:55 am on August 26, 2024 in ROSWELL, NM 88201.
9414811898765482850697	COG Operating LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:49 am on August 26, 2024 in MIDLAND, TX 79701.
9414811898765482850642	Collins & Jones Investments, LLC	3824 Cedar Springs Rd PMB 414	Dallas	TX	75219-4136	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765482850680	Crown Oil Partners V, LP	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482850635	Crown Oil Partners, LP	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482850673	David W. Cromwell	2008 Country Club Dr	Midland	TX	79701-5719	Your item was delivered to an individual at the address at 10:42 am on August 26, 2024 in MIDLAND, TX 79701.
9414811898765482850116	Deane Durham	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.

MRC - Airstrip 122H well - Case no. 24781
Postal Delivery Report

9414811898765482850154	Franklin Mountain Energy 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 2:36 pm on August 23, 2024 in DENVER, CO 80206.
9414811898765482850161	Good News Minerals, LLC	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482850123	H. Jason Wacker	5601 Hillcrest	Midland	TX	79707-9113	Your item was picked up at a postal facility at 4:21 pm on September 5, 2024 in MIDLAND, TX 79705.
9414811898765482850109	Jalapeno Corporation	PO Box 1608	Albuquerque	NM	87103-1608	Your item was picked up at the post office at 12:01 pm on August 26, 2024 in ALBUQUERQUE, NM 87102.
9414811898765482850192	Kaleb Smith	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482850147	LMC Energy LLC	550 W Texas Ave Ste 945	Midland	TX	79701-4233	Your item has been delivered to the original sender at 1:51 pm on September 5, 2024 in SANTA FE, NM 87501.
9414811898765482850185	Mike Moylett	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.

MRC - Airstrip 122H well - Case no. 24781
Postal Delivery Report

9414811898765482850130	Mongoose Minerals LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:48 am on August 26, 2024 in MIDLAND, TX 79701.
9414811898765482850178	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Your item was picked up at a postal facility at 7:55 am on August 26, 2024 in SANTA FE, NM 87501.
9414811898765482850314	Oak Valley Mineral and Land, LP	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482850352	Post Oak Crown IV, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.
9414811898765482850369	Post Oak Crown IV-B, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.
9414811898765482850321	Post Oak Mavros II, LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	Your item was delivered to an individual at the address at 4:22 pm on August 26, 2024 in HOUSTON, TX 77056.
9414811898765482850307	Sortida Reources, LLC	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.

MRC - Airstrip 122H well - Case no. 24781
Postal Delivery Report

9414811898765482850390	Spinnaker Oil & Gas, LP	PO Box 3488	Midland	TX	79702-3488	This is a reminder to pick up your item before September 7, 2024 or your item will be returned on September 8, 2024. Please pick up the item at the MIDLAND, TX 79702 Post Office.
9414811898765482850345	The Eastland Oil Co.	PO Box 3488	Midland	TX	79702-3488	This is a reminder to pick up your item before September 7, 2024 or your item will be returned on September 8, 2024. Please pick up the item at the MIDLAND, TX 79702 Post Office.
9414811898765482850383	Yates Energy Coporation	PO Box 2323	Roswell	NM	88202-2323	Your item was picked up at the post office at 10:16 am on August 26, 2024 in ROSWELL, NM 88201.



Michael H. Feldewert
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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/>.

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If you have any questions about this matter, please contact Ethan Frasier at (972) 371-5401 or at ethan.frasier@matadorresources.com.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Michael H. Feldewert'.

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
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 - Airstrip 123H well - Case no. 24782
Postal Delivery Report

9414811898765482850338	Axis Energy Corporation	PO Box 2107	Roswell	NM	88202-2107	Your item was picked up at the post office at 11:55 am on August 26, 2024 in ROSWELL, NM 88201.
9414811898765482850017	COG Operating LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:49 am on August 26, 2024 in MIDLAND, TX 79701.
9414811898765482850055	Collins & Jones Investments, LLC	3824 Cedar Springs Rd PMB 414	Dallas	TX	75219-4136	Your item was delivered to an individual at the address at 9:45 am on August 26, 2024 in DALLAS, TX 75219.
9414811898765482850062	Crown Oil Partners V, LP	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482850024	Crown Oil Partners, LP	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482850093	David W. Cromwell	2008 Country Club Dr	Midland	TX	79701-5719	Your item was delivered to an individual at the address at 10:31 am on August 24, 2024 in MIDLAND, TX 79701.

MRC - Airstrip 123H well - Case no. 24782
Postal Delivery Report

9414811898765482850048	Deane Durham	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:35 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482850086	Franklin Mountain Energy 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 2:36 pm on August 23, 2024 in DENVER, CO 80206.
9414811898765482850031	Franklin Mountain Royalty Investments 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 2:36 pm on August 23, 2024 in DENVER, CO 80206.
9414811898765482850079	Good News Minerals, LLC	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482850413	H. Jason Wacker	5601 Hillcrest	Midland	TX	79707-9113	Your item was picked up at a postal facility at 4:21 pm on September 5, 2024 in MIDLAND, TX 79705.
9414811898765482850451	Jalapeno Corporation	PO Box 1608	Albuquerque	NM	87103-1608	Your item was picked up at the post office at 12:01 pm on August 26, 2024 in ALBUQUERQUE, NM 87102.

MRC - Airstrip 123H well - Case no. 24782
Postal Delivery Report

9414811898765482850468	Kaleb Smith	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482850420	LMC Energy LLC	550 W Texas Ave Ste 945	Midland	TX	79701-4233	Your item has been delivered to the original sender at 1:51 pm on September 5, 2024 in SANTA FE, NM 87501.
9414811898765482850406	Marathon Oil Permian, LLC	990 Town And Country Blvd	Houston	TX	77024-2217	Your item was delivered to the front desk, reception area, or mail room at 12:57 pm on August 26, 2024 in HOUSTON, TX 77024.
9414811898765482850499	Mike Moylett	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482850444	Mongoose Minerals LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:48 am on August 26, 2024 in MIDLAND, TX 79701.
9414811898765482850482	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Your item was picked up at a postal facility at 7:55 am on August 26, 2024 in SANTA FE, NM 87501.

MRC - Airstrip 123H well - Case no. 24782
Postal Delivery Report

9414811898765482850437	Oak Valley Mineral and Land, LP	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482850475	Post Oak Crown IV, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.
9414811898765482850512	Post Oak Crown IV-B, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.
9414811898765482850550	Post Oak Mavros II, LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	Your item was delivered to an individual at the address at 4:22 pm on August 26, 2024 in HOUSTON, TX 77056.
9414811898765482850567	Sortida Reources, LLC	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482850529	Spinnaker Oil & Gas, LP	PO Box 3488	Midland	TX	79702-3488	This is a reminder to pick up your item before September 7, 2024 or your item will be returned on September 8, 2024. Please pick up the item at the MIDLAND, TX 79702 Post Office.

MRC - Airstrip 123H well - Case no. 24782
Postal Delivery Report

9414811898765482850505	The Eastland Oil Co.	PO Box 3488	Midland	TX	79702-3488	Your item was picked up at the post office at 2:18 pm on August 27, 2024 in MIDLAND, TX 79701.
9414811898765482850598	Yates Energy Coporation	PO Box 2323	Roswell	NM	88202-2323	Your item was picked up at the post office at 10:16 am on August 26, 2024 in ROSWELL, NM 88201.



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

August 21, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED INTEREST OWNERS

Re: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico: Airstrip State Com 241H well

Ladies & Gentlemen:

This letter is to advise you that MRC Permian Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on the September 10, 2024, special docket and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

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Sincerely,

A handwritten signature in blue ink, appearing to read 'Michael H. Feldewert'.

