

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING SEPTEMBER 7, 2023**

**CASE NO. 23744**

*BIGGERS 113H & 123H WELLS*

**LEA COUNTY, NEW MEXICO**



**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
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. 23744**

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# COMPULSORY POOLING APPLICATION CHECKLIST

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

Case: 23744	APPLICANT'S RESPONSE
Date	September 7, 2023
Applicant	MRC Permian Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company (OGRID No. 228937)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MRC PERMIAN COMPANY FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Tap Rock Operating, LLC; COG Operating LLC, COG Production LLC and COG Acreage LP
Well Family	Biggers Fed Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	WC-025 G-08 S2535240; Bone Spring (97088)
Well Location Setback Rules:	Statewide oil rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	W2E2 of Sections 7 and 18, Township 25 South, Range 35 East, NMPM, Lea County
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-4
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. A  
 Submitted by: Matador Production Company  
 Hearing Date: September 7, 2023  
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Well #1	<b>Biggers Fed Com 113H (API pending)</b> SHL: 89' FSL & 1366' FEL (Unit O) of Section 18 BHL: 60' FNL & 1650' FEL (Unit B) of Section 7 Target: Bone Spring Orientation: South-North Completion: Standard Location
Well #2	<b>Biggers Fed Com 123H (API pending)</b> SHL: 89' FSL & 1336' FEL (Unit O) of Section 18 BHL: 60' FNL & 2310' FEL (Unit B) of Section 7 Target: Bone Spring Orientation: South-North Completion: Standard Location
Horizontal Well First and Last Take Points	<b>Exhibit C-2</b>
Completion Target (Formation, TVD and MD)	<b>Exhibit C-6</b>
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	<b>\$8,000</b>
Production Supervision/Month \$	<b>\$800</b>
Justification for Supervision Costs	<b>Exhibit C</b>
Requested Risk Charge	<b>200%</b>
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	<b>Exhibit B</b>
Proof of Mailed Notice of Hearing (20 days before hearing)	<b>Exhibit E</b>
Proof of Published Notice of Hearing (10 days before hearing)	<b>Exhibit F</b>
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	<b>Exhibit C-3</b>
Tract List (including lease numbers and owners)	<b>Exhibit C-3</b>
List (including lease numbers and owners) of Tracts subject to notice requirements.	<b>N/A</b>
Pooled Parties (including ownership type)	<b>Exhibit C-4 &amp; C-5</b>
Unlocatable Parties to be Pooled	<b>N/A</b>
Ownership Depth Severance (including percentage above & below)	<b>N/A</b>
<b>Joinder</b>	
Sample Copy of Proposal Letter	<b>Exhibit C-6</b>
List of Interest Owners (ie Exhibit A of JOA)	<b>Exhibit C-4</b>
Chronology of Contact with Non-Joined Working Interests	<b>Exhibit C-7</b>
Overhead Rates In Proposal Letter	<b>Exhibit C-6</b>
Cost Estimate to Drill and Complete	<b>Exhibit C-6</b>
Cost Estimate to Equip Well	<b>Exhibit C-6</b>
Cost Estimate for Production Facilities	<b>Exhibit C-6</b>
<b>Geology</b>	

Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit C-2, D-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-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>	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-4
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit C-2
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-3
<b>Additional Information</b>	
Special Provisions/Stipulations	Also seeks approval of overlapping horizontal well spacing units
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Michael H. Feldewert
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	9/5/2023

**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. 23744

**APPLICATION**

MRC Permian Company (“MRC” or “Applicant”), through undersigned attorneys, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying W2E2 of Sections 7 and 18, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal well spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal well spacing unit to the proposed **Biggers 18&7 Fed Com 113H** and the **Biggers 18&7 Fed Com 123H** wells to be horizontally drilled from the SW4SE4 (Unit O) of Section 18 to a bottom hole location in the NW4NE4 (Unit B) of Section 7.
4. This proposed horizontal well spacing unit will overlap a horizontal spacing unit in the WC-025 G-09 S243532M; Wolfbone Pool (98098), an interval and pool different from that targeted by the proposed wells, comprised of the W2E2 equivalent of irregular Section 6 and the

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: Matador Production Company  
Hearing Date: September 7, 2023  
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W2NE4 of Section 7 of Township 25 South, Range 35 East, and dedicated to the COG Stove Pipe Fed Com 2H (30-025-42926).

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

6. Approval of this overlapping horizontal well spacing unit the pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 7, 2023, and, after notice and hearing as required by law, the Division enter an order:

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

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Paula M. Vance  
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**ATTORNEYS FOR MRC PERMIAN COMPANY**

CASE \_\_\_\_\_ :

**Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving an overlapping 320-acre, more or less, standard horizontal well spacing unit in the Bone Spring formation underlying the W2E2 of Sections 7 and 18, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Biggers 18&7 Fed Com 113H** and the **Biggers 18&7 Fed Com 123H** wells to be horizontally drilled from the SW4SE4 (Unit O) of Section 18 to a bottom hole location in the NW4NE4 (Unit B) of Section 7. This proposed horizontal well spacing unit will overlap a horizontal spacing unit in the WC-025 G-09 S243532M; Wolfbone Pool (98098), an interval and pool different from by that targeted by the proposed wells, comprised of the W2E2 equivalent of irregular Section 6 and the W2NE4 of Section 7, Township 25 South, Range 35 East, dedicated to the COG Stove Pipe Fed Com 2H (30-025-42926). Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 12 miles west of Jal, New Mexico.

