

**CASE NO. 25699**

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

**EXHIBIT LIST** (Revised 12/4/25))

- A. Pooling Checklist (Revised)
- B. Application and Proposed Notice
- C. Landman's Affidavit
  - C-1: Spacing Unit Plat
  - C-2: C-102s
  - C-3: Lease Plat
  - C-4: Ownership List
  - C-5: Proposal Letter and AFEs
  - C-6: Summary of Communications
  - C-7: Committed/Uncommitted Interests
- D. Geologist's Affidavit
  - D-1: Locator Map
  - D-2: Structure Map
  - D-3: Cross Section
- E. Affidavit of Certified Mailing
  - E-1: Notice Letters and Certified Receipts
  - E-2: Certified Notice Spreadsheet
- F. Affidavit of Publication

*Part I*

**CASE NO. 25699**

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

Statement of Changes to (Revised) Exhibits (Part I only)

Exhibit A, the Pooling Checklist, was changed on page 1 to reflect that the well unit is standard.



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

<b>Case:</b>	<b>25699</b>
<b>Date:</b>	<b>12/4/2025</b>
Applicant	MRC Permian Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company/OGRID No. 228937
Applicant's Counsel:	James Bruce
Case Title:	Application of MRC Permian Company for Compulsory Pooling and Approval of Overlapping Spacing Units, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Carl Mottek Wolfcamp wells
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Wolfcamp formation
Pool Name and Pool Code:	Antelope Ridge; Wolfcamp /Pool Code 2220
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter sections/40 acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	North-South and South-North (U-turn wells)
Description: TRS/County	W/2 §17-24S-34E, NMPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	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	
Applicant's Ownership in Each Tract	Exhibit C-4
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Carl Mottek Fed. Well No. 220H API 30-025-Pending SHL: 326 FNL & 520 FWL §17 BHL: 110 FNL & 2310 FWL §17 FTP: 110 FNL & 990 FWL §17 LTP: 110 FNL & 2310 FWL §17 Wolfcamp B Zone /TVD 12400 feet/MD 9827 feet

 Rev. 1  
 EXHIBIT

Points	See above
Completion Target (Formation, TVD and MD)	See above
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$10000
Production Supervision/Month \$	\$1000
Justification for Supervision Costs	Exhibit C, page 3
Requested Risk Charge	Cost + 200%/Exhibit B
<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
Tract List (including lease numbers and owners)	Exhibit C-4
Pooled Parties (including ownership type)	Exhibit C-7
Unlocatable Parties to be Pooled	
Ownership Depth Severance (including percentage above & below)	None
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners ( <i>i.e.</i> Exhibit A of JOA)	Exhibit C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	
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
Spacing Unit Schematic	Exhibits C-2 and C-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-3
Well Orientation (with rationale)	Standup
Target Formation	Wolfcamp
HSU Cross Section	Exhibits D-3
Depth Severance Discussion	Not Applicable
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-4



Well Bore Location Map

Exhibits C-2 and D-3

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

**Additional Information**

**CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.**

**Printed Name** (Attorney or Party Representative):

James Bruce

**Signed Name** (Attorney or Party Representative):

*James Bruce*

**Date:**

11/26/2025

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

**APPLICATION OF MRC PERMIAN COMPANY  
FOR COMPULSORY POOLING AND APPROVAL  
OF OVERLAPPING SPACING UNITS, LEA  
COUNTY, NEW MEXICO.**

CASE NO. 25699

**APPLICATION**

MRC Permian Company ("Applicant") applies to the Oil Conservation Division (the "Division") for an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2 of Section 17, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico (the "Unit"). In support of this application, Applicant states:

1. Applicant is a working interest owner in the Unit, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the Carl Mottek Fed Well No. 220H in the Unit to test the Wolfcamp formation. The well will be horizontally drilled from a surface location and a first take point in the NW/4NW/4 (Unit D) of Section 17 to a bottom hole location and a last take point in the NE/4NW/4 (Unit C) of Section 17. The well is a U-turn well: The W/2W/2 of Section 17 will contain the north-south lateral, and the E/2W/2 of Section 17 will contain south-north lateral.
3. Although Applicant has in good faith sought to obtain voluntary joinder of all other mineral interest owners in the Unit to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to commit their interests.