Michael H. Feldewert
ATTORNEY FOR MRC PERMIAN COMPANY

Location
110 North Guadalupe, Suite 1
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MRC - Airstrip 241H well - Case no. 24783
Postal Delivery Report

9414811898765482858914	Axis Energy Corporation	PO Box 2107	Roswell	NM	88202-2107	Your item was picked up at the post office at 11:55 am on August 26, 2024 in ROSWELL, NM 88201.
9414811898765482858952	COG Operating LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:48 am on August 26, 2024 in MIDLAND, TX 79701.
9414811898765482858969	COG Operating LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:49 am on August 26, 2024 in MIDLAND, TX 79701.
9414811898765482858921	Collins & Jones Investments, LLC	3824 Cedar Springs Rd PMB 414	Dallas	TX	75219-4136	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765482858907	Crown Oil Partners V, LP	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482858990	Crown Oil Partners, LP	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.

MRC - Airstrip 241H well - Case no. 24783
Postal Delivery Report

9414811898765482858945	David W. Cromwell	2008 Country Club Dr	Midland	TX	79701-5719	Your item was delivered to an individual at the address at 10:31 am on August 24, 2024 in MIDLAND, TX 79701.
9414811898765482858983	Deane Durham	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482858938	Franklin Mountain Energy 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 2:36 pm on August 23, 2024 in DENVER, CO 80206.
9414811898765482858976	Franklin Mountain Royalty Investments 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 2:36 pm on August 23, 2024 in DENVER, CO 80206.
9414811898765482858617	Good News Minerals, LLC	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:35 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482858655	H. Jason Wacker	5601 Hillcrest	Midland	TX	79707-9113	Your item was picked up at a postal facility at 4:14 pm on September 4, 2024 in MIDLAND, TX 79705.

MRC - Airstrip 241H well - Case no. 24783
Postal Delivery Report

9414811898765482858662	Jalapeno Corporation	PO Box 1608	Albuquerque	NM	87103-1608	Your item was picked up at the post office at 12:01 pm on August 26, 2024 in ALBUQUERQUE, NM 87102.
9414811898765482858624	Kaleb Smith	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482858600	LMC Energy LLC	550 W Texas Ave Ste 945	Midland	TX	79701-4233	Your item has been delivered to the original sender at 1:51 pm on September 5, 2024 in SANTA FE, NM 87501.
9414811898765482858693	Mike Moylett	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482858648	Mongoose Minerals LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:49 am on August 26, 2024 in MIDLAND, TX 79701.
9414811898765482858686	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Your item was picked up at a postal facility at 7:55 am on August 26, 2024 in SANTA FE, NM 87501.

MRC - Airstrip 241H well - Case no. 24783
Postal Delivery Report

9414811898765482858631	Oak Valley Mineral and Land, LP	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.
9414811898765482858679	Post Oak Crown IV, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.
9414811898765482858112	Post Oak Crown IV-B, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.
9414811898765482858150	Post Oak Mavros II, LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	Your item was delivered to an individual at the address at 4:22 pm on August 26, 2024 in HOUSTON, TX 77056.
9414811898765482858167	Sortida Reources, LLC	PO Box 50820	Midland	TX	79710-0820	Your item has been delivered and is available at a PO Box at 9:28 am on August 24, 2024 in MIDLAND, TX 79705.

MRC - Airstrip 241H well - Case no. 24783
Postal Delivery Report

9414811898765482858129	Spinnaker Oil & Gas, LP	PO Box 3488	Midland	TX	79702-3488	This is a reminder to pick up your item before September 7, 2024 or your item will be returned on September 8, 2024. Please pick up the item at the MIDLAND, TX 79702 Post Office.
9414811898765482858105	The Eastland Oil Co.	PO Box 3488	Midland	TX	79702-3488	This is a reminder to pick up your item before September 7, 2024 or your item will be returned on September 8, 2024. Please pick up the item at the MIDLAND, TX 79702 Post Office.
9414811898765482858198	Yates Energy Coporation	PO Box 2323	Roswell	NM	88202-2323	Your item was picked up at the post office at 10:16 am on August 26, 2024 in ROSWELL, NM 88201.



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

August 21, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED INTEREST OWNERS

**Re: Application of MRC Permian Company for Compulsory Pooling, Lea County,
New Mexico: Airstrip State Com 242H well**

Ladies & Gentlemen:

This letter is to advise you that MRC Permian Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on the September 10, 2024, special hearing docket and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/oed/>.

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MRC - Airstrip 242H well - Case no. 24784
Postal Delivery Report

9414811898765482858181	Axis Energy Corporation	PO Box 2107	Roswell	NM	88202-2107	Your item was picked up at the post office at 11:55 am on August 26, 2024 in ROSWELL, NM 88201.
9414811898765482858136	COG Operating LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:56 am on August 27, 2024 in MIDLAND, TX 79701.
9414811898765482858310	Collins & Jones Investments, LLC	3824 Cedar Springs Rd PMB 414	Dallas	TX	75219-4136	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765482858358	Crown Oil Partners V, LP	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858365	Crown Oil Partners, LP	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858327	David W. Cromwell	2008 Country Club Dr	Midland	TX	79701-5719	Your item was delivered to an individual at the address at 10:42 am on August 26, 2024 in MIDLAND, TX 79701.
9414811898765482858303	Deane Durham	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:33 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858396	Franklin Mountain Energy 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 2:35 pm on August 23, 2024 in DENVER, CO 80206.

MRC - Airstrip 242H well - Case no. 24784
Postal Delivery Report

9414811898765482858341	Franklin Mountain Royalty Investments 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 2:35 pm on August 23, 2024 in DENVER, CO 80206.
9414811898765482858389	Good News Minerals, LLC	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858334	H. Jason Wacker	5601 Hillcrest	Midland	TX	79707-9113	Your item was picked up at a postal facility at 4:21 pm on September 5, 2024 in MIDLAND, TX 79705.
9414811898765482858372	Jalapeno Corporation	PO Box 1608	Albuquerque	NM	87103-1608	Your item was picked up at the post office at 12:01 pm on August 26, 2024 in ALBUQUERQUE, NM 87102.
9414811898765482858013	Kaleb Smith	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858051	LMC Energy LLC	550 W Texas Ave Ste 945	Midland	TX	79701-4233	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.
9414811898765482858068	Mike Moylett	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858020	Mongoose Minerals LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:57 am on August 27, 2024 in MIDLAND, TX 79701.

MRC - Airstrip 242H well - Case no. 24784
Postal Delivery Report

9414811898765482858006	Oak Valley Mineral and Land, LP	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858099	Post Oak Crown IV, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.
9414811898765482858044	Post Oak Crown IV-B, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.
9414811898765482858082	Post Oak Mavros II, LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	Your item was delivered to an individual at the address at 4:22 pm on August 26, 2024 in HOUSTON, TX 77056.
9414811898765482858075	Sortida Reources, LLC	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858419	Spinnaker Oil & Gas, LP	PO Box 3488	Midland	TX	79702-3488	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765482858457	The Eastland Oil Co.	PO Box 3488	Midland	TX	79702-3488	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765482858464	Yates Energy Coporation	PO Box 2323	Roswell	NM	88202-2323	Your item was picked up at the post office at 10:16 am on August 26, 2024 in ROSWELL, NM 88201.