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

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

CASE NOS. 23744

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 Matador Production Company ("Matador"), as a Landman.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of public record.
3. I am familiar with the application filed by Matador in this case, and I am familiar with the status of the lands in the subject area.
4. In this case, Matador is seeking an order pooling all uncommitted interests in the Bone Spring formation in the standard 320-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Sections 7 and 18, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico, and initially dedicate this Bone Spring spacing unit to the proposed **Biggers 18&7 Fed Com 113H** and the **Biggers 18&7 Fed Com 123H** wells to be horizontally drilled from the SW4SE4 (Unit O) of Section 18 to a bottom hole location in the NW4NE4 (Unit B) of Section 7.

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Santa Fe, New Mexico  
Exhibit No. C

Submitted by: Matador Production Company  
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5. Matador understands this well will be placed in the WC-025 G-08 S2535240; Bone Spring (97088) pool.

6. This 320-acre horizontal well spacing unit will overlap a horizontal spacing unit in the WC-025 G-09 S243532M; Wolfbone Pool (98098), an interval and pool different from by that targeted by the proposed wells, comprised of the W2E2 equivalent of irregular Section 6 and the W2NE4 of Section 7, Township 25 South, Range 35 East, dedicated to the COG Stove Pipe Fed Com 2H (30-025-42926).

7. A map showing each of the above-referenced overlapping spacing units is attached as **Matador Exhibit C-1**.

8. Matador previously provided Holland and Hart with a list of the working interest owners in both Matador's proposed spacing unit in this case as well as the working interest owners in the COG Stove Pipe Fed Com 2H (30-025-42926) well, along with the Bureau of Land Management, and requested that they be provided with notice of this hearing.

9. **Matador Exhibit C-2** contains the Form C-102 for each of the proposed wells.

10. 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.

11. **Matador Exhibit C-3** identifies the tracts of land comprising the proposed horizontal spacing units. The land in the proposed spacing unit is comprised of fee and federal lands.

12. **Matador Exhibit C-4** identifies for the working interest owners that Matador is seeking to pool along with their respective ownership interest in the proposed horizontal spacing

unit. **Matador Exhibit C-4** also identifies the record title owners that Matador seeks to pool in this case.

13. **Matador Exhibit C-5** identifies the overriding royalty owners and nonparticipating minerals owners that Matador seeks to pool in this case.

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

15. While Matador was working to put this unit together, Matador proposed the above well to each of the working interest parties it seeks to pool. **Matador Exhibit C-6** contains a sample well proposal letter that was sent to those parties, along with the AFE sent to working interest owners for each well. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.

16. In addition to sending well proposal letters and AFEs, I have called or emailed each of the working interest owners Matador seeks to pool, to the extent we had contact information. As indicated in **Matador Exhibit C-7**, we have been able to contact and have discussions with all of the working interest owners we seek to pool except for two owners that we have not yet heard back from.

17. **Matador Exhibit C-7** contains a summary chronology of Matador's contacts and attempted contacts with the uncommitted working interest owners. In my opinion, Matador has undertaken good faith efforts to reach an agreement with the uncommitted mineral owners that Matador seeks to pool in this case.

18. Matador 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. Matador respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.

19. I provided Matador's outside counsel, Holland & Hart, a list of names and addresses for the parties that Matador is seeking to pool. In compiling this notice list, Matador conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches.

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

21. 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

9-1-2023

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 7, 2023  
Case No. 23744**



# **Exhibit C-2**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-2  
Submitted by: Matador Production Company  
Hearing Date: September 7, 2023  
Case No. 23744**

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources  
Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 97088		<sup>3</sup> Pool Name WL-025 G-08 52535340; Bone Springs	
<sup>4</sup> Property Code		<sup>5</sup> Property Name BIGGERS FED COM			<sup>6</sup> Well Number 113H
<sup>7</sup> OGRID No. 228937		<sup>8</sup> Operator Name MATADOR PRODUCTION COMPANY			<sup>9</sup> Elevation 3335'