EXHIBIT

13



Therefore, Applicant seeks an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying the Unit, pursuant to NMSA 1978 Sec. 70-2-17.

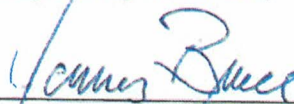
4. Applicant also requests approval for the Unit to overlap the W/2W/2 of Section 17 spacing unit for the Carl Mottek Federal Well No. 211H (API No. 30-025-4491<sup>9</sup>~~8~~), operated by Matador Production Company.

5. The pooling of all uncommitted mineral interest owners in the Wolfcamp formation underlying the Unit, and approval of the overlapping well units, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, Applicant requests this application be set for hearing before an Examiner of the Division, and, after notice and hearing, the Division issue its order:

- A. Pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying the Unit;
- B. Designating Matador Production Company as operator of the well and the Unit;
- C. Considering the cost of drilling, completing, testing, and equipping the well, and allocating the cost thereof among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. Setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the well in the event a working interest owner elects not to participate in the well; and
- F. Approving of the overlapping well units.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "James Bruce", is written over a horizontal line.

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
Phone: (505) 982-2043  
Cell: (505) 660-6612  
[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

Attorney for MRC Permian Company



***Application of MRC Permian Company for compulsory pooling and approval of overlapping spacing units, Lea County, New Mexico:*** MRC Permian Company ("Applicant") has filed an application with the Oil Conservation Division for an order pooling all uncommitted mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2 of Section 17, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico (the "Unit). Applicant proposes to drill the Carl Mottek Fed. Well No. 220H in the Unit. The well will be horizontally drilled from a surface location and a first take point in the NW/4NW/4 (Unit D) of Section 17 to a bottom hole location and a last take point in the NE/4NW/4 (Unit C) of Section 17. The well is a U-turn well: The W/2W/2 of Section 17 will contain the north-south lateral, and the E/2W/2 of Section 17 will contain the south-north lateral. Also to be considered will be the cost of drilling, completing, testing, and equipping the well, and the allocation of the cost thereof among the well's working interest owners, designation of Matador Production Company as operator of the well and the Unit, approval of actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure, and setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the well in the event a working interest owner elects not to participate in the well. Applicant also requests approval for the Unit to overlap the W/2W/2 of Section 17 spacing unit for the Carl Mottek Federal Well No. 211H (API No. 30-025-44918), operated by Matador Production Company. The Unit is located approximately 21 miles southwest of Eunice, 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  
SPACING UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25699**

**SELF-AFFIRMED STATEMENT OF DAVID JOHNS**

David Johns, of lawful age and being first duly sworn, declares as follows:

1. My name is David Johns. 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 mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2 of Section 17, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, which will be dedicated to the proposed **Carl Mottek Fed Well No. 220H** u-turn well, to be drilled with a surface location and first take point in the NW/4NW/4 (Unit D) of Section 17 to bottom hole location and last take point in the NE/4NW/4 (Unit C) of Section 17.
5. Attached as **MRC Exhibit C-1** is a map showing the proposed spacing unit under this application and the existing spacing unit that it overlaps.
6. **MRC Exhibit C-2** contains a draft Form C-102 for the proposed initial well.

EXHIBIT

C



7. MRC understands that the well will be placed in the Antelope Ridge; Wolfcamp [2220] 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 leased federal acreage.

10. **MRC Exhibit C-4** identifies the working interest owner that MRC is seeking to pool, as well as the overriding royalty owners that MRC seeks to pool. The first pages of Exhibit C-3 shows the parties MRC is seeking to pool on a unit basis. Behind the unit analysis, there are additional pages showing the working interest owner that MRC seeks to pool, on a tract by tract basis, along with their ownership interest in each of the tracts in the proposed horizontal spacing unit. The parties that MRC is seeking to pool are highlighted yellow.

11. There are no depth severances within the Wolfcamp 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 copy of the well proposal letter that was 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.

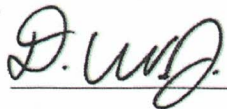
14. MRC has made an estimate of overhead and administrative costs for drilling and producing the proposed well. It is \$10,000/month while drilling, and \$1,000/month while producing. These costs are consistent with what other operators are charging in this area for these types of wells. MRC respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.