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

August 21, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED INTEREST OWNERS

**Re: Application of MRC Permian Company for Compulsory Pooling, Lea County,
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MRC - Airstrip 243H well - Case no. 24785
Postal Delivery Report

9414811898765482858426	Axis Energy Corporation	PO Box 2107	Roswell	NM	88202-2107	Your item was picked up at the post office at 11:55 am on August 26, 2024 in ROSWELL, NM 88201.
9414811898765482858402	COG Operating LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:56 am on August 27, 2024 in MIDLAND, TX 79701.
9414811898765482858495	Collins & Jones Investments, LLC	3824 Cedar Springs Rd PMB 414	Dallas	TX	75219-4136	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765482858440	Crown Oil Partners V, LP	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:23 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858488	Crown Oil Partners, LP	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:23 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858433	David W. Cromwell	2008 Country Club Dr	Midland	TX	79701-5719	Your item was delivered to an individual at the address at 10:42 am on August 26, 2024 in MIDLAND, TX 79701.
9414811898765482858471	Deane Durham	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:23 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858518	Franklin Mountain Energy 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 2:35 pm on August 23, 2024 in DENVER, CO 80206.
9414811898765482858556	Franklin Mountain Royalty Investments 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 2:35 pm on August 23, 2024 in DENVER, CO 80206.

MRC - Airstrip 243H well - Case no. 24785
Postal Delivery Report

9414811898765482858525	Good News Minerals, LLC	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:23 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858501	H. Jason Wacker	5601 Hillcrest	Midland	TX	79707-9113	Your item was picked up at a postal facility at 4:21 pm on September 5, 2024 in MIDLAND, TX 79705.
9414811898765482858594	Jalapeno Corporation	PO Box 1608	Albuquerque	NM	87103-1608	Your item was picked up at the post office at 12:01 pm on August 26, 2024 in ALBUQUERQUE, NM 87102.
9414811898765482858549	Kaleb Smith	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:23 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482858587	LMC Energy LLC	550 W Texas Ave Ste 945	Midland	TX	79701-4233	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.
9414811898765482858570	Marathon Oil Permian, LLC	990 Town And Country Blvd	Houston	TX	77024-2217	Your item was delivered to the front desk, reception area, or mail room at 12:57 pm on August 26, 2024 in HOUSTON, TX 77024.
9414811898765482857214	Mike Moylett	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:23 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482857252	Mongoose Minerals LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:56 am on August 27, 2024 in MIDLAND, TX 79701.
9414811898765482857269	Oak Valley Mineral and Land, LP	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:33 am on August 26, 2024 in MIDLAND, TX 79705.

MRC - Airstrip 243H well - Case no. 24785
Postal Delivery Report

9414811898765482857221	Post Oak Crown IV, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.
9414811898765482857207	Post Oak Crown IV-B, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.
9414811898765482857290	Post Oak Mavros II, LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	Your item was delivered to an individual at the address at 4:22 pm on August 26, 2024 in HOUSTON, TX 77056.
9414811898765482857245	Sortida Reources, LLC	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482857283	Spinnaker Oil & Gas, LP	PO Box 3488	Midland	TX	79702-3488	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765482857238	The Eastland Oil Co.	PO Box 3488	Midland	TX	79702-3488	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765482857276	Yates Energy Coporation	PO Box 2323	Roswell	NM	88202-2323	Your item was picked up at the post office at 10:16 am on August 26, 2024 in ROSWELL, NM 88201.



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

August 21, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of MRC Permian Company for Compulsory Pooling, Lea County,
New Mexico: Airstrip State Com 244H well**

Ladies & Gentlemen:

This letter is to advise you that MRC Permian Company has filed the enclosed application with the New Mexico Oil Conservation Division. A special hearing has been set before a Division Examiner on September 10, 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 Ethan Frasier at (972) 371-5401 or at ethan.frasier@matadorresources.com.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Michael H. Feldewert'.

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
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 - Airstrip 244H well - Case no. 24786
Postal Delivery Report

9414811898765482857818	Axis Energy Corporation	PO Box 2107	Roswell	NM	88202-2107	Your item was picked up at the post office at 11:55 am on August 26, 2024 in ROSWELL, NM 88201.
9414811898765482857856	COG Operating LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:56 am on August 27, 2024 in MIDLAND, TX 79701.
9414811898765482857863	Collins & Jones Investments, LLC	3824 Cedar Springs Rd PMB 414	Dallas	TX	75219-4136	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765482857825	Crown Oil Partners V, LP	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482857801	Crown Oil Partners, LP	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482857894	David W. Cromwell	2008 Country Club Dr	Midland	TX	79701-5719	Your item was delivered to an individual at the address at 10:42 am on August 26, 2024 in MIDLAND, TX 79701.
9414811898765482857849	Deane Durham	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.

MRC - Airstrip 244H well - Case no. 24786
Postal Delivery Report

9414811898765482857887	Franklin Mountain Energy 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 2:35 pm on August 23, 2024 in DENVER, CO 80206.
9414811898765482857832	Franklin Mountain Royalty Investments 3, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 2:35 pm on August 23, 2024 in DENVER, CO 80206.
9414811898765482857870	Good News Minerals, LLC	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:33 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482857719	H. Jason Wacker	5601 Hillcrest	Midland	TX	79707-9113	Your item was picked up at a postal facility at 4:20 pm on September 5, 2024 in MIDLAND, TX 79705.
9414811898765482857757	Jalapeno Corporation	PO Box 1608	Albuquerque	NM	87103-1608	Your item was picked up at the post office at 12:01 pm on August 26, 2024 in ALBUQUERQUE, NM 87102.
9414811898765482857764	Kaleb Smith	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:33 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482857726	LMC Energy LLC	550 W Texas Ave Ste 945	Midland	TX	79701-4233	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.

MRC - Airstrip 244H well - Case no. 24786
Postal Delivery Report

9414811898765482857702	Marathon Oil Permian, LLC	990 Town And Country Blvd	Houston	TX	77024-2217	Your item was delivered to the front desk, reception area, or mail room at 12:57 pm on August 26, 2024 in HOUSTON, TX 77024.
9414811898765482857795	Mike Moylett	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482857740	Mongoose Minerals LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 7:56 am on August 27, 2024 in MIDLAND, TX 79701.
9414811898765482857788	Oak Valley Mineral and Land, LP	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:24 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482857733	Post Oak Crown IV, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.
9414811898765482857771	Post Oak Crown IV-B, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your item has been delivered to the original sender at 12:17 pm on September 16, 2024 in SANTA FE, NM 87504.

MRC - Airstrip 244H well - Case no. 24786
Postal Delivery Report

9414811898765482857917	Post Oak Mavros II, LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	Your item was delivered to an individual at the address at 4:22 pm on August 26, 2024 in HOUSTON, TX 77056.
9414811898765482857955	Sortida Reources, LLC	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 9:33 am on August 26, 2024 in MIDLAND, TX 79705.
9414811898765482857962	Spinnaker Oil & Gas, LP	PO Box 3488	Midland	TX	79702-3488	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765482857924	The Eastland Oil Co.	PO Box 3488	Midland	TX	79702-3488	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765482857900	Yates Energy Coporation	PO Box 2323	Roswell	NM	88202-2323	Your item was picked up at the post office at 10:16 am on August 26, 2024 in ROSWELL, NM 88201.

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
August 25, 2024
and ending with the issue dated
August 25, 2024.



Publisher

Sworn and subscribed to before me this
25th day of August 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
August 25, 2024

Case No. 24778: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Axis Energy Corporation; COG Operating LLC; COG Operating LLC; Collins & Jones Investments, LLC; Crown Oil Partners, LP; David W. Cromwell; Deane Durham; Franklin Mountain Energy 3, LLC; Franklin Mountain Royalty Investments 3, LLC; Good News Minerals, LLC; H. Jason Wacker; Kaleb Smith; LMC Energy LLC; Mike Moylett; Mongoose Minerals LLC; New Mexico State Land Office; Oak Valley Mineral and Land, LP; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Post Oak Mavros II, LLC; Sortida Resources, LLC. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on September 10, 2024, to consider this application. The hearing 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. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order (a) approving a standard 313.68-acre, more or less, overlapping horizontal well-spacing unit in the Bone Spring formation comprised of W2 of irregular Section 30, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed Airstrip State Com 110H and Airstrip State Com 130H "u-turn" wells to be horizontally drilled from a surface location in the NW4 of Section 30, with first take points in the NE4NW4 (Unit C) and last take points in the NW4NW4 equivalent (Lot 1) of irregular Section 30.

