

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JANUARY 8, 2026**

CASE No. 25784

ART SMITH 244H EXTENSION ORDER R-23602

LEA COUNTY, NEW MEXICO



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

**APPLICATION OF MRC PERMIAN
COMPANY TO EXTEND THE DRILLING
DEADLINE UNDER ORDER R-23602,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25784
ORDER R-23602**

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

**APPLICATION OF MRC PERMIAN
COMPANY TO EXTEND THE DRILLING
DEADLINE UNDER ORDER NO. R-23602,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25784
ORDER NO. R-23602**

APPLICATION

MRC Permian Company (“MRC” or “Applicant”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to extend the drilling deadline under compulsory pooling Order No. R-23602 (“Order”). In support of its application, MRC states:

1. On December 12, 2024, the Division entered Order No. R-23602 in Case No. 24297, which approved a standard 324.20-acre, more or less, horizontal well spacing unit in the Wolfcamp formation (Airstrip; Wolfcamp [970]) comprised of the E/2 E/2 of Section 34, Township 18 South, Range 34 East, and Lot 1, the SE/4 NE/4, and E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 3, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico (the “Unit”) and pooled the uncommitted mineral interests therein. Matador Production Company (OGRID No. 228937) is the operator under the Pooling Order and the pooled spacing unit is initially dedicated to the proposed **Art Smith State Com 244H** well.

2. Good cause exists to extend the deadline to commence drilling the initial well under the Pooling Order.

3. Under the Order, Applicant would be required to commence drilling the well by December 13, 2025, and therefore, asks for the deadline to commence drilling the well be extended for a year, to December 13, 2026.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: Matador Production Company
Hearing Date: January 8, 2026
Case No. 25784**

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 4, 2025, and, after notice and hearing as required by law, the Division enter an order extending the time for MRC to commence drilling the proposed initial well under the Order.

Respectfully submitted,

HOLLAND & HART LLP

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**ATTORNEYS FOR MRC PERMIAN COMPANY &
MATADOR PRODUCTION COMPANY**

CASE _____: Application of MRC Permian Company to Extend the Drilling Deadline Under Order No. R-23602, Lea County, New Mexico. Applicant in the above-styled cause seeks a year extension of time for drilling the initial well under Order No. R-23602. The Unit is a standard 324.20-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the E/2 E/2 of Section 34, Township 18 South, Range 34 East, and Lot 1, the SE/4 NE/4, and E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 3, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. Order No. R-23602 approved the spacing unit and pooled the uncommitted mineral interests in the Wolfcamp formation and dedicated the Unit to the proposed initial **Art Smith State Com 244H** well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 27, T18S-R34E, with a first take point in the NE/4 NE/4 (Unit A) of Section 34, T18S-R34E, and a last take point in the SE/4 SE/4 (Unit P) of irregular Section 3, T19S-R34E. The subject area is located approximately 22 miles west of Hobbs, New Mexico.

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

IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
MATADOR PRODUCTION COMPANY

CASE NO. 24297
ORDER NO. R-23602

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on November 21, 2024, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

FINDINGS OF FACT

1. Matador Production Company (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
21. This Order shall terminate automatically if the Operator fails to comply with the preceding paragraph unless the Operator requests an extension by notifying the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the extension is automatically granted up to one year. If a protest is received the extension is not granted and the Operator must set the case for a hearing.
22. Operator may propose reasonable deviations from the development plan via notice to the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the deviation is automatically granted. If a protest is received the deviation is not granted and the Operator must set the case for a hearing.

CASE NO. 24297
ORDER NO. R-23602

Page 2 of 5

23. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
24. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
25. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
26. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
27. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
28. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
29. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include

the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

30. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
31. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
32. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to the preceding paragraph to each Pooled Working Interest that paid its share of the Estimated Well Costs.
33. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
34. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
35. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
36. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
37. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**GERASIMOS RAZATOS
DIRECTOR (Acting)**

