

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING SEPTEMBER 11, 2024**

**CASE No. 25580**

*ART SMITH STATE COM 130H WELL*

**LEA COUNTY, NEW MEXICO**



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

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

**CASE NO. 25580**

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# COMPULSORY POOLING APPLICATION CHECKLIST

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

<b>Case: 25580</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>September 11, 2025</b>
Applicant	MRC Permian Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company [OGRID 228937]
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MRC PERMIAN COMPANY FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING,
<p><b>BEFORE THE OIL CONSERVATION DIVISION</b>  <b>Santa Fe, New Mexico</b>  <b>Exhibit No. A</b>  <b>Submitted by: Matador Production Company</b>  <b>Hearing Date: September 11, 2025</b>  <b>Case No. 25580</b></p>	
Entries of Appearance/Intervenors:	N/A
Well Family	Art Smith State
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Name and Pool Code (Only if NSP is requested):	Airstrip; 960
Well Location Setback Rules (Only if NSP is Requested):	Statewide rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	40 acres
Orientation:	U-turn
Description: TRS/County	W/2 of Section 34, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C-3
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Art Smith State Com 130H (API No. Pending) SHL: 50' FSL & 1956' FWL (Unit N) of Section 27 BHL: 110' FNL & 660' FWL (Unit D) of Section 34 Completion Target: Bone Spring formation Well Orientation: Standup
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibit C-5
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3 & C-4
Tract List (including lease numbers and owners)	Exhibit C-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
<b>Geology</b>	
Summary (including special considerations)	Exhibit D
Explanatory Mapping Data	Exhibit D-1

Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D, D-3
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
A-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3 & C-4
General Location Map (including basin)	Exhibit D
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	<b>Paula M. Vance</b>
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	<b>9/3/2025</b>

**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. 25580**

**APPLICATION**

MRC Permian Company ("MRC" or "Applicant"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) approving a 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the W/2 of Section 34, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted interests in this acreage. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed overlapping horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal spacing unit.
3. Applicant seeks to dedicate the above-referenced overlapping horizontal spacing unit to the proposed **Art Smith State Com 130H** u-turn well, to be drilled from a surface hole location in the S/2 SW/4 of Section 27, to a first take point in the NE/4 NW/4 (Unit C) of Section 34 and a last take point in the NW/4 NW/4 (Unit D) Section 34.
4. This proposed horizontal well spacing unit will overlap the following spacing units in the Bone Spring formation with approved pooling orders (permits pending):

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: Matador Production Company  
Hearing Date: September 11, 2025  
Case No. 25580**

- An existing 320-acre spacing unit in the Bone Spring formation underlying the W/2 W/2 of Section 34, T18S-R34E, and the W/2 W/2 of Section 3, T19S-R34E, currently dedicated to the Art Smith State Com 121H, operated by Matador Production Company; and
- An existing 320-acre spacing unit in the Bone Spring formation underlying the E/2 W/2 of Section 34, T18S-R34E, and the E/2 W/2 of Section 3, T19S-R34E, currently dedicated to the Art Smith State Com 122H, operated by Matador Production.

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

6. The pooling of interests in the proposed 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 matter be set for hearing before an Examiner of the Oil Conservation Division on September 11, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed overlapping spacing unit and pooling all uncommitted interests therein;
- B. Designating Matador Production Company as operator of the overlapping horizontal spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

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

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert  
Adam G. Rankin  
Paula M. Vance  
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Santa Fe, New Mexico 87504-2208  
(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 (1) approving a 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying W/2 of Section 34, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Applicant seeks to dedicate the above-referenced overlapping horizontal spacing unit to the proposed **Art Smith State Com 130H** u-turn well, to be drilled from a surface hole location in the S/2 SW/4 of Section 27, to a first take point in the NE/4 NW/4 (Unit C) of Section 34 and a last take point in the NW/4 NW/4 (Unit D) Section 34. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation with approved pooling orders (permits pending):

- An existing 320-acre spacing unit in the Bone Spring formation underlying the W/2 W/2 of Section 34, T18S-R34E, and the W/2 W/2 of Section 3, T19S-R34E, currently dedicated to the Art Smith State Com 121H, operated by Matador Production Company; and
- An existing 320-acre spacing unit in the Bone Spring formation underlying the E/2 W/2 of Section 34, T18S-R34E, and the E/2 W/2 of Section 3, T19S-R34E, currently dedicated to the Art Smith State Com 122H, operated by Matador Production Company.

Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 16 miles southeast of Maljamar, 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. 25580**

**SELF-AFFIRMED STATEMENT OF ISAAC EVANS**

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

1. My name is Isaac Evans. I work for MRC Energy Company, an affiliate of MRC Permian Company (“MRC”), as a Vice President – 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 application filed by MRC in this case, and I am familiar with the status of the lands in the subject area.
4. In this case, MRC is seeking an order pooling all uncommitted interests in a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the W/2 of Section 34, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, which will be dedicated to the proposed **Art Smith State 130H** u-turn well, currently planned to be drilled from a surface hole location in the S/2 SW/4 of Section 27, to a first take point in the NE/4 NW/4 (Unit C) of Section 34 and a last take point in the NW/4 NW/4 (Unit D) Section 34.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: Matador Production Company  
Hearing Date: September 11, 2025  
Case No. 25580**

5. Attached as **MRC Exhibit C-1** is a map showing the proposed spacing unit under this application and the two overlapping spacing units for which MRC has approved pooling orders, but which have not yet been drilled.

6. **MRC Exhibit C-2** contains a draft Form C-102 for the proposed initial well.

7. MRC understands that the well will be placed in the Airstrip; Bone Spring (960) pool.

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

9. **MRC Exhibit C-3** identifies the tracts of land comprising the proposed horizontal spacing unit. The land in the proposed spacing unit is comprised entirely of one state lease.

10. **MRC Exhibit C-4** identifies the working interest owners in the proposed spacing unit and the parties that MRC is seeking to pool. The parties that MRC is seeking to pool are highlighted yellow. MRC Exhibit C-4 also identifies the record title owners and overriding royalty owners that MRC seeks to pool.

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

12. While MRC was working to put this unit together, MRC proposed the above well to the working interest party it seeks to pool. **MRC Exhibit C-5** contains a representative copy of the form of well proposal letter that were sent to the working interest partner, along with the AFE that was sent for the well. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.

13. **MRC Exhibit C-6** contains a summary of MRC's contacts with the uncommitted working interest owner we seek to pool in this case. As indicated on MRC Exhibit C-6, MRC has been able to contact and have discussions with the working interest owner we seek to pool in this

case. In my opinion, MRC has undertaken good faith efforts to reach an agreement with the uncommitted working interest owner that MRC seeks to pool in this case.

14. MRC has made an estimate of overhead and administrative costs for drilling and producing the proposed well. It is \$8,000/month while drilling, and \$800/month while producing. These costs are consistent with what other operators are charging in this area for these types of wells. MRC respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.

15. I provided MRC's outside counsel, Holland & Hart, a list of names and addresses for the parties that MRC is seeking to pool, as well as the parties receiving notice relating to the overlapping spacing unit. In compiling this notice list, MRC conducted a diligent search of all public records in the county where the proposed wells are located, including computer searches.

16. **MRC Exhibits C-1 through C-6** were either prepared by me or compiled under my direction and supervision.