This spacing unit will overlap the following proposed spacing units:
A 307.96-acre spacing unit comprised of the W2W2 equivalent of irregular Sections 30 and 31 to be dedicated to Applicant's proposed Airstrip State Com 121H well.
A 320-acre spacing unit comprised of the E2W2 of Sections 30 and 31 to be dedicated to Applicant's proposed Airstrip State Com 122H well.

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 proposed spacing unit, and a 200% charge for risk involved in drilling the wells. The subject area is located approximately 20 miles west of Hobbs, New Mexico.
#00293442

67100754

00293442

HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
SANTA FE, NM 87501

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

Submitted by: Matador Production Company
Hearing Date: November 20, 2024
Case Nos. 24778-24786

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
August 25, 2024
and ending with the issue dated
August 25, 2024.



Publisher

Sworn and subscribed to before me this
25th day of August 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 August 25, 2024

Case No. 24779: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Axis Energy Corporation; COG Operating LLC; COG Operating LLC; Collins & Jones Investments, LLC; Crown Oil Partners, LP; David W. Cromwell; Deane Durham; Franklin Mountain Energy 3, LLC; Franklin Mountain Royalty Investments 3, LLC; Good News Minerals, LLC; H. Jason Wacker; Kaleb Smith; LMC Energy LLC; Mike Moylett; Mongoose Minerals LLC; New Mexico State Land Office; Oak Valley Mineral and Land, LP; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Post Oak Mavros II, LLC; Sortida Resources, LLC. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on September 10, 2024, to consider this application. The hearing 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. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. 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 30, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed Airstrip State Com 119H "u-turn" well to be horizontally drilled from a surface location in the NE4 of Section 30, with a first take point in the NW4NE4 (Unit B) and a last take point in the NE4NE4 (Unit A) of Section 30. This proposed horizontal well spacing unit will overlap the following existing or proposed spacing units in the Bone Spring formation:

- A 160-acre spacing unit comprised of E2E2 of Section 30 dedicated to the Albatross State Com 1H well (30-025-41809) operated by Matador Production Company and assigned to the Airstrip; Bone Spring [960].
- A 160-acre spacing unit comprised of W2E2 of Section 30, dedicated to the Albatross State Com 2H (30-025-41544) operated by Matador Production Company and assigned to the Airstrip; Bone Spring [960].
- A proposed 320-acre spacing unit comprised of the W2E2 of Sections 30 and 31 to be dedicated to Applicant's proposed Airstrip State Com 123H well.

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 20 miles west of Hobbs, New Mexico.
#00293443

67100754

00293443

HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
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
August 25, 2024
and ending with the issue dated
August 25, 2024.



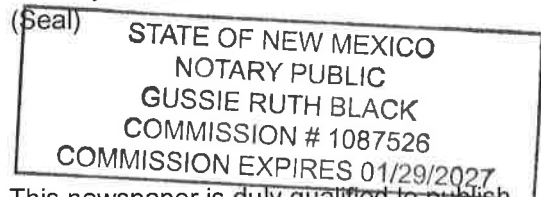
Publisher

Sworn and subscribed to before me this
25th day of August 2024.



Business Manager

My commission expires
January 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

LEGAL

LEGAL

LEGAL NOTICE
August 25, 2024

Case No. 24780: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Axis Energy Corporation; COG Operating LLC; Collins & Jones Investments, LLC; Crown Oil Partners V, LP; Crown Oil Partners, LP; David W. Cromwell; Deane Durham; Franklin Mountain Energy 3, LLC; Franklin Mountain Royalty Investments 3, LLC; Good News Minerals, LLC; H. Jason Wacker; Jalapeno Corporation; Kaleb Smith; LMC Energy LLC; Mike Moylett; Mongoose Minerals LLC; New Mexico State Land Office; Oak Valley Mineral and Land, LP; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Post Oak Mavros II, LLC; Sortida Resources, LLC; Spinnaker Oil & Gas, LP; The Eastland Oil Co.; Yates Energy Corporation. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on September 10, 2024, to consider this application. The hearing 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. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order (a) approving a standard 307.96-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of W2W2 equivalent of irregular Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Airstrip State Com 121H** well, to be horizontally drilled from a surface location in the NW4 of Section 30, with a first take point in the NW4NW4 equivalent (Lot 1) of irregular Section 30 and a last take point in the SW4SW4 equivalent (Lot 4) of irregular Section 31. This proposed horizontal well spacing unit will overlap the following existing or proposed spacing units:

- An existing 154.28-acre spacing unit comprised of the W2W2 equivalent (Lots 1-4) of irregular Section 31, dedicated to the Airstrip 31-18S-35E RN State Com 111H (API: 30-025-45025) and Airstrip 31-18S-35E RN State Com 131H (API: 30-025-44509) wells operated by Matador Production Company and assigned to the Airstrip; Bone Spring [960].
- A proposed 313.68-acre horizontal well spacing unit comprised of the W2 equivalent of irregular Section 30 to be dedicated to Applicant's proposed Airstrip State Com 110H and 130H "u-turn" wells.

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 20 miles west of Hobbs, New Mexico. #00293444

67100754

00293444

HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
SANTA FE, NM 87501

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

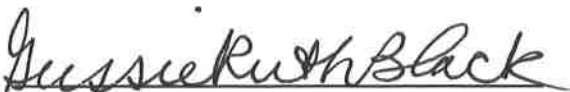
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
August 25, 2024
and ending with the issue dated
August 25, 2024.



Publisher

Sworn and subscribed to before me this
25th day of August 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 August 25, 2024

Case No. 24781: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Axis Energy Corporation; COG Operating LLC; Collins & Jones Investments, LLC; Crown Oil Partners V, LP; Crown Oil Partners, LP; David W. Cromwell; Deane Durham; Franklin Mountain Energy 3, LLC; Good News Minerals, LLC; H. Jason Wacker; Jalapeno Corporation; Kaleb Smith; LMC Energy LLC; Mike Moylett; Mongoose Minerals LLC; New Mexico State Land Office; Oak Valley Mineral and Land, LP; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Post Oak Mavros II, LLC; Sortida Resources, LLC; Spinnaker Oil & Gas, LP; The Eastland Oil Co.; Yates Energy Corporation. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on September 10, 2024, to consider this application. The hearing 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. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. 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 E2W2 of Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed Airstrip State Com 122H well, to be horizontally drilled from a surface location in the NW4 of Section 30, with a first take point in the NE4NW4 (Unit C) of Section 30 and a last take point in the SE4SW4 (Unit N) of Section 31. This proposed horizontal well spacing unit will overlap the following existing or proposed spacing units:

- 160-acre spacing unit comprised of E2W2 of Section 31, dedicated to the Airstrip 31-18S-35E RN State Com 132H (API: 30-025-43816) operated by Matador Production Company and assigned to the Airstrip; Bone Spring [960].
- A proposed 313.68-acre horizontal well spacing unit comprised of the W2 equivalent of irregular Section 30 to be dedicated to Applicant's proposed Airstrip State Com 110H and 130H "u-turn" wells.

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 20 miles west of Hobbs, New Mexico. #00293445

67100754

00293445

HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
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
August 25, 2024
and ending with the issue dated
August 25, 2024.



Publisher

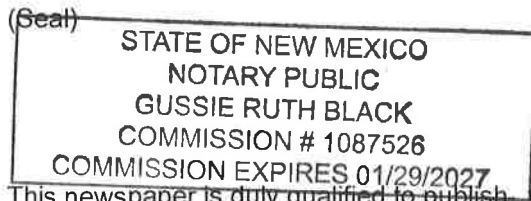
Sworn and subscribed to before me this
25th day of August 2024.