GR/dm

Date: 12/12/2024

CASE NO. 24297
ORDER NO. R-23602

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R-23602 EXHIBIT A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24297	APPLICANT'S RESPONSE
Date: August 22, 2024	
Applicant	MRC Permian Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company [OGRID 228937]
Applicant's Counsel:	Holland & Hart LLP
Case Title:	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	PBEX, LLC; E.G.L. Resources, Inc.
Well Family	Art Smith
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Airstrip; Wolfcamp (970)
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	324.20-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	E2E2 of Section 34, T18S, R34E and E2E2 of Section 3, T19S, R34E, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in the application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

R-23602 EXHIBIT A

Well #1	Art Smith State Com 244H (API No. pending) SHL: 235' FSL & 880' FEL (Unit P) of Sec. 27, T18S, R34E BHL: 110' FSL & 660' FEL (Unit P) of Sec. 3, T19S, R34E Completion Target: Wolfcamp formation Well Orientation: North-South Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See filed Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibits A-2 and A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-5
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B

R-23602 EXHIBIT A

HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
A-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits A-1, B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	15-Aug-24

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

**APPLICATION OF MRC PERMIAN
COMPANY TO EXTEND THE DRILLING
DEADLINE UNDER ORDER NO. R-23602,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25784
ORDER NO. R-23602**

SELF-AFFIRMED STATEMENT OF ISAAC EVANS

1. My name is Isaac Evans. I work MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a Vice President - Land.
2. I have previously testified before the New Mexico Oil Conservation Division (“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 record.
3. I am familiar with the application filed by Matador in this case, and I am familiar with the status of the lands in the subject area.
4. On December 12, 2024, the Division entered Order No. R-23602 in Case No. 24297, which approved a standard 324.20-acre, more or less, horizontal well spacing unit in the Wolfcamp formation (Airstrip; Wolfcamp [970]) comprised of the E/2 E/2 of Section 34, Township 18 South, Range 34 East, and Lot 1, the SE/4 NE/4, and E/2 SE/4 of irregular Section 3, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico (the “Unit”) and pooled the uncommitted mineral interests therein. Matador Production Company (OGRID No. 228937) is the operator under the Pooling Order and the pooled spacing unit is initially dedicated to the proposed **Art Smith State Com 244H** well.

5. Attached as **Exhibit C-1** is an updated summary of interests pooling exhibit showing the owners under the pooling order on a unit basis, as well as on a tract-by-tract basis. Noted on Exhibit C-1 is an explanation of where certain parties have acquired an interest in the unit from a party that was previously force pooled.

6. **MRC Exhibit C-2** contains a chart showing the owners in spacing unit and whether those owners are already committed to the unit or not and, if so, the type of commitment. MRC Exhibit C-2 also indicates, upon information and belief, the dates notice of this hearing was mailed to each party and the date of notice by publication for this hearing, which is based on information provided by Matador's outside counsel at Holland and Hart who prepared and sent such notices.

7. **MRC Exhibits C-1 and C-2** were either prepared by me or compiled under my direction and supervision.

8. None of the working interest owners that remain subject to these pooling orders have been asked at this time to make an election on the applicable well, or to pay their estimated share of the costs to drill, complete and equip the applicable well.

9. Matador has provided the law firm of Holland & Hart LLP with the names and addresses of the parties subject to the existing pooling order and instructed that they be notified of Matador's extension request. In compiling this notice list, Matador conducted a diligent search of all public records in the county where the proposed wells are located, including computer searches.

10. The granting of this application will prevent waste and protect correlative rights.

11. 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.

<i>Isaac Evans</i>	12/19/2025
ISAAC EVANS	Date:

Exhibit C-1

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-1
Submitted by: Matador Production Company
Hearing Date: January 8, 2026
Case No. 25784

Art Smith State Com 244H - E/2E/2 Wolfcamp (Case No. 25784)**Summary of Interests**