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

Isaac Evans

Isaac Evans

8/22/2025

Date

# Exhibit C-1

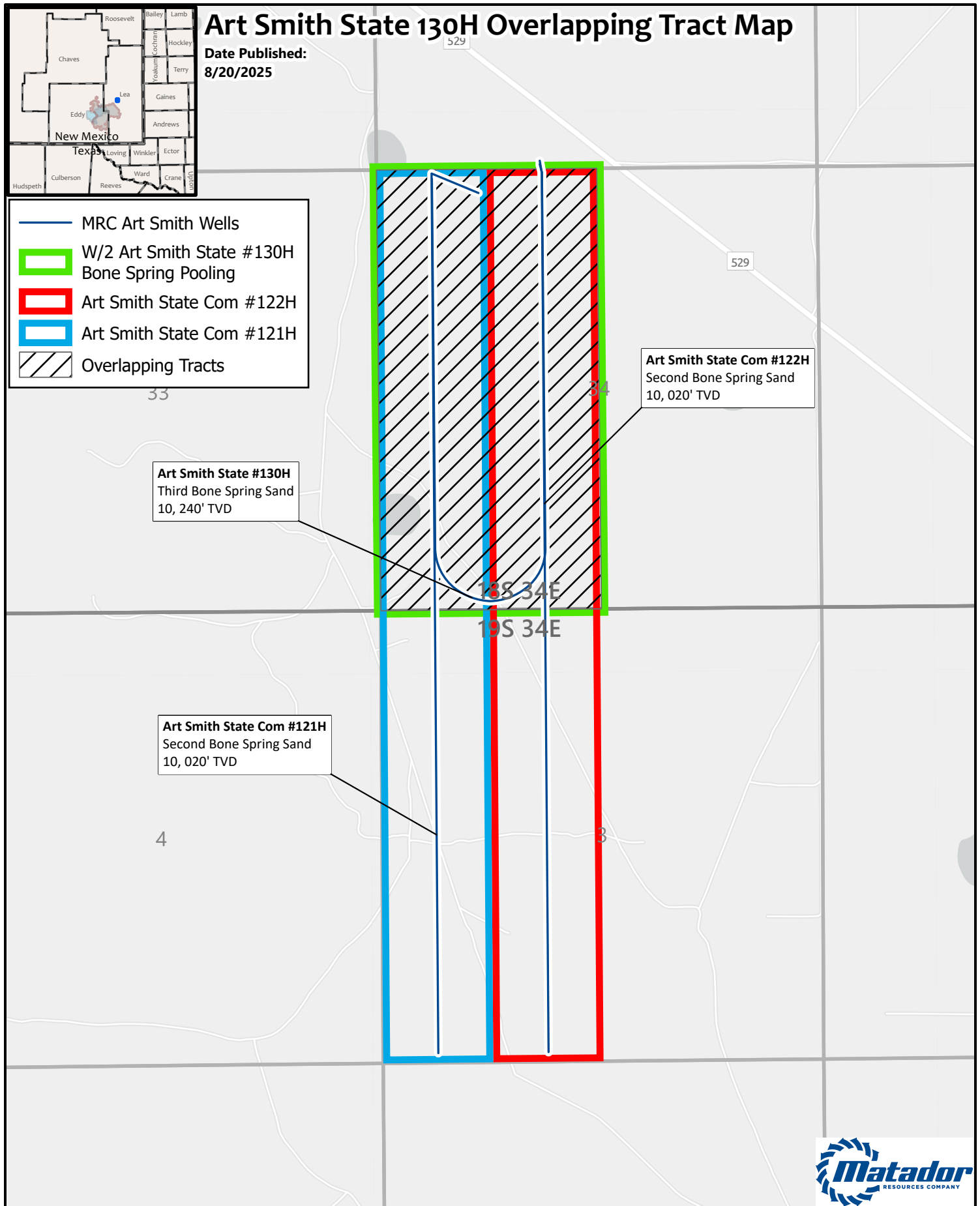
**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico**

**Exhibit No. C-1**

**Submitted by: Matador Production Company**

**Hearing Date: September 11, 2025**

**Case No. 25580**



## Exhibit C-2

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 960	Pool Name Airstrip; Bone Spring
Property Code	Property Name ART SMITH STATE	Well Number 130H
OGRID No. 228937	Operator Name MATADOR PRODUCTION COMPANY	Ground Level Elevation 4009'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL or lot no. N	Section 27	Township 18-S	Range 34-E	Lot Idn -	Feet from the N/S 50' S	Feet from the E/W 1956' W	Latitude N 32.7116024	Longitude W 103.5503795	County LEA
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Bottom Hole Location

UL or lot no. D	Section 34	Township 18-S	Range 34-E	Lot Idn -	Feet from the N/S 110' N	Feet from the E/W 660' W	Latitude N 32.7111551	Longitude W 103.5545913	County LEA
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Dedicated Acres 320	Infill or Defining Well -	Defining Well API -	Overlapping Spacing Unit (Y/N) -	Consolidated Code -
Order Numbers			Well Setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL or lot no. C	Section 34	Township 18-S	Range 34-E	Lot Idn -	Feet from the N/S 50' N	Feet from the E/W 1980' W	Latitude N 32.7113266	Longitude W 103.5503009	County LEA
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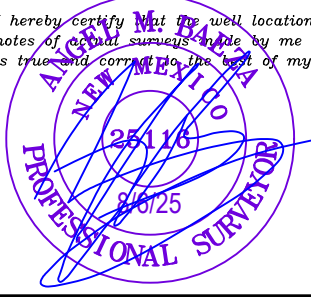
First Take Point (FTP)

UL or lot no. C	Section 34	Township 18-S	Range 34-E	Lot Idn -	Feet from the N/S 100' N	Feet from the E/W 1980' W	Latitude N 32.7111892	Longitude W 103.5503006	County LEA
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Last Take Point (LTP)

UL or lot no. D	Section 34	Township 18-S	Range 34-E	Lot Idn -	Feet from the N/S 110' N	Feet from the E/W 660' W	Latitude N 32.7111551	Longitude W 103.5545913	County LEA
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Unitized Area or Area of Uniform Intrest -	Spacing Unity Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation
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<b>OPERATOR CERTIFICATION</b>  <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>  <i>Isaac C. Evans</i> 8/11/2025		<b>SURVEYORS CERTIFICATION</b>  <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 Isaac C. Evans		Signature and Seal of Professional Surveyor	
Date 8/11/2025		Date 04/17/2025	
Print Name isaac.evans@matadorresources.com		Certificate Number	
E-mail Address		Date of Survey	



<b>C-102</b>  Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	Revised July 9, 2024	
		Submittal Type:	<input type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
Property Name and Well Number <b>ART SMITH STATE 130H</b>			

**SURFACE LOCATION (SHL)**

NEW MEXICO EAST  
NAD 1983  
X=782154 Y=623502  
LAT.: N 32.7116024  
LONG.: W 103.5503795  
**NAD 1927**  
X=740975 Y=623440  
LAT.: N 32.7114848  
LONG.: W 103.5498824  
50' FSL 1956' FWL

**KICK OFF POINT (KOP)**

NEW MEXICO EAST  
NAD 1983  
X=782179 Y=623401  
LAT.: N 32.7113266  
LONG.: W 103.5503009  
**NAD 1927**  
X=741000 Y=623339  
LAT.: N 32.7112089  
LONG.: W 103.5498038  
50' FNL 1980' FWL

**FIRST PERF. POINT (FPP)**

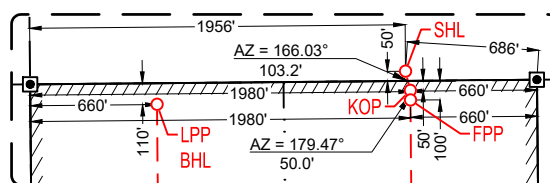
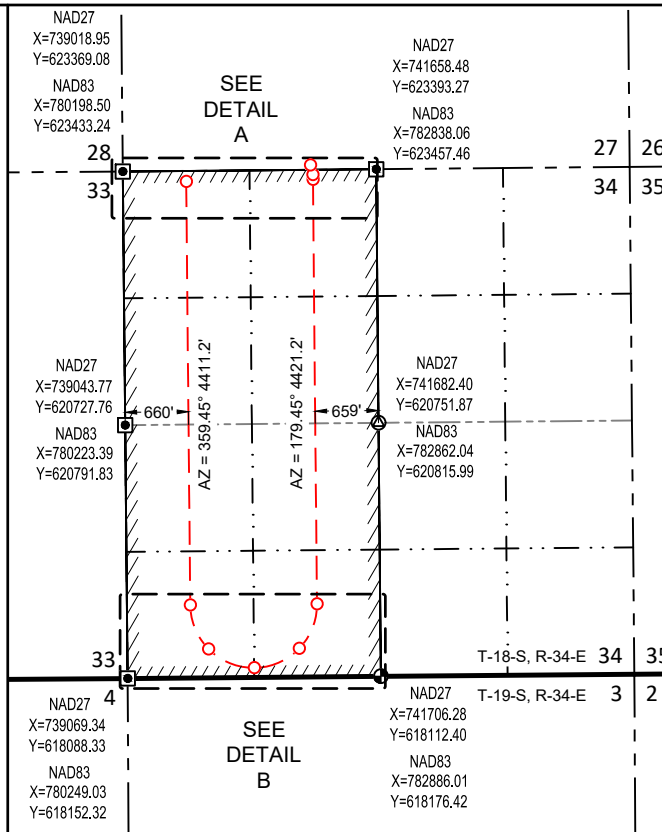
NEW MEXICO EAST  
NAD 1983  
X=782179 Y=623351  
LAT.: N 32.7111892  
LONG.: W 103.5503006  
**NAD 1927**  
X=741000 Y=623289  
LAT.: N 32.7110715  
LONG.: W 103.5498035  
100' FNL 1980' FWL