Business Manager

My commission expires
January 29, 2027

(Seal)



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

LEGAL NOTICE August 25, 2024

Case No. 24782: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Axis Energy Corporation; COG Operating LLC; Collins & Jones Investments, LLC; Crown Oil Partners V, LP; Crown Oil Partners, LP; David W. Cromwell; Deane Durham; Franklin Mountain Energy 3, LLC; Franklin Mountain Royalty Investments 3, LLC; Godd News Minerals, LLC; H. Jason Wacker; Jalapeno Corporation; Kaleb Smith; LMC Energy LLC; Marathon Oil Permian, LLC; Mike Moylett; Mongoose Minerals LLC; New Mexico State Land Office; Oak Valley Mineral and Land, LP; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Post Oak Mavros II, LLC; Sortida Resources, LLC; Spinnaker Oil & Gas, LP; The Eastland Oil Co.; Yates Energy Corporation. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division"), hereby gives notice that the Division will hold public hearing 8:30 a.m. on September 10, 2024, to consider this application. The hearing 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. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. 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 W2E2 of Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed Airstrip State Com 123H well, to be horizontally drilled from a surface location in the NE4 of Section 30, with a first take point in the NW4NE4 (Unit B) of Section 30 and a last take point in the SW4SE4 (Unit O) of Section 31. This proposed horizontal well spacing unit will overlap the following existing or proposed spacing units in the Bone Spring formation:

- * A 160-acre spacing unit comprised of W2E2 of Section 30, dedicated to the Albatross State Com 2H (30-025-41544) operated by Matador Production Company and assigned to the Airstrip; Bone Spring [960].
- * A 160-acre spacing unit comprised of W2E2 of Section 31, dedicated to the Airstrip 31-18S-35E RN State Com 133H (30-025-44323) operated by Matador Production Company and assigned to the Airstrip; Bone Spring [960].
- * A proposed 320-acre spacing unit comprised of the E2 of Section 30 to be dedicated to Applicant's proposed Airstrip State Com 119H "u-turn" well.

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 20 miles west of Hobbs, New Mexico. #00293446

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00293446

HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
SANTA FE, NM 87501

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

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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

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LEGAL NOTICE August 25, 2024

Case No. 24783: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Axis Energy Corporation; COG Operating LLC; COG Operating LLC; Collins & Jones Investments, LLC; Crown Oil Partners V, LP; Crown Oil Partners, LP; David W. Cromwell; Deane Durham; Franklin Mountain Energy 3, LLC; Franklin Mountain Royalty Investments 3, LLC; Good News Minerals, LLC; H. Jason Wacker; Jalapeno Corporation; Kaleb Smith; LMC Energy LLC; Mike Moylett; Mongoose Minerals LLC; New Mexico State Land Office; Oak Valley Mineral and Land, LP; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Post Oak Mavros II, LLC; Sortida Resources, LLC; Spinnaker Oil & Gas, LP; The Eastland Oil Co.; Yates Energy Corporation. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on September 10, 2024, to consider this application. The hearing 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. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order (a) approving a standard 307.96-acre, more or less, overlapping horizontal well spacing unit in the Wolfcamp formation comprised of W2W2 equivalent of irregular Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Airstrip State Com 241H** well, to be horizontally drilled from a surface location in the NW4 of Section 30, with a first take point in the NW4NW4 equivalent (Lot 1) of irregular Section 30 and a last take point in the SW4SW4 equivalent (Lot 4) of irregular Section 31. This proposed horizontal well spacing unit will overlap an existing 154.28-acre spacing unit comprised of the W2W2 equivalent of irregular Section 31 dedicated to the Airstrip 31-18S-35E RN State Com 201H (30-025-43395) operated by Matador Production Company and assigned to the Airstrip; Wolfcamp Pool [970]. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 20 miles west of Hobbs, New Mexico.

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HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
SANTA FE, NM 87501

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

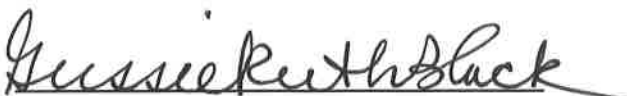
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Business Manager

My commission expires

January 29, 2027



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LEGAL	LEGAL	LEGAL
LEGAL NOTICE August 25, 2024		
Case No. 24784: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Axis Energy Corporation; COG Operating LLC; Collins & Jones Investments, LLC; Crown Oil Partners V, LP; Crown Oil Partners, LP; David W. Cromwell; Deane Durham; Franklin Mountain Energy 3, LLC; Franklin Mountain Royalty Investments 3, LLC; Good News Minerals, LLC; H. Jason Wacker; Jalapeno Corporation; Kaleb Smith; LMC Energy LLC; Mike Moylett; Mongoose Minerals LLC; Oak Valley Mineral and Land, LP; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Post Oak Mavros II, LLC; Sortida Resources, LLC; Spinnaker Oil & Gas, LP; The Eastland Oil Co.; Yates Energy Corporation. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on September 10, 2024, to consider this application. The hearing 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. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: https://www.emnrd.nm.gov/ocd/hearing-info/ or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the E2W2 of Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Airstrip State Com 242H well, to be horizontally drilled from a surface location in the NW4 of Section 30, with a first take point in the NE4NW4 (Unit C) of Section 30 and a last take point in the SE4SW4 (Unit N) of Section 31. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 20 miles west of Hobbs, New Mexico. #00293448		

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HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
SANTA FE, NM 87501

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

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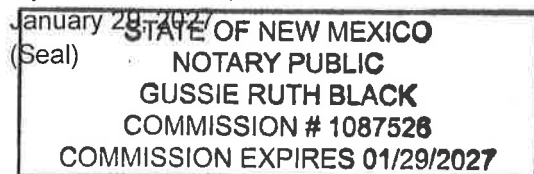
Publisher

Sworn and subscribed to before me this
25th day of August 2024.



Business Manager

My commission expires



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LEGAL NOTICE August 25, 2024

Case No. 24785: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Axis Energy Corporation; COG Operating LLC; Collins & Jones Investments, LLC; Crown Oil Partners V, LP; Crown Oil Partners, LP; David W. Cromwell; Deane Durham; Franklin Mountain Energy 3, LLC; Franklin Mountain Royalty Investments 3, LLC; Good News Minerals, LLC; H. Jason Wacker; Jalapeno Corporation; Kaleb Smith; LMC Energy LLC; Marathon Oil Permian, LLC; Mike Moylett; Mongoose Minerals LLC; Oak Valley Mineral and Land, LP; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Post Oak Mavros II, LLC; Sortida Resources, LLC; Spinnaker Oil & Gas, LP; The Eastland Oil Co.; Yates Energy Corporation. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on September 10, 2024, to consider this application. The hearing 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. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the W2E2 of Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Airstrip State Com 243H well, to be horizontally drilled from a surface location in the NE4 of Section 30, with a first take point in the NW4NE4 (Unit B) of Section 30 and a last take point in the SW4SE4 (Unit O) of Section 31. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 20 miles west of Hobbs, New Mexico.
#00293449

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HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
SANTA FE, NM 87501

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COUNTY OF LEA

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Business Manager

My commission expires
January 29, 2027

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

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LEGAL NOTICE August 25, 2024