<sup>10</sup>Surface Location

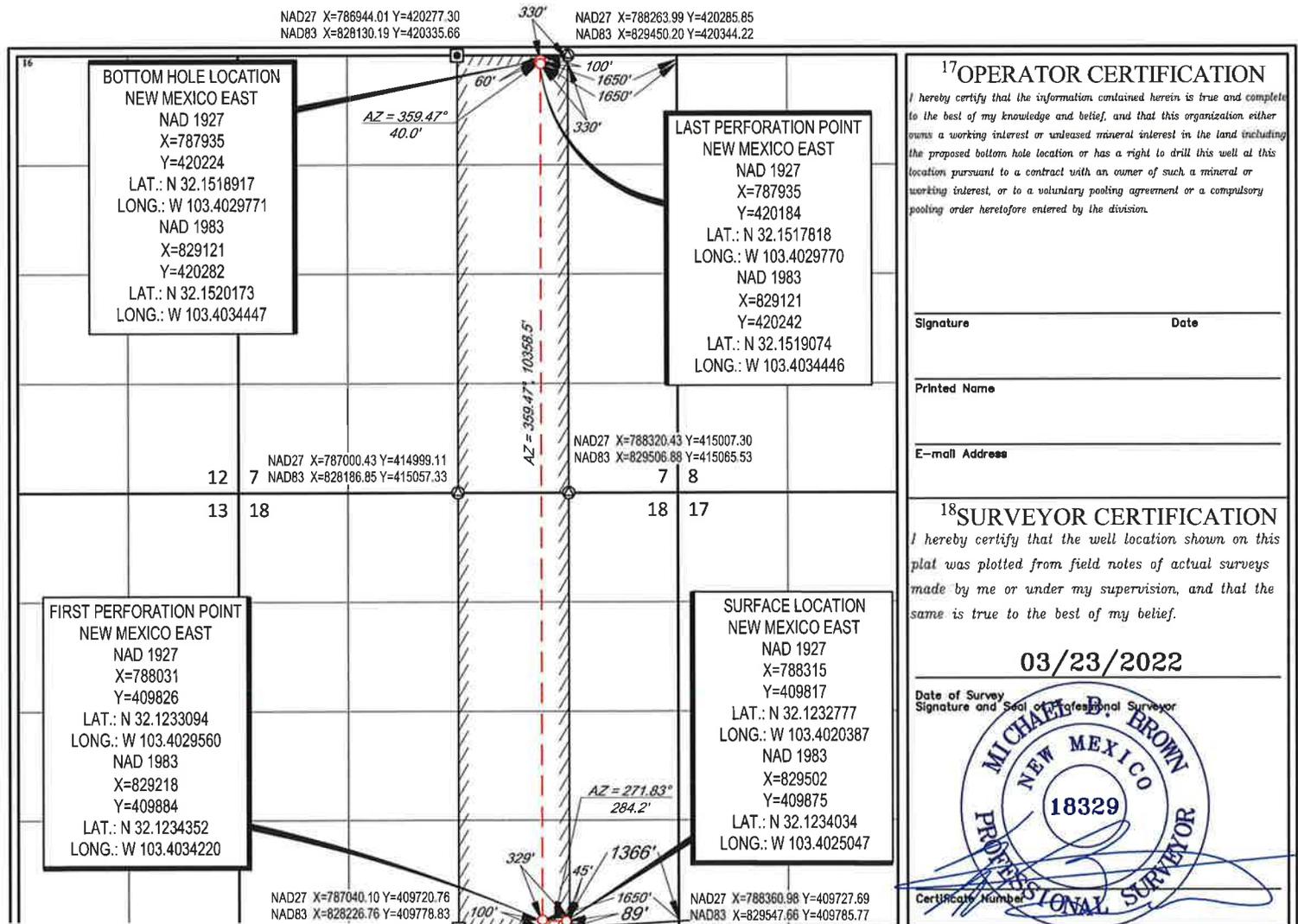
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	18	25-S	35-E	-	89'	SOUTH	1366'	EAST	LEA

<sup>11</sup>Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	7	25-S	35-E	-	60'	NORTH	1650'	EAST	LEA

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.

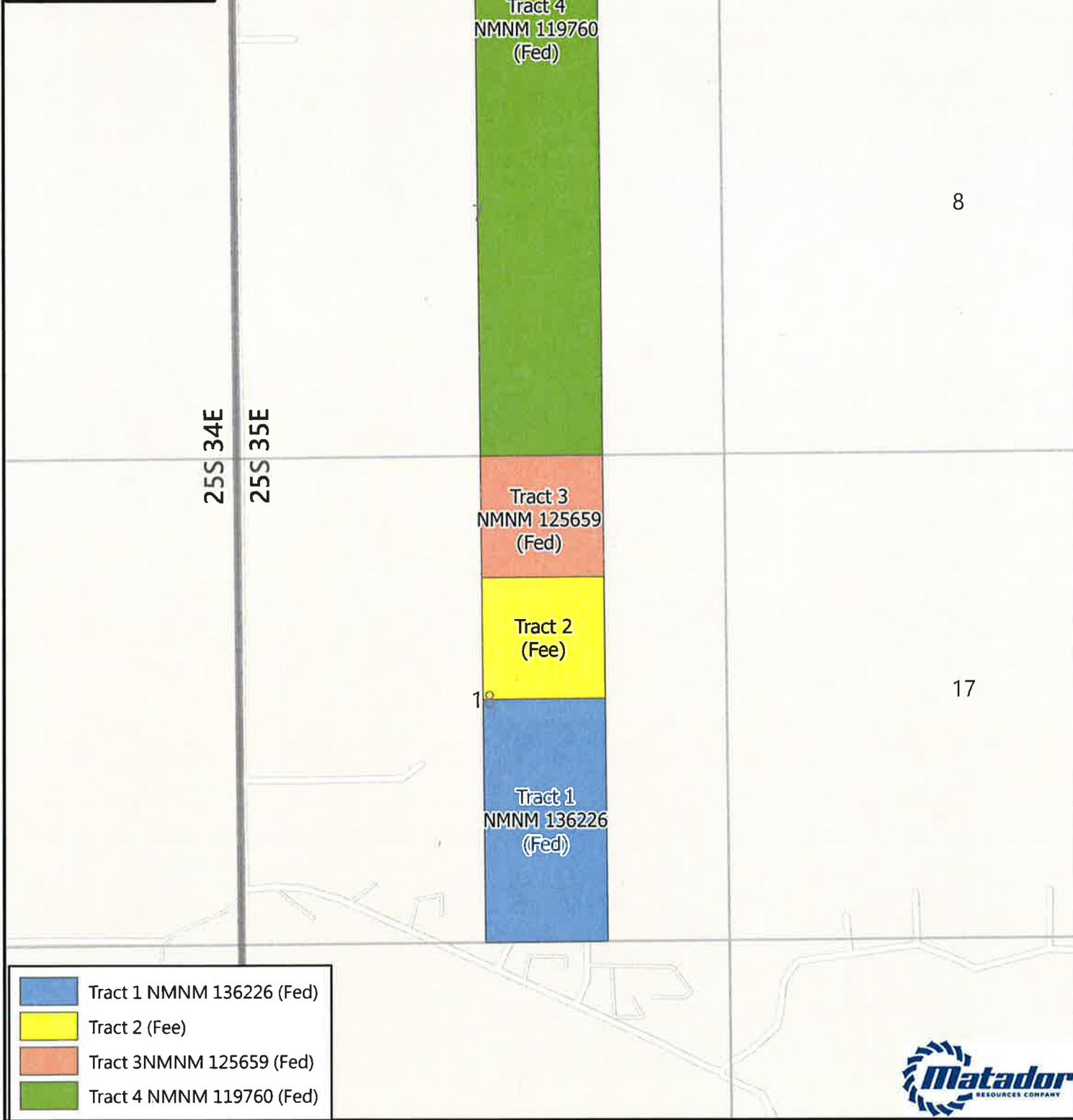




# **Exhibit C-3**

# Biggers Fed Com (W2E2) Tract Map

Date Published:  
8/22/2023



Tract 4  
NMNM 119760  
(Fed)