**DEFLECTION POINT (DP1)**

NEW MEXICO EAST  
NAD 1983  
X=782222 Y=618930  
LAT.: N 32.6990374  
LONG.: W 103.5502689  
**NAD 1927**  
X=741042 Y=618868  
LAT.: N 32.6989196  
LONG.: W 103.5497723  
760' FSL 1980' FWL

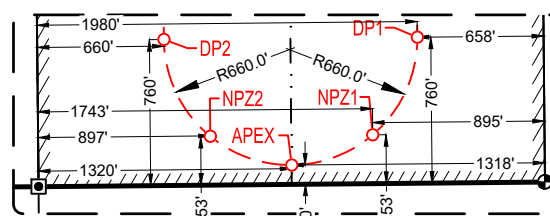
**NON PERF. ZONE (NPZ1)**

NEW MEXICO EAST  
NAD 1983  
X=781989 Y=618422  
LAT.: N 32.6976436  
LONG.: W 103.5510366  
**NAD 1927**  
X=740810 Y=618360  
LAT.: N 32.6975259  
LONG.: W 103.5505400  
253' FSL 1743' FWL



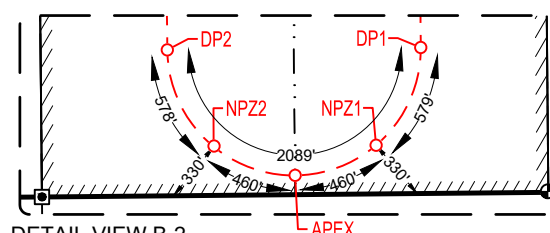
DETAIL VIEW A

SCALE: 1" = 1000'



DETAIL VIEW B-1

SCALE: 1" = 1000'



DETAIL VIEW B-2

SCALE: 1" = 1000'

**U-TURN APEX (APEX)**

NEW MEXICO EAST  
NAD 1983  
X=781568 Y=618264  
LAT.: N 32.6972201  
LONG.: W 103.5524105  
**NAD 1927**  
X=740388 Y=618202  
LAT.: N 32.6971024  
LONG.: W 103.5519139  
100' FSL 1320' FWL

**NON PERF. ZONE (NPZ2)**

NEW MEXICO EAST  
NAD 1983  
X=781143 Y=618414  
LAT.: N 32.6976395  
LONG.: W 103.5537863  
**NAD 1927**  
X=739964 Y=618352  
LAT.: N 32.6975218  
LONG.: W 103.5532896  
253' FSL 897' FWL

**DEFLECTION POINT (DP2)**

NEW MEXICO EAST  
NAD 1983  
X=780902 Y=618918  
LAT.: N 32.6990309  
LONG.: W 103.5545598  
**NAD 1927**  
X=739722 Y=618856  
LAT.: N 32.6989132  
LONG.: W 103.5540630  
760' FSL 660' FWL

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

NEW MEXICO EAST  
NAD 1983  
X=780860 Y=623329  
LAT.: N 32.7111551  
LONG.: W 103.5545913  
**NAD 1927**  
X=739680 Y=623267  
LAT.: N 32.7110374  
LONG.: W 103.5540941  
110' FNL 660' FWL

**SURVEYORS CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  
04/17/2025

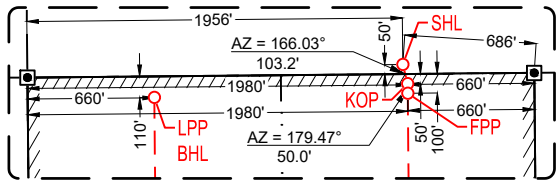
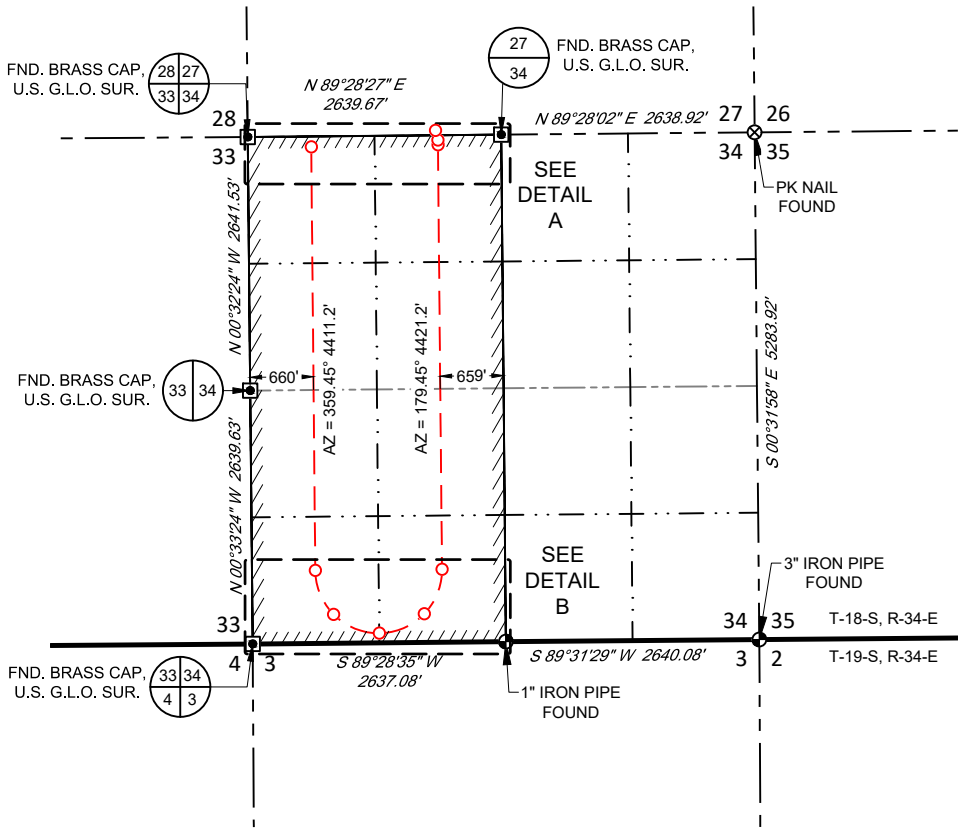
Date of Survey

Signature and Seal of Professional Surveyor:

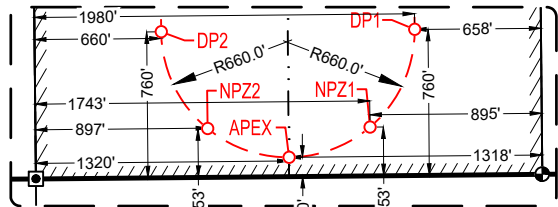




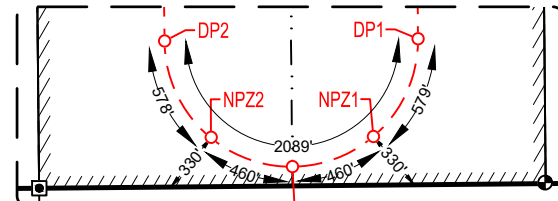
SECTION 27, TOWNSHIP 18-S, RANGE 34-E, N.M.P.M.  
LEA COUNTY, NEW MEXICO



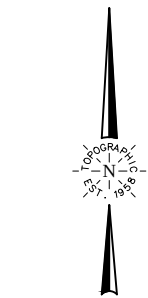
DETAIL VIEW A  
SCALE: 1" = 1000'



DETAIL VIEW B-1  
SCALE: 1" = 1000'



DETAIL VIEW B-2  
SCALE: 1" = 1000'



LEASE NAME & WELL NO.: ART SMITH STATE 130H

SECTION 27 TWP 18-S RGE 34-E SURVEY N.M.P.M.  
COUNTY LEA STATE NM  
DESCRIPTION 50' FSL & 1956' FWL

DISTANCE & DIRECTION  
FROM INT. OF US-180 W/US-62 W. & NM-529. GO NORTHWEST ON NM-529  
±9.3 MILES. THENCE SOUTHWEST (LEFT) ON A PROPOSED RD. ±4027  
FEET TO A POINT ±442 FEET SOUTHEAST OF THE LOCATION.