Case No. 24786: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Axis Energy Corporation; COG Operating LLC; Collins & Jones Investments, LLC; Crown Oil Partners V, LP; Crown Oil Partners, LP; David W. Cromwell; Deane Durham; Franklin Mountain Energy 3, LLC; Franklin Mountain Royalty Investments 3, LLC; Good News Minerals, LLC; H. Jason Wacker; Jalapeno Corporation; Kaleb Smith; LMC Energy LLC; Marathon Oil Permian, LLC; Mike Moylett; Mongoose Minerals LLC; Oak Valley Mineral and Land, LP; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Post Oak Mavros II, LLC; Sortida Resources, LLC; Spinnaker Oil & Gas, LP; The Eastland Oil Co.; Yates Energy Corporation. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on September 10, 2024, to consider this application. The hearing 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. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the E2E2 of Sections 30 and 31, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **Airstrip State Com 244H** well, to be horizontally drilled from a surface location in the NE4 of Section 30, with a first take point in the NE4NE4 (Unit A) of Section 30 and a last take point in the SE4SE4 (Unit P) of Section 31. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the proposed well. The subject area is located approximately 20 miles west of Hobbs, New Mexico.
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HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
SANTA FE, NM 87501

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
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Book 2192 Page 34
1 of 13
02/09/2022 02:21 PM
BY ANGELA BEAUCHAMP

TERM ASSIGNMENT OF
OIL AND GAS LEASES

STATE OF NEW MEXICO §
 §
COUNTY OF LEA §

Assignor: Marathon Oil Permian LLC
 990 Town & Country Blvd.
 Houston, TX 77024

Assignee: Catena Resources Operating, LLC
 1001 Fannin St. Suite 2200
 Houston, TX 77002
 Attn: John Campbell III

Effective Date: January 1st, 2022

This Term Assignment of Oil and Gas Leases (this “**Agreement**”) is made and entered into as of the effective date set forth above (“**Effective Date**”), between **MARATHON OIL PERMIAN LLC** (“**Assignor**”) and **CATENA RESOURCES OPERATING, LLC** (“**Assignee**”). Each of Assignor and Assignee is a “**Party**” and, are collectively, the “**Parties.**” Capitalized terms used herein shall have the meanings as set forth herein.

For and in consideration of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby assign, transfer, and convey unto Assignee, all of Assignor’s right, title, and interest in and to the oil and gas lease(s) described on Exhibit “A-1” attached hereto and incorporated herein by reference (the “**Leases**”) **INSOFAR AS AND ONLY INSOFAR AS** the Leases cover and affect the Assigned Depths as hereinafter defined (the Leases and the Assigned Depths therein being referred to collectively herein as the “**Assigned Premises**”), reserving unto itself all lands and depths which are not hereby expressly made part of the Assigned Premises (hereinafter, the “**Retained Premises**”), subject to the terms, provisions, conditions, reservations, and exceptions set forth herein.

- 1. **Term.** Subject to the other provisions of this Agreement, this Agreement shall be for an initial term of three (3) years from and after the Effective Date (“**Initial Term**”) and for as long thereafter as oil, gas and/or associated hydrocarbons are being produced, or capable of being produced, in paying quantities from the Assigned Premises or from lands pooled, unitized or communitized therewith, and for as long as this Agreement is otherwise maintained in effect pursuant to the provisions hereof.
- 2. **Overriding Royalty Interest Reservation.** Assignor hereby reserves and excepts unto itself, its successors, and assigns, an overriding royalty interest in production from the Assigned Premises equal to the difference, if any, between existing leasehold burdens on the Assigned Premises as of the Effective Date and twenty-five percent (25%) of eight-eighths (8/8ths) in and to all oil, gas, and associated

hydrocarbons produced, saved and sold from the Assigned Premises (hereinafter, the “ORRI”), said ORRI to be paid to Assignor free and clear of all development and operation costs and expenses. Such ORRI shall be calculated and paid in accordance and at the same time as royalties paid pursuant to the applicable Leases and shall be subject to its proportionate share of applicable production and severance taxes. The intent of Assignor being to convey to Assignee a seventy-five percent (75%) net revenue interest in and to the Assigned Premises. If the Assigned Premises covers less than the full, undivided interest in the lands covered thereby, or if Assignor owns less than the full, undivided interest in the Assigned Premises, then the ORRI shall be reduced in proportion to the interest herein assigned by Assignor. For clarification, it is the intent of Assignor to reserve the ORRI in proportion to Assignor’s ownership in the Assigned Premises immediately prior to the assignment contemplated by this Agreement.

3. **Extension, Pugh Clause, Depth Severance & Continuous Development.** If and only if Assignee has drilled and completed a well capable of production in paying quantities on the Assigned Premises or lands pooled, unitized or communitized therewith within one of the Target Intervals as defined on Exhibit “A-2”, prior to the end of the Initial Term, Assignee shall be afforded an extension of this Agreement for two additional years, to commence immediately upon the expiration of the Initial Term (“Two Year Extension”). If Assignee is, at the expiration of the Initial Term or expiration of the Two Year Extension, engaged in actual Drilling Operations or Assignee has drilled a well within one hundred twenty (120) days prior to the expiration of the Term Assignment either as a dry hole or producer with no cessation of Drilling Operations lasting longer than twenty one (21) days and completed such well within sixty (60) days, this Agreement shall remain in full force and effect as to all portions of the Assigned Premises for so long as operations continue to completion or abandonment within the foregoing time limits, and for so long thereafter as continuous development is conducted with no cessation of more than one hundred twenty (120) consecutive days elapsing between the completion of one well and the commencement or actual spudding of another well with a rig capable of drilling to total depth. Drilling Operations is herein defined as having a rig on location capable of drilling to total depth as defined on the drilling permit for the applicable well. Completion of a well is herein defined as the date at which hydrocarbons are delivered to first sales. Within 60 days after the expiration of the Initial Term, Two Year Extension, or the continuous drilling program, whichever occurs later as applicable to any of the lands and depths, Assignee shall prepare a recordable reassignment covering lands and depths no longer subject to this Term Assignment, and provide same to Assignor. The producing Target Intervals shall be identified by a Schlumberger, Halliburton or other electrical log survey, which Assignee shall cause to be run for each Target Interval penetrated by Assignee, at Assignee’s sole cost, risk, and expense, and upon the written request of Assignor, a copy of said electrical log survey or surveys shall be furnished to Assignor. Unless specially provided herein to the contrary, termination of this Term Assignment and Assignee’s estate in the subject Leases and Assigned Premises, or any part thereof, shall not relieve Assignee of its obligation to properly plug and abandon any well drilled by Assignee and located on the said lands and reclaim, remediate, clean and restore the surface as required by any applicable law, ordinance, rule or regulation then in existence.

4. **Removal of Equipment.** Assignee shall have the right for 180 days after the expiration or termination of this Agreement to remove any property and fixtures placed by Assignee on the Assigned Premises. Notwithstanding anything contained in this Agreement to the contrary, Assignee shall have the right for a period of 90 days after the expiration of this Agreement to remove all property and fixtures of Assignee placed upon the Assigned Premises or portion thereof that have reverted to Assignor.

5. **Pooling, Unitization and/or Communitization.** Insofar as Assignor is able to grant such rights, Assignee, at its option, is hereby granted the right to pool, communitize, unitize, or combine the

Assigned Premises or any portion thereof as to oil, gas and/or associated hydrocarbons, with any other lands, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Assignee's judgment it is necessary and advisable to do so in order to properly explore or to develop and operate the Assigned Premises in compliance with the pooling and spacing rules or orders of the NMOCD or any other governmental authority having jurisdiction over the same, or when to do so would, in the judgment of Assignee, promote the conservation of oil and gas in and under and that may be produced from the Assigned Premises. Such rights to pool, communitize, unitize or combine the Assigned Premises or any portion thereof shall include and extend to, without limitation, the ORRI. Operations on or production from any part of any lands pooled, unitized or communitized with the Assigned Premises shall be deemed for all purposes, except the payment of royalty, as operations conducted upon or production from the Assigned Premises. The ORRI shall be proportionately reduced by the number of acres covered by the Assigned Premises included within a pooled, unitized or communitized unit divided by the total number of acres pooled, unitized or communitized therewith. Additionally, and notwithstanding anything herein to the contrary, in the event drilling or reworking operations are conducted on a horizontal well drilled or to be drilled under the Assigned Premises or acreage pooled, unitized or communitized therewith from a surface location on lands adjacent to or adjoining, but not included within the boundaries of the Assigned Premises or acreage pooled, unitized or communitized therewith, such operations shall be considered to have been commenced on the Assigned Premises or acreage pooled, unitized or communitized therewith when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the Assigned Premises or acreage pooled, unitized or communitized therewith, and production of oil, gas or associated hydrocarbons from the Assigned Premises or acreage pooled, unitized or communitized therewith through any horizontal well surfaced on adjacent or adjoining land or drilling or reworking of any such well shall be considered production or drilling or reworking operations, as the case may be, on the Assigned Premises or acreage pooled, unitized or communitized therewith for all purposes under this Agreement.