15. MRC provided its outside counsel, Jim Bruce, 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.

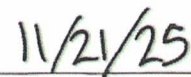
16. **MRC Exhibit C-7** contains a chart showing the owners in the proposed spacing unit and whether their interest is already committed to the unit or not.

17. **MRC Exhibits C-1 through C-7** were either prepared by me or compiled under my direction and supervision.

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



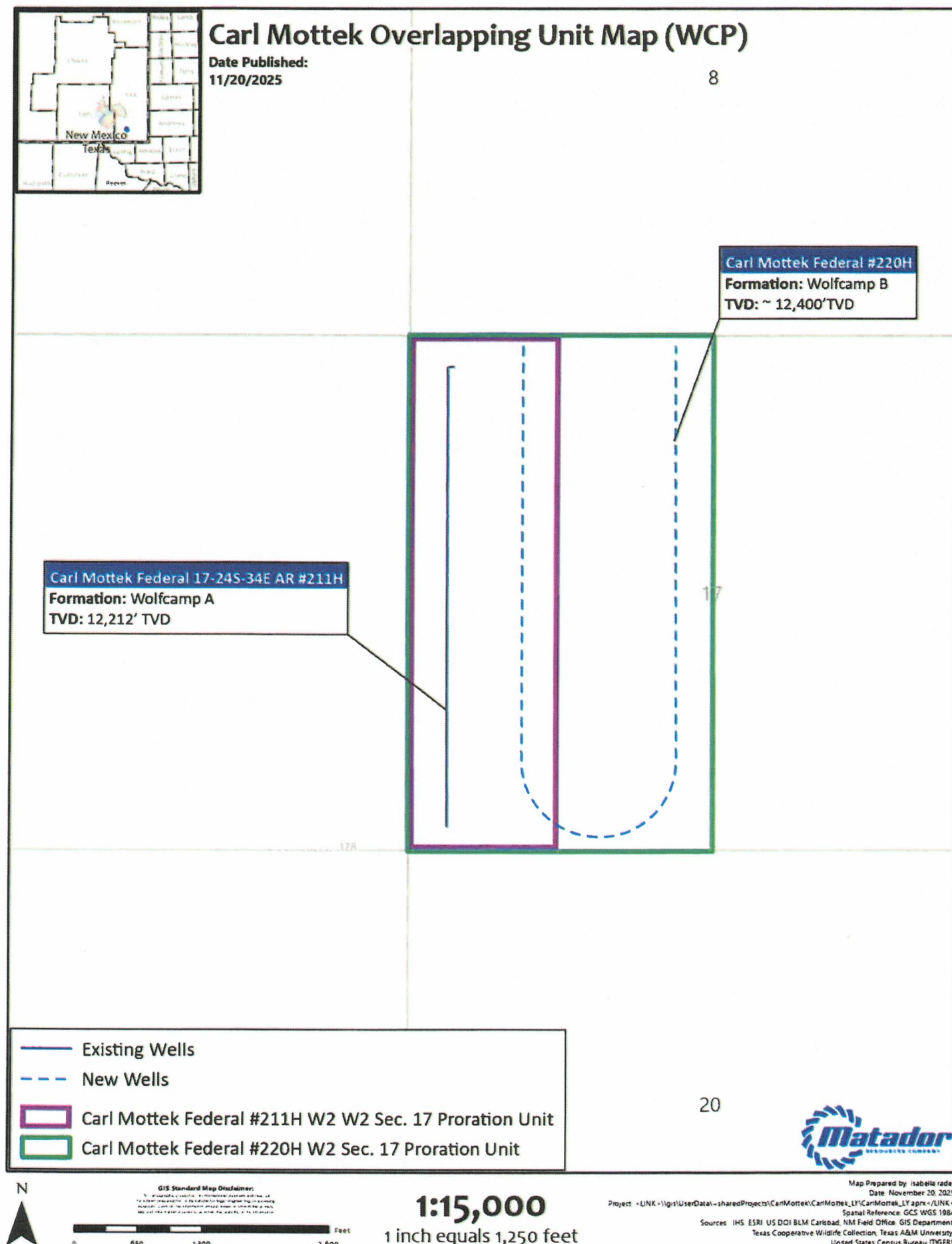
David Johns



Date



## Exhibit C-1



## Exhibit C-2



Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116  Online Phone Directory Visit: <a href="https://www.emnrd.nm.gov/ocd/contact-us/">https://www.emnrd.nm.gov/ocd/contact-us/</a>	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	<div style="text-align: right;"><b>C-102</b></div> Revised July 9, 2024 Submit Electronically via OCD Permitting  Submittal Type: <div style="border: 1px solid black; padding: 2px;"> <input type="checkbox"/> Initial Submittal  <input type="checkbox"/> Amended Report  <input type="checkbox"/> As Drilled         </div>
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**WELL LOCATION INFORMATION**

API Number	Pool Code <b>2220</b>	Pool Name <b>Antelope Ridge; Wolfcamp</b>
Property Code	Property Name <b>CARL MOTTEK FEDERAL</b>	Well Number <b>220H</b>
OGRID No. <b>228937</b>	Operator Name <b>MATADOR PRODUCTION COMPANY</b>	Ground Level Elevation
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	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>D</b>	<b>17</b>	<b>24S</b>	<b>34E</b>		<b>326' FNL</b>	<b>520' FWL</b>	<b>32.223909</b>	<b>-103.498828</b>	

**Bottom Hole Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>C</b>	<b>17</b>	<b>24S</b>	<b>34E</b>		<b>110' FNL</b>	<b>2310' FWL</b>	<b>32.224505</b>	<b>-103.49304</b>	

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

**Kick Off Point (KOP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

**First Take Point (FTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
					<b>110' FNL</b>	<b>990' FWL</b>	<b>32.224507</b>	<b>-103.497309</b>	

**Last Take Point (LTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
					<b>110' FNL</b>	<b>2310' FWL</b>	<b>32.224505</b>	<b>-103.49304</b>	

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> 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