Tract 3  
NMNM 125659  
(Fed)

Tract 2  
(Fee)

Tract 1  
NMNM 136226  
(Fed)

- Tract 1 NMNM 136226 (Fed)
- Tract 2 (Fee)
- Tract 3 NMNM 125659 (Fed)
- Tract 4 NMNM 119760 (Fed)



**GIS Standard Map Disclaimer:**  
 This information is provided for informational purposes only and may not have been prepared for or be suitable for legal, engineering, or planning purposes. Users of this information should verify or contact the primary data and information sources to ascertain the validity of the information.

## 1:18,000

1 inch equals 1,500 feet

Map Prepared by: americo.gamarral  
 Date: August 22, 2023  
 Project: \\gis\UserData\agamarra\temp\20230821 Leslie-Biggers Tract Map\Leslie-Biggers 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 7, 2023  
Case No. 23744**

## Summary of Interests

MRC Permian Company Working Interest			43.969271%
Compulsory Pool Interest Total:			56.030729%
Interest Owner:	Description:	Tract	Interest:
COG Production, LLC	Uncommitted Working Interest Owner	4	50.000000%
COG Operating, LLC	Uncommitted Working Interest Owner	2	1.072917%
COG Acreage, LP	Uncommitted Working Interest Owner	2	0.625000%
Tap Rock Resources II, LLC	Uncommitted Working Interest Owner	2	1.789062%
Franklin Mountain Energy 2, LLC	Uncommitted Working Interest Owner	2	0.781250%
Marathon Oil Permian, LLC	Uncommitted Working Interest Owner	2	0.781250%
Prime Rock Resources AssetCo, LLC	Uncommitted Working Interest Owner	2	0.781250%



# Summary of Interests Continued

Interest Owner:	Description:	Tract	Interest:
Chief Capital (O&G) II LLC	Uncommitted Working Interest Owner	2	0.137500%
Ohio State University	Unleased Mineral Owner	2	0.031250%
West Texas A&M University	Unleased Mineral Owner	2	0.031250%
COG Production, LLC	Record Title Owner	4	N/A



# **Exhibit C-5**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-5  
Submitted by: Matador Production Company  
Hearing Date: September 7, 2023  
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**Biggers Fed Com W2E2**

Working Interest Owners	
<b>Name</b>	
COG Acreage, LP	
COG Operating, LLC	
COG Production, LLC	
Tap Rock Resources II, LLC	
Franklin Mountain Energy 2, LLC	
Marathon Oil Permian, LLC	
Prime Rock Resources AssetCo, LLC	
Chief Capital (O&G) II LLC	
Record Title Owners	
<b>Name</b>	
COG Production, LLC	
ORRI Owners	
<b>Name</b>	
Santo Royalty Company, LLC	
OGX Royalty Fund, LP	
Malaga Royalty, LLC	
Malaga EF7, LLC	
Tap Rock Minerals II, LLC	
NPMI Owners	
<b>Name</b>	
Beverly Jean Renfro Barr, Trustee of the Family Trust created under the Last Will and Testament of Richard Kevin Barr	
Bugling Bull Investments, LLC	
Carrollton Mineral Partners IV, LP	
Carrollton Mineral Partners IV, LP (for the duration of Lela Ellen Madera's life only)	
CMP Permian, LP	
CMP Permian, LP (for the duration of Lela Ellen Madera's life only)	
TWR IV LLC	
Foundation Minerals, LLC	
G. Dan Thompson, as his separate property	
GGM Exploration, Inc.	
Katherine Woltz Aven, as her separate property	

Post Oak Mavros II LLC
Sortida Resources, LLC
Michael Fred Madera, as his separate property
Oak Valley Mineral and Land, LP
Pegasus Resources, LLC
Riverbend Oil & Gas IX Investments, LLC
TD Minerals, LLC
SMP Sidecar Titan Mineral Holdings, LP
SMP Titan Mineral Holdings, LP
MSH Family Real Estate Partnership II, LLC
SMP Titan Flex, LP
<b>Overlapping Spacing Unit Owners</b>
<b>Name</b>
COG Operating, LLC
COG Production, LLC
The United States of America

# **Exhibit C-6**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-6  
Submitted by: Matador Production Company  
Hearing Date: September 7, 2023  
Case No. 23744**

# Matador Production Company

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

Voice 972.587.4628 • Fax 214.866.4883

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

Isaac C. Evans  
Senior Staff Landman

June 6, 2023

VIA CERTIFIED RETURN RECEIPT MAIL

COG Operating, LLC  
600 W. Illinois Avenue  
Midland, Texas 79701  
Attn: NM OBO Land