MRC Permian Company			17.726712%
MRC Delaware Resources, LLC			6.204349%
Compulsory Pool Interest Total			76.068939%
Interest Owner	Description	Tract	Working Interest
Endeavor Energy Resources, L.P.	Uncommitted Working Interest Owner	1, 2	23.689081%
PBEX, LLC	Uncommitted Working Interest Owner	1, 2	21.986428%
Heritage Exploration - Permian, LLC**	Uncommitted Working Interest Owner	1, 2	2.442936%
Hold Fast Minerals LLC***	Uncommitted Working Interest Owner	1, 2	1.233806%
Marathon Oil Permian, LLC	Uncommitted Working Interest Owner	3	11.522363%
The Allar Company	Uncommitted Working Interest Owner	3	10.129550%
Sarvis Permian Land Fund I, LLC*	Uncommitted Working Interest Owner	3	1.221877%
Sarvis Rockmont Permian Land Fund, LLC*	Uncommitted Working Interest Owner	3	1.493405%
Sarvis Permian Land Fund I SC, LLC*	Uncommitted Working Interest Owner	3	2.172226%
Highland (Texas) Energy Company	Uncommitted Working Interest Owner	3	0.177267%
Amtex Energy Inc.	Record Title Owner	1, 2	N/A
Echo Production Inc.	Record Title Owner	3	N/A

*Acquired Strategic Energy Income Fund IV, LP's interest

**Acquired a portion of PBEX, LLC's interest

***Acquired David C. Cotner's interest

Art Smith State Com 244H - E/2E/2 Wolfcamp (Case No. 25784)

Summary of Interests

Tract 1 (40.00 acres)

Inerest Owners	Description	Net Mineal Acres	Working Interest in Tract
Endeavor Energy Resources, L.P.	Uncommitted Working Interest Owner	19.2000	48.000000%
PBEX, LLC	Uncommitted Working Interest Owner	17.8200	44.550000%
Heritage Exploration - Permian, LLC**	Uncommitted Working Interest Owner	1.9800	4.950000%
Hold Fast Minerals LLC***	Uncommitted Working Interest Owner	1.0000	2.500000%
Amtex Energy Inc.	Record Title Owner	N/A	N/A

Tract 2 (120.00 acres)

Inerest Owners	Description	Net Mineal Acres	Working Interest in Tract
Endeavor Energy Resources, L.P.	Uncommitted Working Interest Owner	57.6000	48.000000%
PBEX, LLC	Uncommitted Working Interest Owner	53.4600	44.550000%
Heritage Exploration - Permian, LLC**	Uncommitted Working Interest Owner	5.9400	4.950000%
Hold Fast Minerals LLC***	Uncommitted Working Interest Owner	3.0000	2.500000%
Amtex Energy Inc.	Record Title Owner	N/A	N/A