SURFACE LOCATION (SHL)

NEW MEXICO EAST  
NAD 1983  
X=782154 Y=623502  
LAT.: N 32.7116024  
LONG.: W 103.5503795  
50' FSL 1956' FWL

KICK OFF POINT (KOP)

NEW MEXICO EAST  
NAD 1983  
X=782179 Y=623401  
LAT.: N 32.7113266  
LONG.: W 103.5503009  
50' FNL 1980' FWL

FIRST PERF. POINT (FPP)

NEW MEXICO EAST  
NAD 1983  
X=782179 Y=623351  
LAT.: N 32.7111892  
LONG.: W 103.5503006  
100' FNL 1980' FWL

DEFLECTION POINT (DP1)

NEW MEXICO EAST  
NAD 1983  
X=782222 Y=618930  
LAT.: N 32.6990374  
LONG.: W 103.5502689  
760' FSL 1980' FWL

NON PERF. ZONE (NPZ1)

NEW MEXICO EAST  
NAD 1983  
X=781989 Y=618422  
LAT.: N 32.6976436  
LONG.: W 103.5510366  
253' FSL 1743' FWL

U-TURN APEX (APEX)

NEW MEXICO EAST  
NAD 1983  
X=781568 Y=618264  
LAT.: N 32.6972201  
LONG.: W 103.5524105  
100' FSL 1320' FWL

NON PERF. ZONE (NPZ2)

NEW MEXICO EAST  
NAD 1983  
X=781143 Y=618414  
LAT.: N 32.6976395  
LONG.: W 103.5537863  
253' FSL 897' FWL

DEFLECTION POINT (DP2)

NEW MEXICO EAST  
NAD 1983  
X=780902 Y=618918  
LAT.: N 32.6990309  
LONG.: W 103.5545598  
760' FSL 660' FWL

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

NEW MEXICO EAST  
NAD 1983  
X=780860 Y=623329  
LAT.: N 32.7111551  
LONG.: W 103.5545913  
110' FNL 660' FWL



Angel M. Baeza, P.S. No. 25116



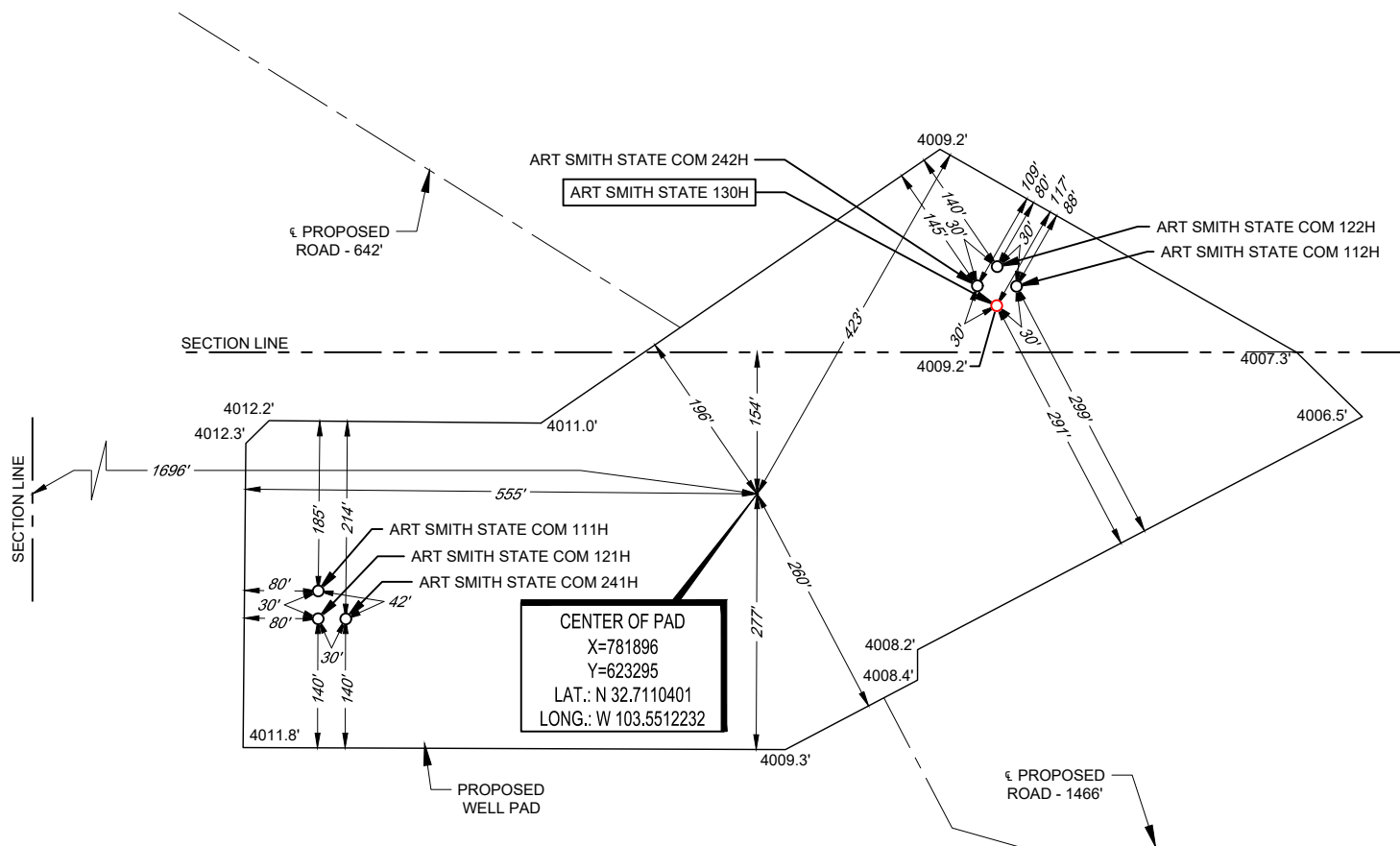
481 WINSOTT ROAD, Ste. 200 • BENBROOK, TEXAS 76126  
TELEPHONE: (817) 744-7512 • FAX (817) 744-7554  
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705  
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743  
WWW.TOPOGRAPHIC.COM



SECTION 27, TOWNSHIP 18-S, RANGE 34-E, N.M.P.M.  
LEA COUNTY, NEW MEXICO

## LEGEND

 SECTION LINE  
 PROPOSED ROAD




Angel M. Baeza, P.S. No. 25116

LEASE NAME & WELL NO.: ART SMITH STATE 130H  
130H LATITUDE N 32.7116024 130H LONGITUDE W 103.5503795

CENTER OF PAD IS 154' FNL & 1696' FWL



SCALE: 1" = 200'



0' 100' 200'



481 WINSKOTT ROAD, Ste. 200 • BENBROOK, TEXAS 76126  
TELEPHONE: (817) 744-7512 • FAX (817) 744-7554  
 2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705  
 TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743  
 WWW.TOPOGRAPHIC.COM

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET. ELEVATIONS USED ARE NAVD88, OBTAINED THROUGH AN OPUS SOLUTION.