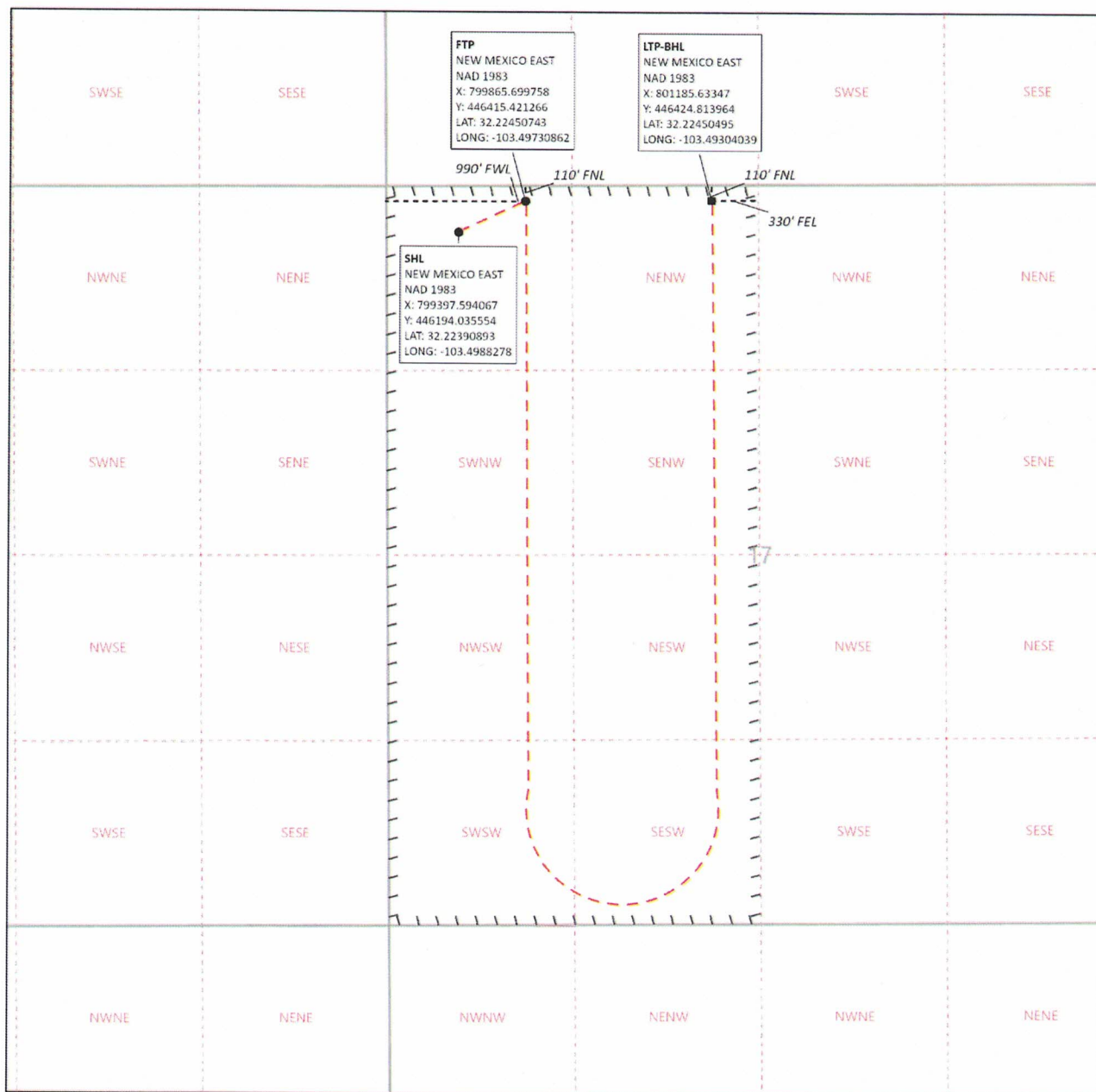
Date of Survey

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

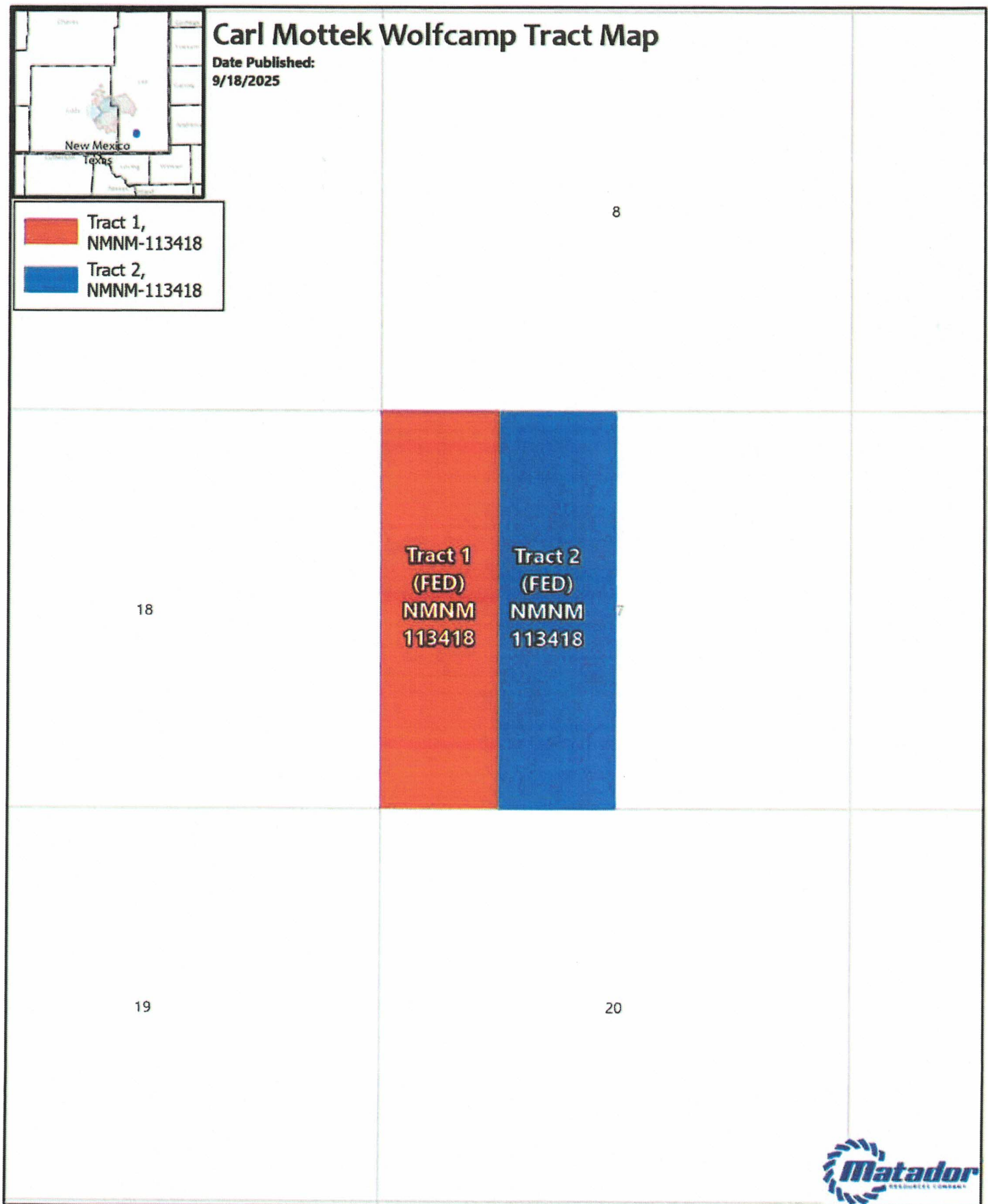
This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the 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 C-3