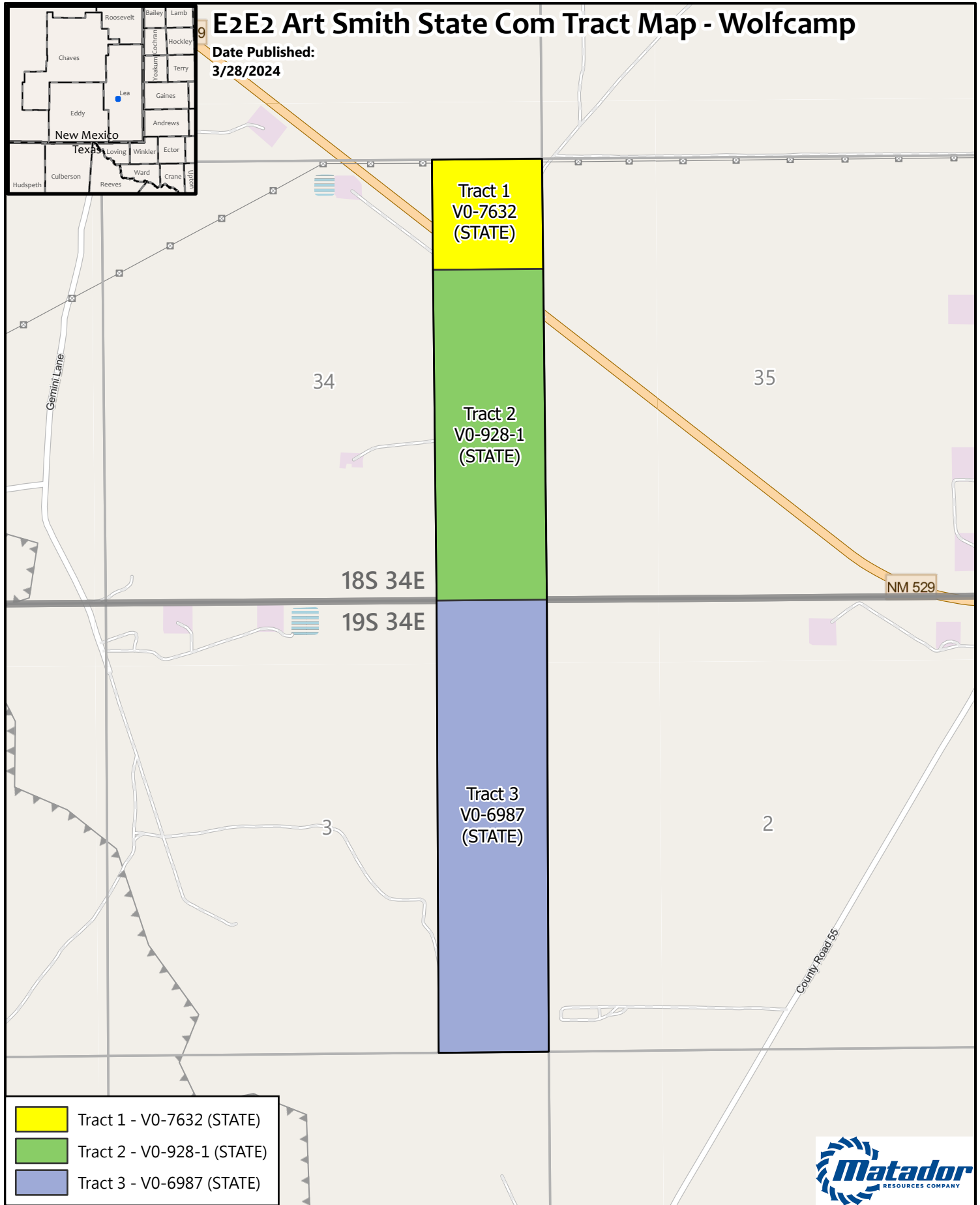
Tract 3 (164.2 acres)

Inerest Owners	Description	Net Mineal Acres	Working Interest in Tract
MRC Permian Company	Committed Working Interest Owner	57.4700	35.000000%
MRC Delaware Resources, LLC	Committed Working Interest Owner	20.1145	12.250000%
Marathon Oil Permian, LLC	Uncommitted Working Interest Owner	37.3555	22.750000%
The Allar Company	Uncommitted Working Interest Owner	32.8400	20.000000%
Sarvis Permian Land Fund I, LLC*	Uncommitted Working Interest Owner	3.9613	2.412500%
Sarvis Rockmont Permian Land Fund, LLC*	Uncommitted Working Interest Owner	4.8416	2.948611%
Sarvis Permian Land Fund I SC, LLC*	Uncommitted Working Interest Owner	7.0424	4.288889%
Highland (Texas) Energy Company	Uncommitted Working Interest Owner	0.5747	0.350000%
Echo Production Inc.	Record Title Owner	N/A	N/A

*Acquired Strategic Energy Income Fund IV, LP's interest

**Acquired a portion of PBEX, LLC's interest

***Acquired David C. Cotner's interest



0 500 1,000 2,000 Feet

1:18,000

1 inch equals 1,500 feet

Map Prepared by: americano.gamarral
Date: March 28, 2024
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-2

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-2
Submitted by: Matador Production Company
Hearing Date: January 8, 2026
Case No. 25784