THIS PROPOSED PAD SITE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY. ONLY THE DATA SHOWN ABOVE IS BEING CERTIFIED TO. ALL OTHER INFORMATION WAS INTENTIONALLY OMITTED. THIS PLAT IS ONLY INTENDED TO BE USED FOR A PERMIT AND IS NOT A BOUNDARY SURVEY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

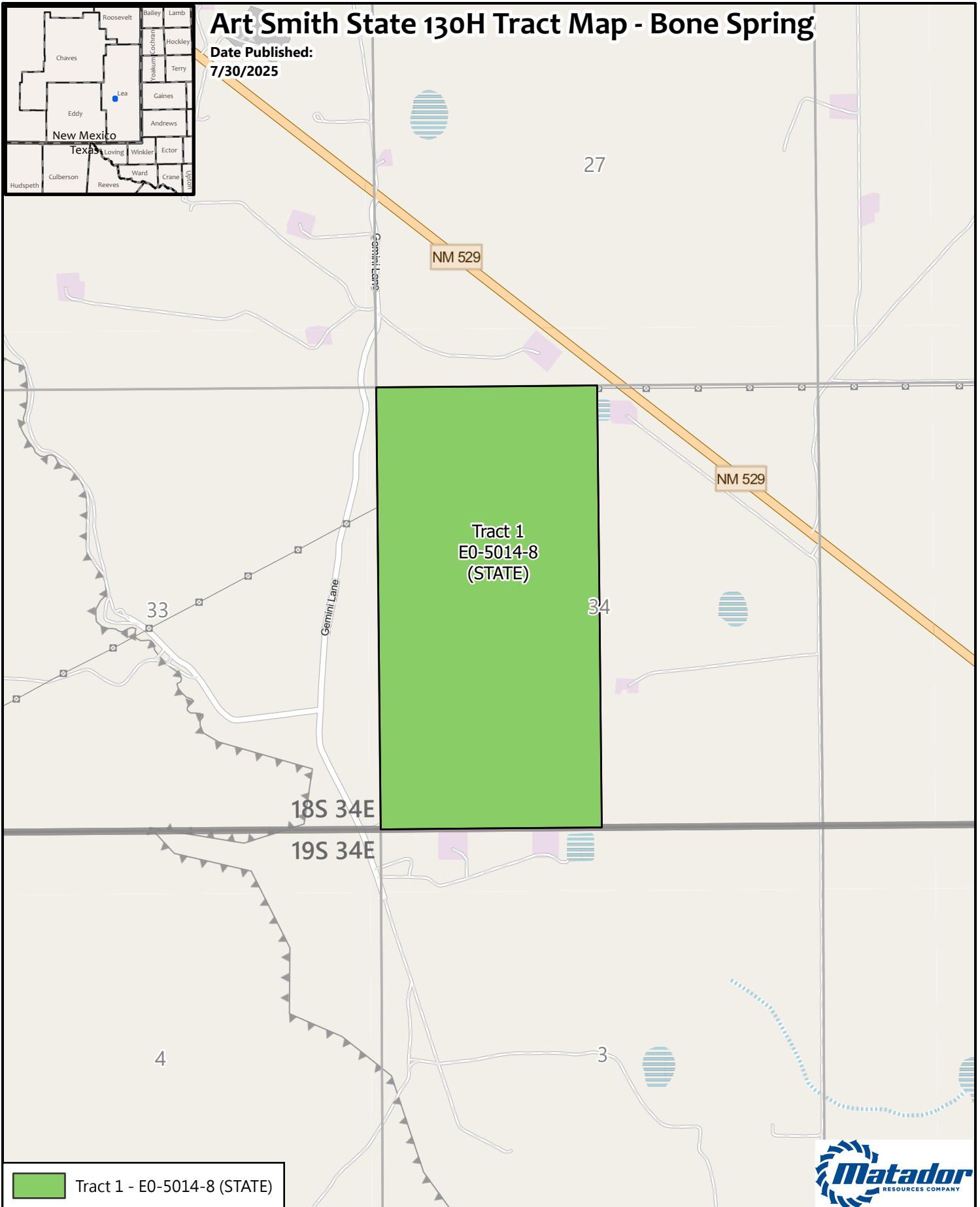
ORIGINAL DOCUMENT SIZE: 8.5" X 11"

## Exhibit C-3

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-3  
Submitted by: Matador Production Company  
Hearing Date: September 11, 2025  
Case No. 25580

# Art Smith State 130H Tract Map - Bone Spring

Date Published:  
7/30/2025



## 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 ascertain the usability of the information.

0 500 1,000 2,000 Feet

# 1:18,000

1 inch equals 1,500 feet



Map Prepared by: amercio.gamarral

Date: July 30, 2025

Project: \\gis\UserData\agamarra\temp\20240328 Art Smith Tract Map\Art Smith Tract Map.aprx

Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet

Sources: IHS; ESRI; US DOI BLM Carlsbad, NM Field Office, GIS Department;

Texas Cooperative Wildlife Collection, Texas A&M University;

United States Census Bureau (TIGER);

# Exhibit C-4

**BEFORE THE OIL CONSERVATION DIVISION**

**Santa Fe, New Mexico**

**Exhibit No. C-4**

**Submitted by: Matador Production Company**

**Hearing Date: September 11, 2025**

**Case No. 25580**

**W2 U-Turn Art Smith State 130H - Bone Spring (Case No. 25580 )**

## Summary of Interests

<b>MRC Permian Company</b>			<b>60.000000%</b>
<b>Compulsory Pool Interest Total</b>			<b>40.000000%</b>
<b>Interest Owner</b>	<b>Description</b>	<b>Tract</b>	<b>Working Interest</b>
Marathon Oil Permian, LLC	Uncommitted Working Interest Owner	1	<b>40.000000%</b>
Marathon Oil Permian, LLC	Record Title Owner	1	N/A

W2 U-Turn Art Smith State 130H - Bone Spring (Case No. 25580 )			
Summary of Interests			
Tract 1 (320 acres)			
Inerest Owners	Description	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	Committed Working Interest Owner	192.00	60.000000%
Marathon Oil Permian, LLC	Uncommitted Working Interest Owner	128.00	40.000000%
Marathon Oil Permian, LLC	Record Title Owner	N/A	N/A



Summary of ORRI Owners – W/2 U-Turn Art Smith State 130H – Bone Spring

**ORRI**

1. Post Oak Crown IV, LLC
2. Crown Oil Partners, LP
3. Collins & Jones Investments, LLC
4. MCT Energy Ltd.
5. H. Jason Wacker
6. David W. Cromwell
7. LMC Energy, LLC
8. Kaleb Smith
9. Deane Durham
10. Mike Moylett
11. Oak Valley Mineral and Land, LP
12. Post Oak Mavros II, LLC
13. Sortida Resources, LLC
14. Sitio Permian, LP
15. Sitio Permian, LLC
16. Mongoose Minerals, LLC

# Exhibit C-5

## 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](mailto:isaac.evans@matadorresources.com)

---

**Isaac C. Evans**  
**Vice President – Land**

May 30, 2025

VIA CERTIFIED RETURN RECEIPT MAIL

Marathon Oil Permian, LLC  
990 Town and Country Blvd.  
Houston, TX 77024

Re: Art Smith State Com #130H (the “Well”)  
Initial Participation Proposal  
W/2 of Section 34, Township 18 South, Range 34 East, Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company (“MRC”) proposes the drilling of Matador Production Company’s Art Smith State Com #130H well, located in the W/2 of Section 34, Township 18 South, Range 34 East, Lea County, New Mexico.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the enclosed Authority for Expenditures (“AFE”) dated May 2, 2025.

- **Art Smith State Com #130H:** to be drilled from a legal location with a proposed surface hole location in the S/2SW/4 of Section 27-18S-34E, a proposed first take point located at 1,980’ FWL and 100’ FNL of Section 34-18S-34E, and a proposed last take point located at 660’ FWL and 100’ FNL of Section 34-18S-34E. The Well will have a targeted interval within the Third Bone Spring formation and will be drilled horizontally in the Third Bone Spring (~10,240’ TVD) to a Measured Depth of approximately 21,057’.

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 the W/2 of Section 34, Township 18 South, Range 34 East, Lea County, New Mexico, and has the following general provisions:

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

If your election is to participate in the drilling and completion of the Well, please sign and return a copy of the enclosed AFE within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFE are only an estimate of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for its proportionate share of all costs incurred. **Additionally, if you elect to participate in the Well, you must remit full payment for your proportionate share of the AFE costs to Operator on or before thirty (30) days after receipt of a cash call for your proportionate share of such costs. If such payment is not timely received by Operator as described above, you may be deemed to be in default pursuant to the applicable provisions of the JOA.**

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

Sincerely,

MRC PERMIAN COMPANY



Isaac C. Evans

**Marathon Oil Permian, LLC hereby elects to:**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Art Smith State Com #130H** well.  
\_\_\_\_\_ Not to participate in the **Art Smith State Com #130H**.