GIS Standard Map Disclaimer:

This information is provided as a reference only and should not be used for legal purposes. The user assumes all liability for any errors or omissions in this information. The user agrees to hold the provider harmless for any damages, including reasonable attorneys' fees, arising from the use of this information.

0 900 1,800 3,600 Feet

**1:20,000**  
1 inch equals 1,667 feet



Map Prepared by LILLIAN YEARGINS

Date: September 18, 2025

Project: <LINK>\\gsl\UserData\sharedProjects\CarlMottek\CarlMottek\_LY\CarlMottek\_LY.aprx </LINK>

Spatial Reference: GCS WGS 1984

Sources: IHS ESRI US DOI BLM Carlsbad NM Field Office, GIS Department,  
Texas Cooperative Wildlife Collection, Texas A&M University,  
United States Census Bureau [TXGER]

## Exhibit C-4

Carl Mottek - Slot 1 & 2 (U-Turn) - Wolfcamp			
Summary of Interests			
Matador Working Interest		50.000%	
Voluntary Joinder		0.000%	
<b>Interest Owners:</b>	<b>Description:</b>	<b>Tract:</b>	<b>Interest:</b>
Compulsory Pool Interest		50.000%	
<b>Interest Owners:</b>	<b>Description:</b>	<b>Tract:</b>	<b>Interest:</b>
Chevron USA, Inc.	Uncommitted WI Owners	2	50.0000%
Allar Development LLC	ORRI	1	-
Chevron Midcontinent LP	ORRI	1	-
Cornerstone Family Trust	ORRI	1	-
CrownRock Minerals, L.P.	ORRI	1	-
MJJ RI LLC	ORRI	1	-
Nestegg Energy Corporation	ORRI	1	-



Carl Mottek - Slot 1 & 2 (U-Turn) - Wolfcamp			
Summary of Interest - Tract Basis			
Tract 1			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
MRC Permian Company	Committed WI Owner	160	100%
Tract 2			
Interest Owners:	Description:	Net Mineral Acres:	Working Interest in Tract:
Chevron USA, Inc.	Uncommitted WI Owners	160	100%

## Exhibit C-5

## MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240  
Voice 972.619.1259 • Fax 214.866.4946  
[djohns@matadorresources.com](mailto:djohns@matadorresources.com)

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David Johns  
Senior Staff Landman