Re: Biggers 18&7 Fed Com #113H, #114H, #123H, #124H, #223H & #224H (the "Wells")  
Participation Proposal  
E/2 of Section 7 & N/2NE/4, S/2NE/4, SE/4 of Section 18, Township 25 South, Range 35 East, Lea  
County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Biggers 18&7 Fed Com #113H, Biggers 18&7 Fed Com #114H, Biggers 18&7 Fed Com #123H, Biggers 18&7 Fed Com #124H, Biggers 18&7 Fed Com #223H & Biggers 18&7 Fed Com #224H wells, located in the E/2 of Section 7 & N/2NE/4, S/2NE/4, SE/4 of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of the Biggers 18&7 Fed Com #113H, Biggers 18&7 Fed Com #114H, Biggers 18&7 Fed Com #123H & Biggers 18&7 Fed Com #124H is itemized on the four (4) enclosed Authority for Expenditures ("AFE") dated February 23, 2023.
- The estimated cost of drilling, testing, completing, and equipping of the Biggers 18&7 Fed Com #223H & Biggers 18&7 Fed Com #224H is itemized on the two (2) enclosed Authority for Expenditures ("AFE") dated May 25, 2023.
- **Biggers 18&7 Fed Com #113H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SE/4 of Section 18-25S-35E, a proposed first take point located at 100' FSL and 1,650' FEL of Section 18-25S-35E, and a proposed last take point located at 100' FNL and 1,650' FEL of Section 7-25S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,460' TVD) to a Measured Depth of approximately 20,627'.
- **Biggers 18&7 Fed Com #114H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SE/4 of Section 18-25S-35E, a proposed first take point located at 100' FSL and 330' FEL of Section 18-25S-35E, and a proposed last take point located at 100' FNL and 330' FEL of Section 7-25S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,445' TVD) to a Measured Depth of approximately 20,621'.

- **Biggers 18&7 Fed Com #123H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SE/4 of Section 18-25S-35E, a proposed first take point located at 100' FSL and 2,310' FEL of Section 18-25S-35E, and a proposed last take point located at 100' FNL and 2,310' FEL of Section 7-25S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,045' TVD) to a Measured Depth of approximately 21,212'.
- **Biggers 18&7 Fed Com #124H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SE/4 of Section 18-25S-35E, a proposed first take point located at 100' FSL and 990' FEL of Section 18-25S-35E, and a proposed last take point located at 100' FNL and 990' FEL of Section 7-25S-35E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~11,020' TVD) to a Measured Depth of approximately 21,187'.
- **Biggers 18&7 Fed Com #223H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SE/4 of Section 18-25S-35E, a proposed first take point located at 100' FSL and 1,980' FEL of Section 18-25S-35E, and a proposed last take point located at 100' FNL and 1,980' FEL of Section 7-25S-35E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,990' TVD) to a Measured Depth of approximately 23,257'.
- **Biggers 18&7 Fed Com #224H:** to be drilled from a legal location with a proposed surface hole location in the SW/4SE/4 of Section 18-25S-35E, a proposed first take point located at 100' FSL and 660' FEL of Section 18-25S-35E, and a proposed last take point located at 100' FNL and 660' FEL of Section 7-25S-35E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~12,970' TVD) to a Measured Depth of approximately 23,237'.

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 is enclosed for your review. The proposed Operating Agreement is dated January 1, 2023, by and between Matador Production Company, as Operator and MRC Permian Company, et al as Non-Operators, covers certain depths in the E/2 of Section 7 & N/2NE/4, S/2NE/4, SE/4 of Section 18, Township 25 South, Range 35 East, Lea County, New Mexico, and has the following general provisions:

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

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

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

Sincerely,

MRC PERMIAN COMPANY



Isaac C. Evans

**COG Operating, LLC hereby elects to:**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Biggers 18&7 Fed Com #113H** well.

\_\_\_\_\_ Not to participate in the **Biggers 18&7 Fed Com #113H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Biggers 18&7 Fed Com #114H** well.

\_\_\_\_\_ Not to participate in the **Biggers 18&7 Fed Com #114H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Biggers 18&7 Fed Com #123H** well.

\_\_\_\_\_ Not to participate in the **Biggers 18&7 Fed Com #123H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Biggers 18&7 Fed Com #124H** well.

\_\_\_\_\_ Not to participate in the **Biggers 18&7 Fed Com #124H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Biggers 18&7 Fed Com #223H** well.

\_\_\_\_\_ Not to participate in the **Biggers 18&7 Fed Com #223H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Biggers 18&7 Fed Com #224H** well.