**Marathon Oil Permian, LLC**

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

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

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

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


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

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	5/2/2025	AFE NO.:	
WELL NAME:	Art Smith State Com #130H	FIELD:	
LOCATION:	Section 34 18S-34E	MD/TVD:	21057'/10240'
COUNTY/STATE:	Lea	LATERAL LENGTH:	about 10,000'
MRC WI:			
GEOLOGIC TARGET:	3rd Bone Spring		
REMARKS:	Drill and complete a horizontal horseshoe 3rd BS well with about 39 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	1,095,555				1,095,555
Cementing & Float Equip	341,000				341,000
Logging / Formation Evaluation	-	3,750			3,750
Mud Logging	24,750				24,750
Mud Circulation System	168,900				168,900
Mud & Chemicals	342,895	49,000			391,895
Mud / Wastewater Disposal	235,000	-		1,000	236,000
Freight / Transportation	22,500	34,875		-	57,375
Rig Supervision / Engineering	168,000	67,200	15,000	3,600	253,800
Drill Bits	130,000				130,000
Fuel & Power	210,000	280,906		-	490,906
Water	76,250	388,300		1,000	465,550
Drig & Completion Overhead	15,000			-	15,000
Plugging & Abandonment	-				-
Directional Drilling, Surveys	339,770				339,770
Completion Unit, Swab, CTU	-	177,500	45,000		222,500
Perforating, Wireline, Slickline	-	151,500	15,000		166,500
High Pressure Pump Truck	-	73,050		-	73,050
Stimulation	-	1,835,834			1,835,834
Stimulation Flowback & Disp	-	15,500	142,500		158,000
Insurance	13,266				13,266
Labor	203,000	54,750	135,000	5,000	397,750
Rental - Surface Equipment	141,515	251,376	70,000	5,000	467,893
Rental - Downhole Equipment	193,450	77,500		-	270,950
Rental - Living Quarters	51,800	23,483	25,000	5,000	105,283
Contingency	118,539	166,169	46,250	5,060	336,018
Operations Center	26,640				26,640
TOTAL INTANGIBLES >	4,069,829	3,663,695	508,750	55,660	8,297,934
TANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS	COSTS
Surface Casing	\$ 106,250	\$	\$	\$	\$ 106,250
Intermediate Casing	490,208				490,208
Drilling Liner	-				-
Production Casing	841,638				841,638
Production Liner	-				-
Tubing	-		124,800		124,800
Wellhead	83,500		45,000		128,500
Packers, Liner Hangers	-	45,625	5,000		50,625
Tanks	-		-	28,800	28,800
Production Vessels	-		-	152,620	152,620
Flow Lines	-		40,000	120,000	160,000
Rod string	-		-		-
Artificial Lift Equipment	-		320,000		320,000
Compressor	-		-	24,500	24,500
Installation Costs	-		-	88,000	88,000
Surface Pumps	-		-	4,200	4,200
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	-		-	-	-
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	-		-	12,250	12,250
Electrical / Grounding	-		45,000	68,500	113,500
Communications / SCADA	-		2,500	8,450	10,950
Instrumentation / Safety	-		12,500	31,300	43,800
TOTAL TANGIBLES >	1,521,996	45,625	640,800	696,311	2,904,732
TOTAL COSTS >	5,591,824	3,709,320	1,149,550	751,971	11,202,665

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	JM	Team Lead - WTX/NM	
Completions Engineer:	WS		FM
Production Engineer:	JB		

MATADOR RESOURCES COMPANY APPROVAL:

EVP	BE	Chief Geologist	AP
CFO	BW	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 construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under this AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, executive, regulatory, brokerage 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 billed 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 audit.

# Exhibit C-6

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-6  
Submitted by: Matador Production Company  
Hearing Date: September 11, 2025  
Case No. 25580

**Summary of Communications – W/2 U-Turn Art Smith State 130H – Bone Spring**

Uncommitted Working Interest Owner:

**1. Marathon Oil Permian, LLC**

Matador had discussions with Marathon Oil Permian, LLC regarding this project and potential voluntary joinder and are continuing those discussions.

- a. Well proposals sent to Marathon Oil Permian, LLC on May 30, 2025.
- b. Had phone call with Klarriza Carillo on August 8, 2025 to discuss Marathon Oil Permian, LLC's interest in the project including the well proposals and possible voluntary joinder.
- c. Emailed over Matador's proposed JOA for this project to Marathon Oil Permian, LLC to review on August 18, 2025.

**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. 25580**

**SELF-AFFIRMED STATEMENT OF ANNA THORSON**

1. My name is Anna Thorson. I work for MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by MRC in this case, and I have conducted a geologic study of the lands in the subject area.
4. **MRC Exhibit D-1** is a locator map outlining the horizontal spacing unit with a black box shaded in yellow, with the larger area identified in a red box.
5. In this case, MRC intends to develop the Third Bone Spring of the Bone Spring formation.
6. **MRC Exhibit D-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 dipping to the south. The structure appears consistent across the proposed wellbore path. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.
7. Also included on MRC Exhibit D-2 is a line of cross section from A to A’.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D  
Submitted by: Matador Production Company  
Hearing Date: September 11, 2025  
Case No. 25580



8. **MRC Exhibit D-3** is a structural cross-section 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 the proposed well is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted interval, within the Bone Spring formation, is consistent in thickness across the entirety of the proposed spacing unit.

9. In my opinion, the standup orientation is the preferred orientation for development in this area for Bone Spring wells based on the orientation of the maximum horizontal stress in this area.

10. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells within the Bone Spring formation in the area of the spacing unit proposed in this case.

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

12. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery.

13. In my opinion, approving MRC's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

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

15. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed

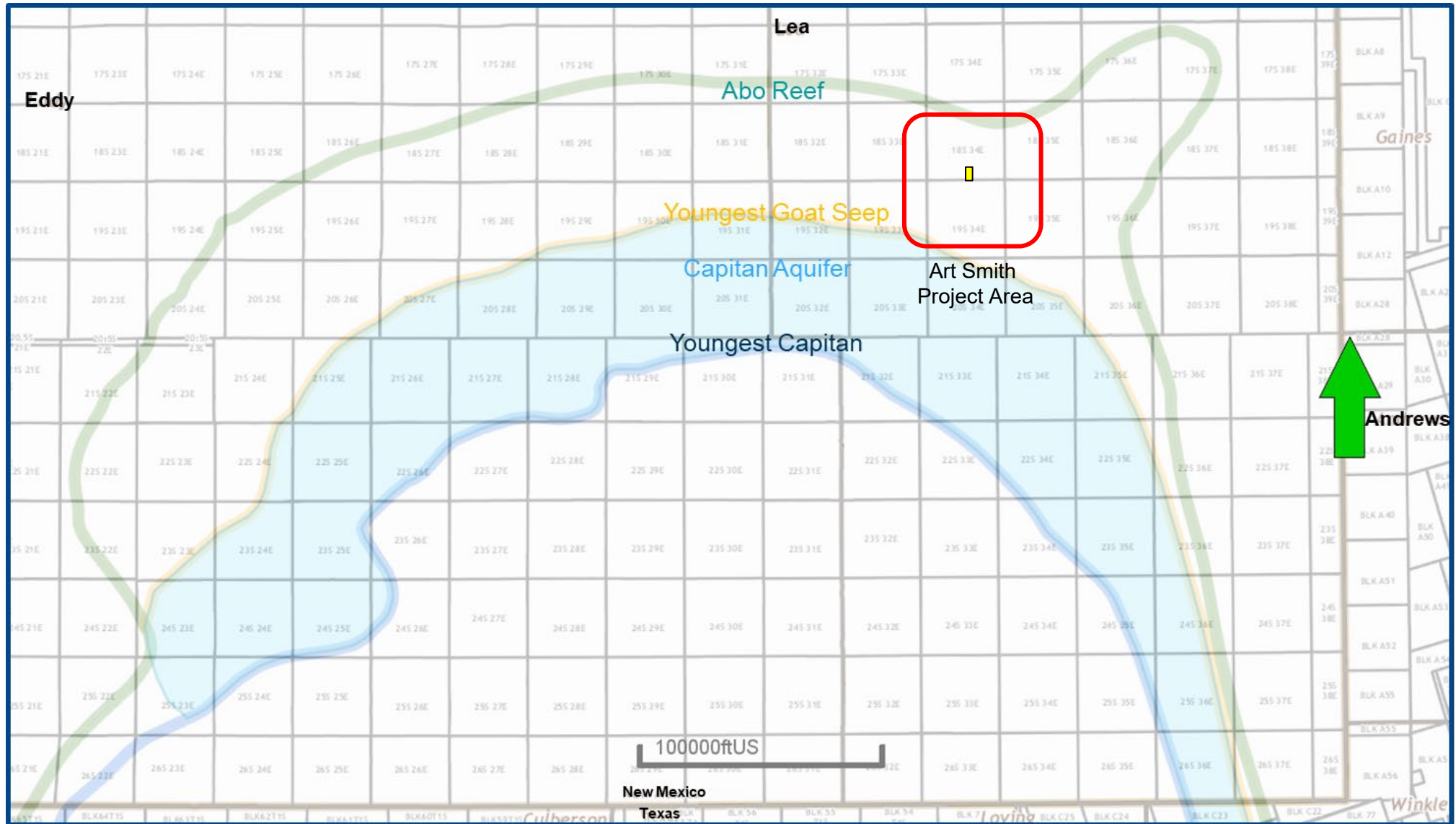
statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