January 13, 2025

VIA CERTIFIED RETURN RECEIPT MAIL

Chevron USA, Inc.  
1400 Smith St.  
Houston, TX 77002

Re: Carl Mottek Federal #100H, #130H, #140H & #220H (the "Wells")  
Participation Proposal  
Section 17, Township 24 South, Range 34 East  
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Carl Mottek Federal #100H, Carl Mottek Federal #130H, Carl Mottek Federal #140H and Carl Mottek Federal #220H wells, located in the W2 of Section 17, Township 24 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 four (4) enclosed Authority for Expenditures ("AFE") dated September 27, 2024.
- **Carl Mottek Federal #100H:** to be drilled from a legal location with a proposed surface hole location located in the NW/4NW/4 of Section 17-24S-34E, a proposed first take point located at 660' FWL and 110' FNL of Section 17-24S-34E and a proposed last take point located at 1,980' FWL and 110' FNL of Section 17-24S-34E. The Well will have a targeted interval within the Avalon formation and will be drilled horizontally in the Avalon (~9,150'TVD) to a Measured Depth of approximately 20,027'.
- **Carl Mottek Federal #130H:** to be drilled from a legal location with a proposed surface hole location located in the NW/4NW/4 of Section 17-24S-34E, a proposed first take point located at 990' FWL and 110' FNL of Section 17-24S-34E and a proposed last take point located at 2,310' FWL and 110' FNL of Section 17-24S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,900'TVD) to a Measured Depth of approximately 22,777'.
- **Carl Mottek Federal #140H:** to be drilled from a legal location with a proposed surface hole location located in the NW/4NW/4 of Section 17-24S-34E, a proposed first take point located at 660' FWL and 110' FNL of Section 17-24S-34E and a proposed last take point located at 1,980' FWL and 110' FNL of Section 17-24S-34E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,350'TVD) to a Measured Depth of approximately 21,227'.



- **Carl Mottek Federal #220H:** to be drilled from a legal location with a proposed surface hole location located in the NW/4NW/4 of Section 17-24S-34E, a proposed first take point located at 990' FWL and 110' FNL of Section 17-24S-34E and a proposed last take point located at 2,310' FWL and 110' FNL of Section 17-24S-34E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~ 12,400'TVD) to a Measured Depth of approximately 23,227'.

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 upon request, covering the W2 of Section 17, Township 24 South, Range 34 East, Lea County, New Mexico, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$10,000/\$1,000 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 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 Well, 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**



David Johns

**Chevron USA, Inc. hereby elects to:**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Carl Mottek Federal #100H** well.

\_\_\_\_\_ Not to participate in the **Carl Mottek Federal #100H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Carl Mottek Federal #130H** well.

\_\_\_\_\_ Not to participate in the **Carl Mottek Federal #130H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Carl Mottek Federal #140H** well.

\_\_\_\_\_ Not to participate in the **Carl Mottek Federal #140H**.

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Carl Mottek Federal #220H** well.

\_\_\_\_\_ Not to participate in the **Carl Mottek Federal #220H**.

**Chevron USA, Inc.**

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

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

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

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

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

## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	September 27th, 2024	AFE NO.:	
WELL NAME:	Carl Mottek Federal #220H	FIELD:	
LOCATION:	17-24S-34E	MD/TVD:	23277/112400'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	9,827
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp B		
REMARKS:	Drill and complete a horizontal 2 mile long Wolfcamp B target U-turn with about 37 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	119,667	13,000	15,000	50,000	197,667
Drilling	1,068,041	-	-	-	1,068,041
Cementing & Float Equip	277,000	-	-	-	277,000
Logging / Formation Evaluation	-	3,760	3,000	-	6,760
Flowback - Labor	-	-	18,160	-	18,160
Flowback - Surface Rentals	-	-	157,050	-	157,050
Flowback - Rental Living Quarters	-	-	10,000	-	10,000
Mud Logging	39,875	-	-	-	39,875
Mud Circulation System	117,750	-	-	-	117,750
Mud & Chemicals	455,000	53,900	31,500	-	540,400
Mud / Wastewater Disposal	175,000	-	2,000	1,000	178,000
Freight / Transportation	16,000	37,400	3,000	-	56,400
Rig Supervision / Engineering	160,975	82,647	10,000	1,800	255,322
Drill Bits	123,700	-	-	-	123,700
Fuel & Power	165,000	487,266	4,000	-	656,266
Water	30,000	550,935	2,000	1,000	603,935
Drig & Completion Overhead	16,250	-	-	-	16,250
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	378,344	-	-	-	378,344
Completion Unit, Swab, CTU	-	154,000	15,000	-	169,000
Perforating, Wireline, Slickline	-	142,220	7,000	-	149,220
High Pressure Pump Truck	-	97,020	5,000	-	102,020
Stimulation	-	2,596,762	-	-	2,596,762
Stimulation Flowback & Disp	-	17,050	270,000	-	287,050
Insurance	14,665	-	-	-	14,665
Labor	191,000	71,500	22,000	5,000	289,500
Rental - Surface Equipment	106,250	338,950	20,000	5,000	470,200
Rental - Downhole Equipment	212,580	94,600	-	-	307,180
Rental - Living Quarters	54,288	167,420	-	5,000	226,708
Contingency	229,551	236,846	60,471	7,880	534,748
Operations Center	26,565	-	-	-	26,565
<b>TOTAL INTANGIBLES &gt;</b>	<b>4,055,400</b>	<b>4,945,295</b>	<b>665,181</b>	<b>66,680</b>	<b>9,752,556</b>