\_\_\_\_\_ Not to participate in the **Biggers 18&7 Fed Com #224H**

**COG Operating, 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:	February 23, 2023	AFE NO.:	
WELL NAME:	Biggers 18&7 Fed Com 113H	FIELD:	
LOCATION:	Sections 18&7-25S-35E	MD/TVD:	20627/10460'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	10,000
MRC WI:			
GEOLOGIC TARGET:	First Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 2 mile long First Bone Spring sand target with about 46 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ 15,000	\$ 10,000	\$ 83,000
Location, Surveys & Damages	156,333	13,000	15,000	12,500	196,833
Drilling	1,091,703	-	-	-	1,091,703
Cementing & Float Equip	248,000	-	-	-	248,000
Logging / Formation Evaluation	-	3,780	3,000	-	6,780
Flowback - Labor	-	-	8,400	-	8,400
Flowback - Surface Rentals	-	-	118,240	-	118,240
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	22,500	-	-	-	22,500
Mud Circulation System	54,175	-	-	-	54,175
Mud & Chemicals	355,000	66,000	23,000	-	444,000
Mud / Wastewater Disposal	165,000	-	-	1,000	166,000
Freight / Transportation	12,750	40,150	-	-	52,900
Rig Supervision / Engineering	124,000	97,460	10,000	1,800	233,260
Drill Bits	73,700	-	-	-	73,700
Fuel & Power	195,000	475,588	-	-	670,588
Water	35,000	871,500	2,000	1,000	909,500
Drlg & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	331,172	-	-	-	331,172
Completion Unit, Swab, CTU	-	189,750	9,000	-	198,750
Perforating, Wireline, Slickline	-	212,132	-	-	212,132
High Pressure Pump Truck	-	71,500	8,000	-	79,500
Stimulation	-	2,776,221	-	-	2,776,221
Stimulation Flowback & Disp	-	17,050	195,000	-	212,050
Insurance	37,129	-	-	-	37,129
Labor	168,500	119,350	10,000	5,000	302,850
Rental - Surface Equipment	118,641	368,795	10,000	5,000	520,436
Rental - Downhole Equipment	193,750	113,300	2,000	-	309,050
Rental - Living Quarters	48,330	67,331	-	5,000	120,661
Contingency	279,815	283,551	42,864	4,130	610,360
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,777,488</b>	<b>5,808,458</b>	<b>471,504</b>	<b>45,430</b>	<b>10,100,880</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 86,032	\$ -	\$ -	\$ -	\$ 86,032
Intermediate Casing	653,703	-	-	-	653,703
Drilling Liner	-	-	-	-	-
Production Casing	1,013,697	-	-	-	1,013,697
Production Liner	-	-	-	-	-
Tubing	-	-	117,300	-	117,300
Wellhead	73,000	-	45,000	-	118,000
Packers, Liner Hangers	-	94,341	6,000	-	100,341
Tanks	-	-	-	35,000	35,000
Production Vessels	-	-	-	137,861	137,861
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	56,000	-	56,000
Compressor	-	-	-	27,500	27,500
Installation Costs	-	-	-	140,300	140,300
Surface Pumps	-	-	5,000	16,500	21,500
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	39,429	50,429
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	76,929	76,929
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	11,429	11,429
Flare Stack	-	-	-	23,571	23,571
Electrical / Grounding	-	-	2,000	45,714	47,714
Communications / SCADA	-	-	5,000	11,429	16,429
Instrumentation / Safety	-	-	-	58,357	58,357
<b>TOTAL TANGIBLES &gt;</b>	<b>1,828,432</b>	<b>94,341</b>	<b>249,300</b>	<b>745,818</b>	<b>2,918,891</b>
<b>TOTAL COSTS &gt;</b>	<b>5,605,920</b>	<b>5,902,799</b>	<b>720,804</b>	<b>791,248</b>	<b>13,016,781</b>

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Blake Hermes	Team Lead - WTX/NM	
Completions Engineer:	Trace Saha		CSC
Production Engineer:	Jan Mosnes		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	DEL	EVP COO- Drilling, Completion and Production	BG
Executive VP, Legal	CA	SVP Geoscience	ELF
President	MVH		

NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be considered as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, but not limited to, legal, contract, 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 deemed to have consented to and be deemed 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 issue.

**MATADOR PRODUCTION COMPANY**

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1800 • DALLAS, TEXAS 75240

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

**ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE**

DATE:	February 23, 2023	AFE NO.:	
WELL NAME:	Biggers 18&7 Fed Com 123H	FIELD:	
LOCATION:	Sections 18&7-25S-35E	MD/TVD:	21212'/11045'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	10,000
MRC WI:			
GEOLOGIC TARGET:	Second Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 2 mile long Second Bone Spring sand target with about 46 frac stages		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ 15,000	\$ 10,000	\$ 83,000
Location, Surveys & Damages	156,333	13,000	15,000	12,500	196,833
Drilling	1,021,243	-	-	-	1,021,243
Cementing & Float Equip	249,000	-	-	-	249,000
Logging / Formation Evaluation	-	3,780	3,000	-	6,780
Flowback - Labor	-	-	8,400	-	8,400
Flowback - Surface Rentals	-	-	118,240	-	118,240
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	22,500	-	-	-	22,500
Mud Circulation System	50,625	-	-	-	50,625
Mud & Chemicals	355,000	66,000	23,000	-	444,000
Mud / Wastewater Disposal	166,000	-	-	1,000	168,000
Freight / Transportation	12,750	40,150	-	-	52,900
Rig Supervision / Engineering	116,000	97,460	10,000	1,800	225,260
Drill Bits	73,700	-	-	-	73,700
Fuel & Power	180,000	475,588	-	-	655,588
Water	35,000	871,500	2,000	1,000	909,500
Drig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	339,544	-	-	-	339,544
Completion Unit, Swab, CTU	-	189,750	9,000	-	198,750
Perforating, Wireline, Slickline	-	212,132	-	-	212,132
High Pressure Pump Truck	-	71,500	8,000	-	79,500
Stimulation	-	2,899,750	-	-	2,899,750
Stimulation Flowback & Dlap	-	17,050	195,000	-	212,050
Insurance	38,182	-	-	-	38,182
Labor	168,500	119,350	10,000	5,000	302,850
Rental - Surface Equipment	107,779	388,795	10,000	5,000	511,574
Rental - Downhole Equipment	187,250	113,300	2,000	-	302,550
Rental - Living Quarters	46,470	67,331	-	5,000	118,801
Contingency	271,430	283,551	42,864	4,130	601,975
<b>TOTAL INTANGIBLES &gt;</b>	<b>3,664,306</b>	<b>5,929,987</b>	<b>471,504</b>	<b>45,430</b>	<b>10,111,227</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 86,032	\$ -	\$ -	\$ -	\$ 86,032
Intermediate Casing	653,703	-	-	-	653,703
Drilling Liner	-	-	-	-	-
Production Casing	1,042,021	-	-	-	1,042,021
Production Liner	-	-	-	-	-
Tubing	-	-	124,200	-	124,200
Wellhead	73,000	-	28,000	-	101,000
Packers, Liner Hangers	-	94,341	6,000	-	100,341
Tanks	-	-	-	35,000	35,000
Production Vessels	-	-	-	137,661	137,661
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	26,000	-	26,000
Compressor	-	-	-	27,500	27,500
Installation Costs	-	-	-	140,300	140,300
Surface Pumps	-	-	5,000	16,500	21,500
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	39,429	50,429
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	76,929	76,929
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	11,429	11,429
Flare Stack	-	-	-	23,571	23,571
Electrical / Grounding	-	-	2,000	45,714	47,714
Communications / SCADA	-	-	5,000	11,429	16,429
Instrumentation / Safety	-	-	-	58,357	58,357
<b>TOTAL TANGIBLES &gt;</b>	<b>1,854,756</b>	<b>94,341</b>	<b>209,200</b>	<b>745,818</b>	<b>2,904,115</b>
<b>TOTAL COSTS &gt;</b>	<b>5,519,062</b>	<b>6,024,329</b>	<b>680,704</b>	<b>781,248</b>	<b>13,015,342</b>