Anna M. Thorson  
Anna Thorson

8.22.2025  
Date

## Exhibit D-1

## Locator Map



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D-1

Submitted by: Matador Production Company

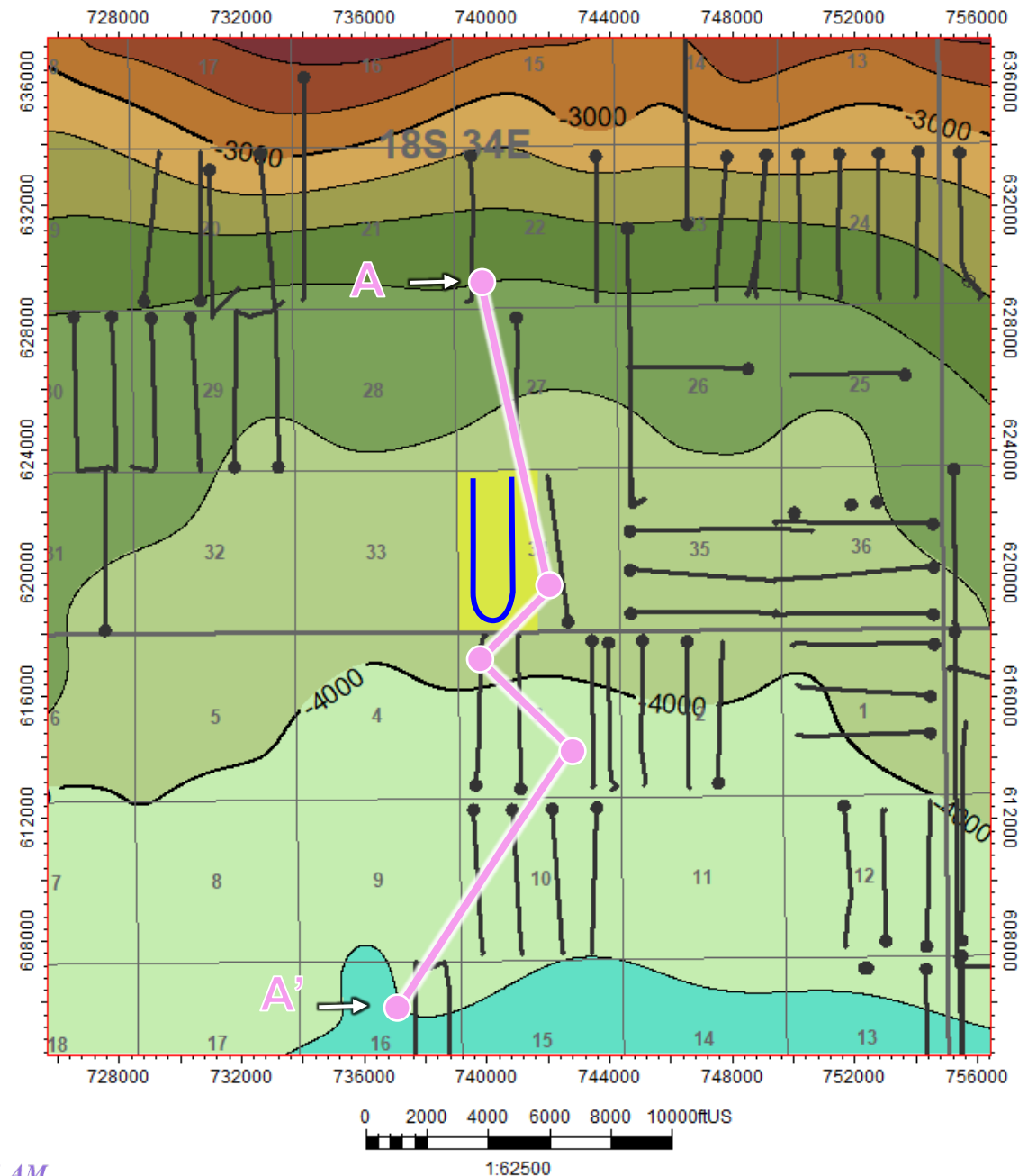
Hearing Date: September 11, 2025

Case No. 25580



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

## Exhibit D-2



### Map Legend

**Art Smith 130H Well**



**Bone Spring Wells**



**Project Area**



**C. I. = 200'**



N

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D-2  
Submitted by: Matador Production Company  
Hearing Date: September 11, 2025  
Case No. 25580



Santa Fe, New Mexico

Exhibit No. D-3

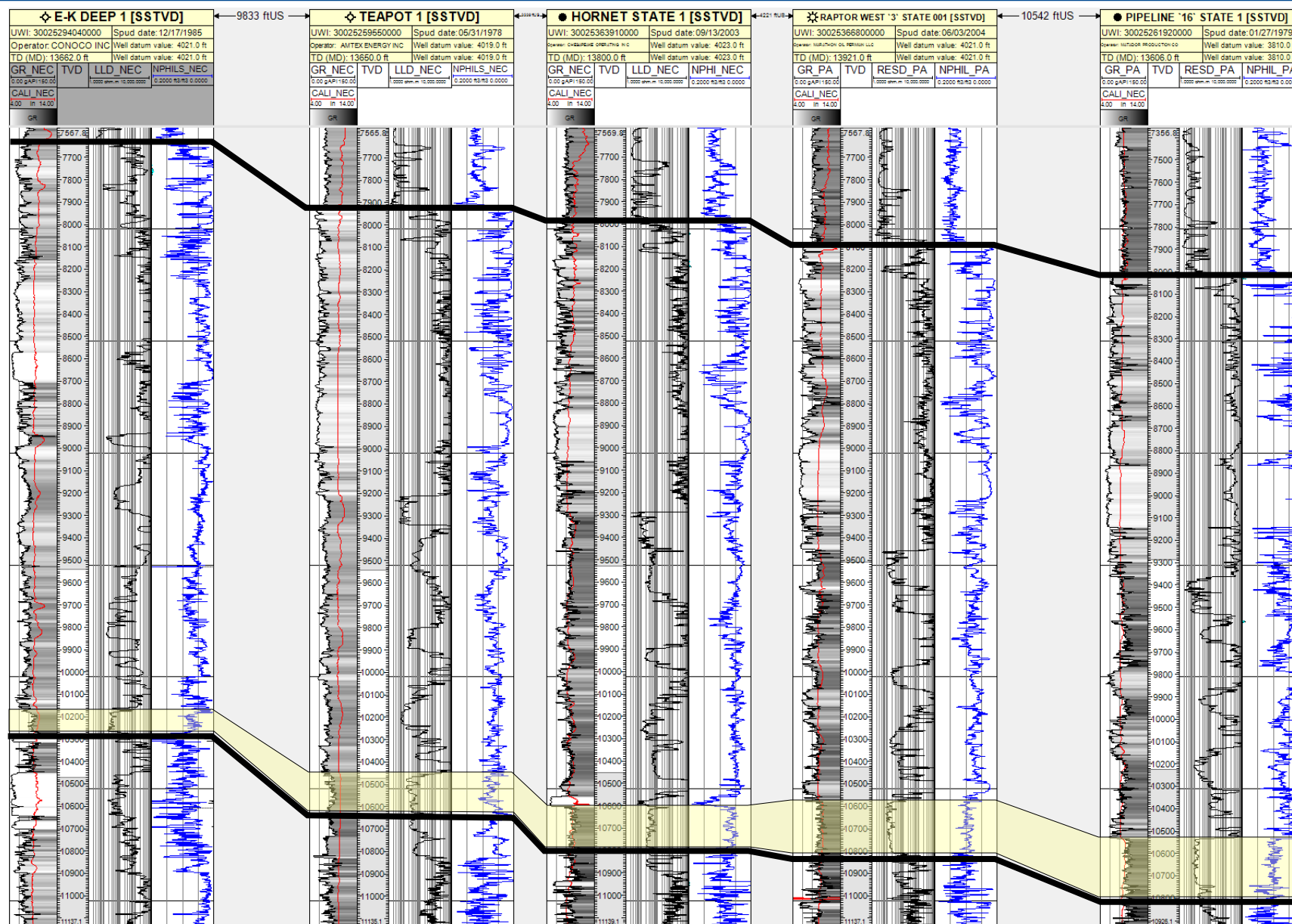
Submitted by: Matador Production Company