E/2E/2 Wolfcamp - Art Smith State Com 244H - Case No. 25784							
Owner Name	Ownership Type	Ownership Status	Commitment Type	Notice Provided - Letter	Exhibit	Notice Provided - NOP	Exhibit
Marathon Oil Permian, LLC	WI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
The Allar Company	WI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
Sarvis Permian Land Fund I, LLC	WI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
Sarvis Rockmont Permian Land Fund, LLC	WI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
Sarvis Permian Land Fund I SC, LLC	WI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
Highland (Texas) Energy Company	WI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
Endeavor Energy Resources, L.P.	WI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
PBEX, LLC	WI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
Heritage Exploration - Permian, LLC	WI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
Hold Fast Minerals LLC	WI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
Amtex Energy Inc.	RT	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
Echo Production Inc.	RT	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
John Kyle Thoma, Trustee of the Cornerstone Family Trust dated June 9, 2016	ORRI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
Crownrock Minerals, L.P.	ORRI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
Zunis Energy, LLC	ORRI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
Susannah D. Adelson, Trustee of James Adelson & Family 2015 Trusts	ORRI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
Platform Energy IV, LLC	ORRI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
Charis Royalty F, LP	ORRI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
Sarvis Rockmont Permian Royalty Fund, LLC	ORRI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
Sarvis Permian Royalty Fund I, LLC	ORRI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
Sarvis Permian Royalty Fund I SC, LLC	ORRI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E
PBEX Minerals, LLC	ORRI	Uncommitted	N/A	11/14/2025	D	11/19/2025	E

KEY
WI: Working Interest
ORRI: Overriding Royalty Interest
RT: Record Title

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

**APPLICATION OF MRC PERMIAN
COMPANY TO EXTEND THE DRILLING
DEADLINE UNDER ORDER NO. R-23602,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25784
ORDER NO. R-23602**

**SELF-AFFIRMED STATEMENT OF
A. RAYLEE STARNES**

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 December 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. D
Submitted by: Matador Production Company
Hearing Date: January 8, 2026
Case No. 25784**



A. Raylee Starnes

12/30/25

Date



Paula M. Vance
Associate Attorney
Phone (505) 988-4421
Email pmvance@hollandhart.com

November 14, 2025

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of MRC Permian Company to Extend the Drilling Deadline Under Order No. R-23602, Lea County, New Mexico: Art Smith State Com 244H well

Ladies & Gentlemen:

This letter is to advise you that MRC Permian Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on December 4, 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.

Sincerely,

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

Paula M. Vance
**ATTORNEY FOR MRC PERMIAN COMPANY &
MATADOR PRODUCTION COMPANY**

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Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
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Alaska
Colorado
Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming

MRC - Art Smith Extension Orders - Case nos. 25780-25781, 25783-25784
Postal Delivery Report

9414811898765471998225	Amtex Energy Inc.	PO Box 470158	Fort Worth	TX	76147-0158	Your item has been delivered and is available at a PO Box at 9:20 am on November 20, 2025 in FORT WORTH, TX 76147.
9414811898765471998201	Charis Royalty F, LP	PO Box 470158	Fort Worth	TX	76147-0158	Your item has been delivered and is available at a PO Box at 10:14 am on November 21, 2025 in FORT WORTH, TX 76147.
9414811898765471998294	Crownrock Minerals, L.P.	PO Box 51933	Midland	TX	79710-1933	Your item was picked up at a postal facility at 11:59 am on December 2, 2025 in MIDLAND, TX 79705.
9414811898765471998249	Echo Production Inc.	PO Box 1210	Graham	TX	76450-1210	Your item was picked up at the post office at 12:21 pm on December 1, 2025 in GRAHAM, TX 76450.
9414811898765471998287	Endeavor Energy Resources, L.P.	110 N Marienfeld St	Midland	TX	79701-4400	Your item was picked up at the post office at 8:34 am on November 21, 2025 in MIDLAND, TX 79701.
9414811898765471998232	Heritage Exploration - Permian, LLC	5600 N May Ave Ste 320	Oklahoma City	OK	73112-4275	Your item was delivered to an individual at the address at 3:59 pm on November 18, 2025 in OKLAHOMA CITY, OK 73112.
9414811898765471998270	Highland Texas Energy Company	11886 Greenville Ave Ste 106	Dallas	TX	75243-3569	Your item was delivered to an individual at the address at 3:49 pm on November 21, 2025 in DALLAS, TX 75243.
9414811898765471998812	Hold Fast Minerals LLC	PO Box 80309	Midland	TX	79708-0309	Your item was picked up at the post office at 10:54 am on November 21, 2025 in MIDLAND, TX 79707.
9414811898765471998867	John Kyle Thoma, Trustee of the Cornerstone Family Trust dated June 9, 2016	PO Box 558	Peyton	CO	80831-0558	Your item has been delivered and is available at a PO Box at 2:03 pm on November 19, 2025 in PEYTON, CO 80831.
9414811898765471998805	Marathon Oil Permian, LLC	990 Town And Country Blvd	Houston	TX	77024-2217	Your item was delivered to an individual at the address at 10:45 am on December 6, 2025 in SANTA FE, NM 87501.
9414811898765471998898	PBEX Minerals, LLC, PBEX, LLC	223 W Wall St Ste 900	Midland	TX	79701-4567	Your item was delivered to an individual at the address at 11:21 am on November 24, 2025 in MIDLAND, TX 79701.
9414811898765471998843	Platform Energy IV, LLC	PO Box 2078	Abilene	TX	79604-2078	Your item has been delivered and is available at a PO Box at 8:18 am on November 22, 2025 in ABILENE, TX 79601.
9414811898765471998881	Sarvis Permian Land Fund I SC, LLC, Sarvis Permian Land Fund I, LLC, Sarvis Permian Royalty Fund I SC, LLC, Sarvis Permian Royalty	1401 17th St Ste 1175	Denver	CO	80202-2492	Your item has been delivered to an agent and left with an individual at the address at 10:55 am on November 18, 2025 in DENVER, CO 80202.