**PREPARED BY MATADOR PRODUCTION COMPANY:**

Drilling Engineer:	Blake Hermes	Team Lead - WTX/NM	
Completions Engineer:	Trace Saah		CSC
Production Engineer:	Jan Moanes		

**MATADOR RESOURCES COMPANY APPROVAL:**

Executive VP, COO/CFO	DEL	EVP COO- Drilling, Completion and Production	BG
Executive VP, Legal	CA	SVP Geoscience	ELF
President	MVH		

**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 obligations on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, but not limited to, 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 shall proportionately be Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of AFE.

# **Exhibit C-7**

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-7  
Submitted by: Matador Production Company  
Hearing Date: September 7, 2023  
Case No. 23744**

**Summary of Communications – W2E2 Biggers Fed Com**

**Uncommitted Working Interest:**

**1. COG Production, LLC**

In addition to sending well proposals, Matador has had discussions with COG Production, LLC regarding this project and potential voluntary joinder.

**2. COG Operating, LLC**

In addition to sending well proposals, Matador has had discussions with COG Operating, LLC regarding this project and potential voluntary joinder.

**3. COG Acreage, LP**

In addition to sending well proposals, Matador has had discussions with COG Acreage, LP regarding this project and potential voluntary joinder.

**4. Tap Rock Resources II, LLC**

In addition to sending well proposals, Matador has had discussions with Tap Rock Resources II, LLC regarding this project and potential voluntary joinder.

**5. Franklin Mountain Energy 2, LLC**

In addition to sending well proposals, Matador has had discussions with Franklin Mountain Energy 2, LLC regarding this project and potential voluntary joinder.

**6. Marathon Oil Permian, LLC**

In addition to sending well proposals, Matador has had discussions with Marathon Oil Permian, LLC regarding this project.

**7. Prime Rock Resources AssetCo, LLC**

In addition to sending well proposals, Matador has had discussions with Prime Rock Resources AssetCo, LLC regarding this project and potential voluntary joinder.

**8. Chief Capital (O&G) II, LLC**

In addition to sending well proposals, Matador had discussions with Chief Capital (O&G) II, LLC regarding this project.

**9. Ohio State University**

In addition to sending well proposals, Matador has attempted to contact Ohio State University regarding this project to discuss potential voluntary joinder or leasing.

**10. West Texas A&M University**

In addition to sending well proposals, Matador has attempted to contact West Texas A&M University regarding this project to discuss potential voluntary joinder or leasing.

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

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

**CASE NOS. 23742, 23743,  
23744 and 23745**

**AFFIDAVIT OF LIZ OLSON**

Liz Olson, of lawful age and being first duly sworn, declares as follows:

1. My name is Liz Olson and I am employed by MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a Senior Geologist.

2. I graduated from Washington and Lee University in 2014 with a bachelor’s degree in geology. Following graduation, I worked for Advanced Resources International, an energy research and consulting firm, for about one year before attending Louisiana State University where I earned a master’s degree in geology and geophysics and a graduate certificate in Applied Depositional Systems in 2017. During the Summer of 2016, I worked as a geoscience intern for Indigo Natural Resources. After receiving my master’s degree, I interned with Anadarko Petroleum Corporation during the Summer of 2018 and then started as an employee of Anadarko following my internship in January 2019. While at Anadarko, I worked as a geologist in the Delaware Basin. I left Anadarko (then Occidental Petroleum) in December 2019 and started working for Matador in February 2020 as a geologist. Since I have been at Matador, I have been working as a geologist in the Delaware Basin, including in Eddy and Lea Counties, New Mexico. As part of my employment for Matador, I am also required to complete at least 40 hours of

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

**Submitted by: Matador Production Company  
Hearing Date: September 7, 2023  
Case No. 23744**

continuing education each year. I am also a member of the American Association of Petroleum Geologists and the West Texas Geological Society.

3. I am familiar with the applications filed by Matador in these cases and have conducted a geologic study of the lands in the subject area.

4. **Matador Exhibit D-1** is a locator map outlining the horizontal spacing units with a black box shaded in yellow, with the larger area identified in a red box.

5. The target intervals for the initial wells in these proposed spacing units are the First Bone Spring and Second Bone Spring of the Bone Spring formation.

6. **Matador Exhibit D-2** is a subsea structure map that I prepared for the top of the Bone Spring formation. The contour interval is 50 feet. The structure map shows the Bone Spring formation gently dipping to the west/southwest. The structure appears consistent across the proposed spacing units, and I do not observe any faulting, pinch outs, or other geologic impediments to horizontal drilling.