6. **Well Information.** Upon Assignor's written request, Assignee agrees to provide Assignor well data, in accordance with the requirements set out in Exhibit B, from wells included in the Assigned Premises.

7. **Special Warranty.** Assignor shall warrant title to and defend all and singular the Assigned Premises to Assignee against every person whomsoever lawfully claiming the Assigned Premises or any part thereof, by, through and under Assignor, but not otherwise. Further, Assignee shall be subrogated to all warranties made or given to Assignor with respect to the Assigned Premises.

8. **Compliance with Law.** Assignee shall comply with all applicable state, federal, and local statutes and regulations, including but not limited to, the rules of the NMOCD, with respect to Assignee's operations on the Assigned Premises.

9. **Compliance with Lease Obligations.** Assignee shall endeavor not to surrender, let expire, abandon, or release the Assigned Premises or any portion thereof by failing to make proper payment of royalties, shut-in gas well royalties or rentals, production payments, or otherwise.

10. **Rights of Assignor.** The rights of reverter and the rights of reassignment retained herein by Assignor shall be superior to all liens, encumbrances, debts, judgments, claims, overriding royalty interests and production payment burdens, and other obligations created or incurred by Assignee and asserted against the Assigned Premises or lands pooled, unitized or communitized therewith.

11. **Assignment; Binding Effect.** The interest of Assignee hereunder may not be assigned or otherwise transferred, in whole or in part, without the prior written consent of Assignor, and such consent shall not unreasonably be withheld. However, any such assignment by Assignee shall be made specifically

subject to, and any assignee shall assume, all obligations imposed upon Assignee in this Agreement. The provisions hereof shall be covenants running with the lands and shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. This consent obligation shall not apply if Assignee is assigning or otherwise transferring substantially all of Assignee's assets in Lea County, New Mexico.

12. **Force Majeure.** If Assignee is prevented from or delayed in complying with any express or implied covenants or terms of this Agreement, from conducting drilling, completion, or reworking operations on the Assigned Premises or any portion thereof (including any lands pooled therewith), or from producing oil, gas and/or associated hydrocarbons, by act of God, or as a result of any law, order, rule, or regulation of a federal, state, or municipal governmental agency, authority, or any other governmental authority having jurisdiction or as a result of the absence of any such law, order, rule, or regulation, or due to inability or delay in securing drilling permits or rights to use surface locations necessary or convenient for Assignee's operations hereunder, or from any other cause beyond Assignee's reasonable control ("Force Majeure"), then, while so prevented or delayed, all time periods under this Agreement, including the Initial Term and the Two Year Extension, shall be tolled and extended for a period of time equal to the period of time that Assignee is so prevented or delayed, and the time while Assignee is so prevented or delayed from performing due to Force Majeure shall not be counted against Assignee, notwithstanding anything in this Agreement to the contrary. As used herein, the term "order, rule, or regulation" includes, but is not limited to, any denial, restriction, or delay of drilling and/or other operations on the Assigned Premises attributable to environmental and/or endangered species restrictions, conditions and limitations now or hereafter adopted, enforced, or applied to the Assigned Premises by any federal or state agency having authority with respect to the Assigned Premises.

13. **Notices.** All notices required or permitted in connection with this Agreement shall be delivered in the manner provided herein to the Parties' addresses set forth above. Notices required to be in writing may be delivered by first class mail, properly addressed and with all postage paid, by courier with cost to be paid by the party delivering notice. Unless otherwise specified herein; all notices shall be effective when received. Any Party may change its address for notices in writing to the other Party.

14. **Further Assurances.** The Parties agree to execute any additional forms of conveyance that may be required by state and/or federal agencies necessary to vest the interests assigned hereunder unto Assignee, on forms acceptable to Assignee. Any such conveyances shall be made subject to the terms and provisions of this Agreement. In the event of a conflict between any such conveyance and this Agreement, the terms and provisions of this Agreement shall control.

15. **Governing Law; Dispute Resolution.** This Agreement shall be governed by the laws of the state in which the Assigned Premises are located, without giving effect to principles thereof relating to conflicts of law rules that would direct the application of the laws of another jurisdiction. Jurisdiction and venue of any dispute related to this Agreement shall be deemed to be proper exclusively in the state and federal courts located in Harris County, Texas, regardless of where the subject of this Agreement is located, and the Parties hereby waive any argument of forum non conveniens, improper venue, or other similar arguments.

16. **Entire Agreement; Severability.** This Agreement constitutes the entire agreement of the Parties and shall supersede and replace all prior discussions, understandings, or agreements (oral or written) between the Parties related to the subject matter hereof. To the extent that any term of this Agreement (or portion thereof), or any application thereof, is held invalid, illegal, unenforceable, or void in any respect under either state or federal law by a court of competent jurisdiction, this Agreement shall be deemed

amended to the minimum extent necessary to conform, in each case consistent with the intention of the Parties, and, to the extent such term (or portion thereof) cannot be so amended, then such portion of such term shall be deemed deleted from this Agreement, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained in this Agreement shall not in any way be affected or impaired thereby.

17. **Amendment; Waiver.** This Agreement may not be modified or amended except by written instrument signed by the Parties. The failure of either Party to exercise any of its rights under this Agreement shall not constitute a waiver of such rights with respect to any future occurrence or breach of this Agreement.

18. **Counterparts.** This Agreement may be executed in any number of counterparts or duplicate originals but shall not be binding upon any Party unless and until executed and accepted by all Parties.

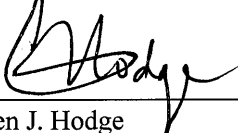
19. **Headings; Interpretation.** When a reference is made in this Agreement to Sections or Exhibits, such reference shall be to a Section or Exhibit of this Agreement unless otherwise indicated. All Exhibits to this Agreement are incorporated herein by reference. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.”

{Signature Pages Follow]

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
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Book 2192 Page 34
6 of 13
02/09/2022 02:21 PM
BY ANGELA BEAUCHAMP

ASSIGNOR:

Marathon Oil Permian LLC

By: 
Glen J. Hodge
Attorney-in-Fact

ASSIGNEE:

Catena Resources Operating, LLC

By: _____
John Campbell III
Authorized Person

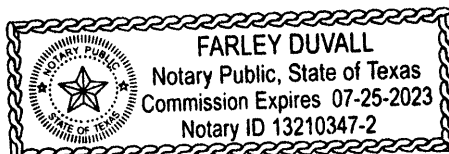
LEA COUNTY, NM
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Book 2192 Page 34
7 of 13
02/09/2022 02:21 PM
BY ANGELA BEAUCHAMP

ACKNOWLEDGEMENTS

STATE OF TEXAS §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 31st day of January, 2022, by Glen J. Hodge, as attorney-in-fact of Marathon Oil Permian LLC, a Delaware limited liability company, on behalf of said company.

Notary Seal:



RRH
Notary Public

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this _____ day of January, 2022, by John Campbell III, as Authorized Person of Catena Resources Operating, LLC, a Texas limited liability company, on behalf of said company.