Hearing Date: September 11, 2025

Case No. 25580

Exhibit D-3

# Airstrip; Bone Spring [960] Structural Cross-Section A – A'



**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. 25580**

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

1. I am attorney in fact and authorized representative of MRC Permian Company (“MRC”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of August 29, 2025.

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

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

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. E  
Submitted by: Matador Production Company  
Hearing Date: September 11, 2025  
Case No. 25580**



---

Paula M. Vance

09/03/25

---

Date





**Paula M. Vance**  
**Associate**  
**Phone** (505) 988-4421  
**Fax** (505) 819-5579  
pmvance@hollandhart.com

August 22, 2025

**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: Art Smith State Com 130H**

Ladies & Gentlemen:

This letter is to advise you that MRC Permian Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on September 11, 2025, 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 Isaac Evans at (972) 587-4628, or at [isaac.evans@matadorresources.com](mailto:isaac.evans@matadorresources.com).

Sincerely,

A handwritten signature in blue ink that reads "Paula M. Vance".

Paula M. Vance  
**ATTORNEY FOR MRC PERMIAN COMPANY**

T 505.988.4421 F 505.983.6043  
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849  
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MRC - Art Smith 130H well - Case no. 25580  
Postal Delivery Report

9414811898765472954831	Collins & Jones Investments, LLC	508 W Wall St Ste 1200	Midland	TX	79701-5076	Your item was delivered to an individual at the address at 1:12 pm on August 28, 2025 in MIDLAND, TX 79701.
9414811898765472954879	Crown Oil Partners, LP	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 10:10 am on August 28, 2025 in MIDLAND, TX 79705.
9414811898765472954718	David W. Cromwell	PO Box 50820	Midland	TX	79710-0820	Your item was returned to the sender on August 28, 2025 at 10:14 am in MIDLAND, TX 79705 because the addressee was not known at the delivery address noted on the package.
9414811898765472954756	Deane Durham	PO Box 50820	Midland	TX	79710-0820	Your item was returned to the sender on August 28, 2025 at 10:14 am in MIDLAND, TX 79705 because the addressee was not known at the delivery address noted on the package.
9414811898765472954763	H. Jason Wacker	5601 Hillcrest	Midland	TX	79707-9113	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765472954725	Kaleb Smith	550 W Texas Ave Ste 945	Midland	TX	79701-4233	Your item was returned to the sender on August 28, 2025 at 12:12 pm in MIDLAND, TX 79701 because the addressee was not known at the delivery address noted on the package.
9414811898765472954701	LMC Energy, LLC	550 W Texas Ave Ste 945	Midland	TX	79701-4233	Your item was returned to the sender on August 28, 2025 at 12:12 pm in MIDLAND, TX 79701 because the addressee was not known at the delivery address noted on the package.
9414811898765472954794	Marathon Oil Permian, LLC	990 Town And Country Blvd	Houston	TX	77024-2217	Your item was delivered to the front desk, reception area, or mail room at 1:03 pm on August 26, 2025 in HOUSTON, TX 77024.
9414811898765472954749	MCT Energy Ltd.	550 W Texas Ave Ste 945	Midland	TX	79701-4233	Your item was returned to the sender on August 28, 2025 at 12:12 pm in MIDLAND, TX 79701 because the addressee was not known at the delivery address noted on the package.

MRC - Art Smith 130H well - Case no. 25580  
Postal Delivery Report

9414811898765472954787	Mike Moylett	PO Box 50820	Midland	TX	79710-0820	Your item was returned to the sender on August 28, 2025 at 10:14 am in MIDLAND, TX 79705 because the addressee was not known at the delivery address noted on the package.
9414811898765472954732	Mongoose Minerals, LLC	600 W Illinois Ave	Midland	TX	79701-4882	We were unable to deliver your package at 9:05 am on August 28, 2025 in MIDLAND, TX 79701 because the business was closed. We will redeliver on the next business day. No action needed.
9414811898765472954770	New Mexico State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Your item was picked up at the post office at 7:55 am on August 27, 2025 in SANTA FE, NM 87501.
9414811898765472954916	Oak Valley Mineral and Land, LP	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 10:10 am on August 28, 2025 in MIDLAND, TX 79705.
9414811898765472954954	Post Oak Crown IV, LLC	5200 San Felipe St	Houston	TX	77056-3606	Your item was returned to the sender on August 26, 2025 at 11:49 am in HOUSTON, TX 77056 because the addressee was not known at the delivery address noted on the package.
9414811898765472954961	Post Oak Mavros II, LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	Your item was delivered to the front desk, reception area, or mail room at 3:37 pm on August 26, 2025 in HOUSTON, TX 77056.
9414811898765472954923	Sitio Permian, LLC, Sitio Permian, LP	1401 Lawrence St Ste 1750	Denver	CO	80202-3074	Your item was delivered to the front desk, reception area, or mail room at 9:11 am on August 25, 2025 in DENVER, CO 80202.
9414811898765472954909	Sortida Resources, LLC	PO Box 50820	Midland	TX	79710-0820	Your item was picked up at a postal facility at 10:10 am on August 28, 2025 in MIDLAND, TX 79705.

**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 24, 2025  
and ending with the issue dated  
August 24, 2025.



Publisher

Sworn and subscribed to before me this  
24th day of August 2025.



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.

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**LEGAL NOTICE**  
August 24, 2025

**Case No. 25580: 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: Collins & Jones Investments, LLC; Crown Oil Partners, LP; David W. Cromwell; Deane Durham; H. Jason Wacker; Kaleb Smith; LMC Energy, LLC; Marathon Oil Permian, LLC; MCT Energy Ltd.; Mike Moylett; Mongoose Minerals, LLC; New Mexico State Land Office; Oak Valley Mineral and Land, LP; Post Oak Crown IV, LLC; Post Oak Mayros II, LLC; Sitio Permian, LLC, Sitio Permian, LP; and 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 11, 2025, 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](mailto:Freya.Tschantz@emnrd.nm.gov). Applicant in the above-styled cause seeks an order (1) approving a 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying W/2 of Section 34, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted interests in this acreage. Applicant seeks to dedicate the above-referenced overlapping horizontal spacing unit to the proposed **Art Smith State Com 130H** u-turn well, to be drilled from a surface hole location in the S/2 SW/4 of Section 27, to a first take point in the NE/4 NW/4 (Unit C) of Section 34 and a last take point in the NW/4 NW/4 (Unit D) Section 34. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation with approved pooling orders (permits pending):

- An existing 320-acre spacing unit in the Bone Spring formation underlying the W/2 W/2 of Section 34, T18S-R34E, and the W/2 W/2 of Section 3, T19S-R34E, currently dedicated to the Art Smith State Com 121H, operated by Matador Production Company; and
- An existing 320-acre spacing unit in the Bone Spring formation underlying the E/2 W/2 of Section 34, T18S-R34E, and the E/2 W/2 of Section 3, T19S-R34E, currently dedicated to the Art Smith State Com 122H, operated by Matador Production Company.

Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 16 miles southeast of Maljamar, New Mexico.  
#00303755

67100754

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

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

Submitted by: Matador Production Company  
Hearing Date: September 11, 2025  
Case No. 25580