MRC - Art Smith Extension Orders - Case nos. 25780-25781, 25783-25784
Postal Delivery Report

9414811898765471998836	Susannah D. Adelson, Trustee of James Adelson & Family 2015 Trusts	15 E 5th St Ste 3300	Tulsa	OK	74103-4340	Your item was delivered to the front desk, reception area, or mail room at 1:10 pm on November 24, 2025 in TULSA, OK 74119.
9414811898765471998874	The Allar Company	PO Box 1567	Graham	TX	76450-7567	Your item was picked up at a postal facility at 9:59 am on November 20, 2025 in GRAHAM, TX 76450.
9414811898765471998713	Zunis Energy, LLC	15 E 5th St Ste 3300	Tulsa	OK	74103-4340	Your item was delivered to the front desk, reception area, or mail room at 12:24 pm on November 18, 2025 in TULSA, OK 74119.

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
November 19, 2025
and ending with the issue dated
November 19, 2025.


Publisher

Sworn and subscribed to before me this
19th day of November 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.

LEGAL NOTICE
November 19, 2025

Case No. 25784: Application of MRC Permian Company to Extend the Drilling Deadline Under Order No. R-23602, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Amtex Energy Inc.; Charis Royalty F, LP; Crownrock Minerals, L.P.; Echo Production Inc.; Endeavor Energy Resources, L.P.; Heritage Exploration - Permian, LLC; Highland (Texas) Energy Company; Hold Fast Minerals LLC; John Kyle Thoma, Trustee of the Cornerstone Family Trust dated June 9, 2016; Marathon Oil Permian, LLC; PBEX Minerals, LLC, PBEX, LLC; Platform Energy IV, LLC; Sarvis Permian Land Fund I SC, LLC, Sarvis Permian Land Fund I, LLC, Sarvis Permian Royalty Fund I SC, LLC, Sarvis Permian Royalty Fund I, LLC, Sarvis Rockmont Permian Land Fund, LLC, Sarvis Rockmont Permian Royalty Fund, LLC; Susannah D. Adelson, Trustee of James Adelson & Family 2015 Trusts; The Allar Company; and Zunis Energy, 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 December 4, 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. Applicant in the above-styled cause seeks a year extension of time for drilling the initial well under Order No. R-23602. The Unit is a standard 324.20-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the E/2 E/2 of Section 34, Township 18 South, Range 34 East, and Lot 1, the SE/4 NE/4, and E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 3, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. Order No. R-23602 approved the spacing unit and pooled the uncommitted mineral interests in the Wolfcamp formation and dedicated the Unit to the proposed initial Art Smith State Com 244H well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 27, T18S-R34E, with a first take point in the NE/4 NE/4 (Unit A) of Section 34, T18S-R34E, and a last take point in the SE/4 SE/4 (Unit P) of irregular Section 3, T19S-R34E. The subject area is located approximately 22 miles west of Hobbs, New Mexico.

#00306318

67100754

00306318

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

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

Submitted by: Matador Production Company

Hearing Date: January 8, 2026

Case No. 25784