Notary Seal:

Notary Public

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000017551
Book 2192 Page 34
8 of 13
02/09/2022 02:21 PM
BY ANGELA BEAUCHAMP

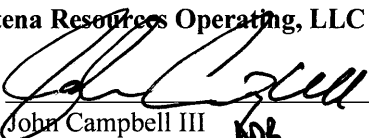
ASSIGNOR:

Marathon Oil Permian LLC

By: _____
Glen J. Hodge
Attorney-in-Fact

ASSIGNEE:

Catena Resources Operating, LLC

By:  _____
John Campbell III
Authorized Person 

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000017551
Book 2192 Page 34
9 of 13
02/09/2022 02:21 PM
BY ANGELA BEAUCHAMP

ACKNOWLEDGEMENTS

STATE OF TEXAS §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this _____ day of January, 2022, by Glen J. Hodge, as attorney-in-fact of Marathon Oil Permian LLC, a Delaware limited liability company, on behalf of said company.

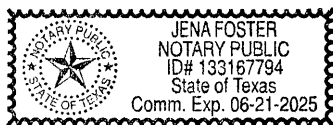
Notary Seal:

Notary Public

[illegible]

The foregoing instrument was acknowledged before me this 31 day of January, 2022, by John Campbell III, as Authorized Person of Catena Resources Operating, LLC, a Texas limited liability company, on behalf of said company.

Notary Seal:



Notary Public

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000017551
Book 2192 Page 34
10 of 13
02/09/2022 02:21 PM
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EXHIBIT “A-1”

Leases

MRO AGMT #	Original Lessor	Original Lessee	Agency Lease #	Original Lease Date	Recording Info	State	County	Township & Range	Section	Legal Description
LS048492/ 0001/001/002	STATE OF NEW MEXICO	CROWN OIL PARTNERS IV, LP	V0-9145	3/1/2012	UNRECORDED	NM	LEA	18S-35E	30	Lots 1 & 2, E2NW, NE
LS048505/ 0001/001/002	STATE OF NEW MEXICO	CROWN OIL PARTNERS IV, LP	VB-2312	9/1/2013	UNRECORDED	NM	LEA	18S-35E	30	Lots 3 & 4, E2SW, SE

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000017551
Book 2192 Page 34
11 of 13
02/09/2022 02:21 PM
BY ANGELA BEAUCHAMP

EXHIBIT “A-2”

Definitions

“**Assigned Depths**” means, those depths lying between the stratigraphic equivalent of the top of the First Bone Spring Sand as seen at the measured depth of 9,241 feet shown on the open-hole Dual Laterolog Micro-SFL log from the North Scharb State Com #1 (API # 30025258390000), and the stratigraphic equivalent of the top of the Strawn as seen at the measured depth of 11,772 feet as shown on the open-hole Dual Laterolog Micro-SFL log from the North Scharb State Com #1 (API # 30025258390000), in the lands described in the Leases.

“**First Bone Springs Interval**” means, those depths lying between the stratigraphic equivalent of the top of the First Bone Spring Sand as seen at the measured depth of 9,241 feet shown on the open-hole Dual Laterolog Micro-SFL log from the North Scharb State Com #1 (API # 30025258390000), and the stratigraphic equivalent of the top of the Second Bone Spring Sand as seen at the measured depth of 9,756 feet as shown on the open-hole Dual Laterolog Micro-SFL log from the North Scharb State Com #1 (API # 30025258390000).

“**Second Bone Springs Interval**” means, those depths lying between the stratigraphic equivalent of the top of the Second Bone Spring Sand as seen at the measured depth of 9,756 feet shown on the open-hole Dual Laterolog Micro-SFL log from the North Scharb State Com #1 (API # 30025258390000), and the stratigraphic equivalent of the top of the Third Bone Spring Sand as seen at the measured depth of 10,347 feet as shown on the open-hole Dual Laterolog Micro-SFL log from the North Scharb State Com #1 (API # 30025258390000).

“**Third Bone Springs Spring Sand and Upper Wolfcamp Interval**” means, those depths lying between the stratigraphic equivalent of the top of the Third Bone Spring Sand as seen at the measured depth of 10,347 feet shown on the open-hole Dual Laterolog Micro-SFL log from the North Scharb State Com #1 (API # 30025258390000), and the stratigraphic equivalent of the top of the Wolfcamp B as seen at the measured depth of 11,160 feet as shown on the open-hole Dual Laterolog Micro-SFL log from the North Scharb State Com #1 (API # 30025258390000).

“**Lower Wolfcamp Interval**” means, those depths lying between the stratigraphic equivalent of the top of the Wolfcamp B as seen at the measured depth of 11,160 feet shown on the open-hole Dual Laterolog Micro-SFL log from the North Scharb State Com #1 (API # 30025258390000), and the stratigraphic equivalent of the top of the Strawn as seen at the measured depth of 11,772 feet as shown on the open-hole Dual Laterolog Micro-SFL log from the North Scharb State Com #1 (API # 30025258390000).

“**Target Interval**” means, the First Bone Springs Interval, Second Bone Springs Interval, Third Bone Springs Spring Sand and Upper Wolfcamp Interval, and Lower Wolfcamp Interval individually, and may be collectively referred to as the “**Target Intervals**”.

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LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000017551
Book 2192 Page 34
12 of 13
02/09/2022 02:21 PM
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EXHIBIT “B”

Well Information

NEW DRILLS

- a. Location plat and notification of spud.
- b. All permits and notices to or from regulatory or governmental agencies.
- c. Daily Activity Report(s) with Gross Cumulative Project Costs from spud to completion with a composite history of the well providing a chronological history from spud to completion when the well has been completed emailed to PBJointInterest@MarathonOil.com.
- d. Potential or other completion report.
- e. Final digital print of all logs and wire line formation tests run on the well, including hydrocarbon (Mud) log if run.
- f. All core analysis performed (including one set of prints of all photographs).
- g. All drill stem tests and PVT/fluid analysis performed (fluid to include oil, gas and water).
- h. All bottom hole pressure data obtained (including analysis performed by third party/service companies).
- i. Upon completion of the well, reporting of all test and production data is to be forwarded for 30 days.
- j. Following the initial 30 days of reporting production data and well test information all future producing activity is to be reported on a partner report indicating the monthly volumes produced/injected as the case may be with the number of days said well was in service during the period reported. These reports can be emailed to PBJointInterest@MarathonOil.com

WELL WORK PROJECTS (Capital Enhancements, recompletions, stimulation, etc.)

- a. All permits and notices to or from regulatory or governmental agencies.
- b. Daily Activity Report(s) with Gross Cumulative Project Costs from start to completion and all other electronically transmitted materials, emailed to PBJointInterest@MarathonOil.com
- c. A chronological report from start through completion when the project has been completed.
- d. Potential or other completion report.
- e. Final digital print of all logs and wire line formation tests run on the well if any.

FACILITIES AND PIPELINE PROJECTS (New construction, maintenance, retrofits, etc.)

- a. All permits and notices to or from regulatory or governmental agencies.
- b. Daily Activity Report(s) with gross cumulative project costs from start to completion and all other electronically transmitted materials, emailed to PBJointInterest@MarathonOil.com

LEA COUNTY, NM
KEITH MANES, COUNTY CLERK
000017551
Book 2192 Page 34
13 of 13
02/09/2022 02:21 PM
BY ANGELA BEAUCHAMP

NEW DRILL CONTACT INFORMATION

Electronic media can be emailed to PBJointInterest@MarathonOil.com. Printed matter for delivering the data requirements as set forth above for all New Drill information can be received as follows:

MARATHON OIL PERMIAN LLC
Attn: Permian OBO Joint Interest Representative
990 Town & Country Blvd.
Houston, Texas 77024

TELEPHONE CONTACTS:

Jeff Broussard Land Professional (713) 296-3159