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 47,360	\$ -	\$ -	\$ -	\$ 47,360
Intermediate Casing	457,031	-	-	-	457,031
Drilling Liner	-	-	-	-	-
Production Casing	902,938	-	-	-	902,938
Production Liner	-	-	-	-	-
Tubing	-	-	163,500	-	163,500
Wellhead	128,000	-	50,000	-	178,000
Packers, Liner Hangers	-	59,654	6,000	-	65,654
Tanks	-	-	-	81,000	81,000
Production Vessels	-	-	-	159,500	159,500
Flow Lines	-	-	-	150,000	150,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	51,000	-	51,000
Compressor	-	-	-	52,500	52,500
Installation Costs	-	-	-	120,000	120,000
Surface Pumps	-	-	10,000	28,750	38,750
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	77,500	88,500
Gas Conditioning / Dehydration	-	-	-	100,000	100,000
Interconnecting Facility Piping	-	-	-	100,000	100,000
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	37,500	37,500
Flare Stack	-	-	-	72,500	72,500
Electrical / Grounding	-	-	2,000	100,000	102,000
Communications / SCADA	-	-	5,000	20,000	25,000
Instrumentation / Safety	-	-	-	78,000	78,000
TOTAL TANGIBLES >	1,535,230	59,854	300,500	1,079,250	2,974,834
TOTAL COSTS >	5,590,529	5,004,950	965,881	1,165,930	12,727,190

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Perry Hawks
Completions Engineer:	Trace Saha
Production Engineer:	Jan Moenes

Team Lead - WTX/NM   
CSC

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	DEL
Executive VP, Legal	CA
President	MVH

EVP COO- Drilling, Completion and Production 82

## NON OPERATING PARTNER APPROVAL:

Company Name: \_\_\_\_\_ Working Interest (%): \_\_\_\_\_ Tax ID: \_\_\_\_\_

Signed by: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_ Approval: Yes \_\_\_\_\_ No (mark one) \_\_\_\_\_

The costs of this AFE are estimated only and may not be equivalent to savings in any specific item on the total cost of the project. Taking measures approved under the AFE may be delayed up to one year after the cost has been determined. In consulting the AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, training, registration, licensing and software costs, under the terms of the applicable joint operating agreement, regulatory or other agreement covering the use. Participants shall be deemed to have agreed to pay for their own maintenance and general liability insurance costs sufficient to cover their own liability exposure to their members in the Division by the date of sale.

AFE - Version 3



## Exhibit C-6

Carl Mottek WCP

Uncommitted Working Interest Owner

**1. Chevron USA, Inc.**

In addition to sending well proposals, Matador has had several discussions with **Chevron USA, Inc.** regarding their interest and we are continuing to discuss voluntary joinder.

## Exhibit C-7



**Carl Mottek Commitment Summary - WCP**

<b>Owner Name</b>	<b>Ownership Type</b>	<b>Ownership Status</b>	<b>Commitment Type</b>
Chevron USA, Inc.	WI	Uncommitted	N/A
Allar Development LLC	ORRI	Uncommitted	N/A
Chevron Midcontinent LP	ORRI	Uncommitted	N/A
Cornerstone Family Trust	ORRI	Uncommitted	N/A
CrownRock Minerals, L.P.	ORRI	Uncommitted	N/A
MJJ RI LLC	ORRI	Uncommitted	N/A
Nestegg Energy Corporation	ORRI	Uncommitted	N/A

RI= Royalty Interest

ORRI= Overriding Royalty  
Interest

WI= Working Interest