7. Also included on Matador Exhibit D-2 is a line of cross section from A to A'.

8. **Matador Exhibit D-3** is a structural cross-section that I prepared displaying open-hole logs run over the Bone Spring formation from the three representative wells denoted from A to A'. For each well in the cross-section, the following logs are included, when available: gamma ray, caliper, resistivity, and porosity. The proposed target interval of each of the respective proposed wells is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted intervals, within the Bone Spring formation, are consistent in thickness across the entirety of the proposed spacing units.

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

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

11. 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.

12. In my opinion, the standup orientation is the preferred orientation for development in this area for the target intervals of these wells because the maximum horizontal stress is approximately east-west in this area.

13. Approving Matador's applications will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

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

FURTHER AFFIANT SAYETH NOT

  
\_\_\_\_\_  
LIZ OLSON

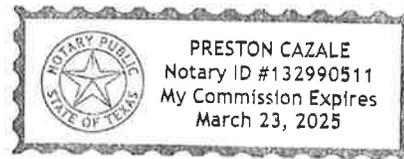
STATE OF TEXAS                    )  
  )  
COUNTY OF Dallas                  )

SUBSCRIBED and SWORN to before me this 30th day of August 2023 by Liz Olson.

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

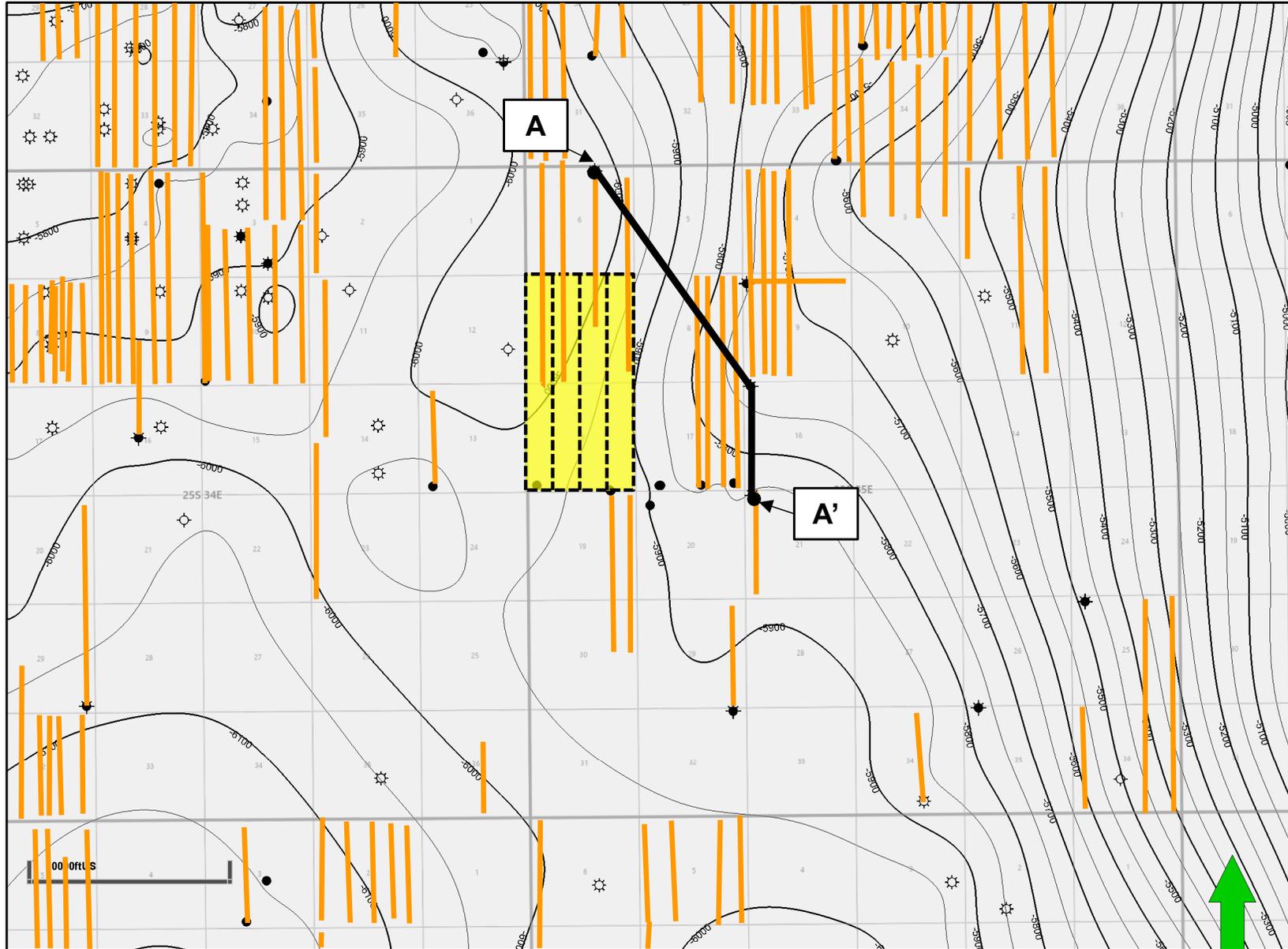
3/23/2025





# WC-025 G-08 S253534O; Bone Spring (Pool Code 97088) Structure Map (Top Bone Spring Subsea) A – A' Reference Line

Exhibit D-2



### Map Legend

**Bone Spring Wells**



**Project Area**



**C. I. = 50'**

Biggers Fed Com #111H, #121H, #112H, #122H, #113H, #123H, #114H, and #124H

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D-2

Submitted by: Matador Production Company

Hearing Date: September 7, 2023

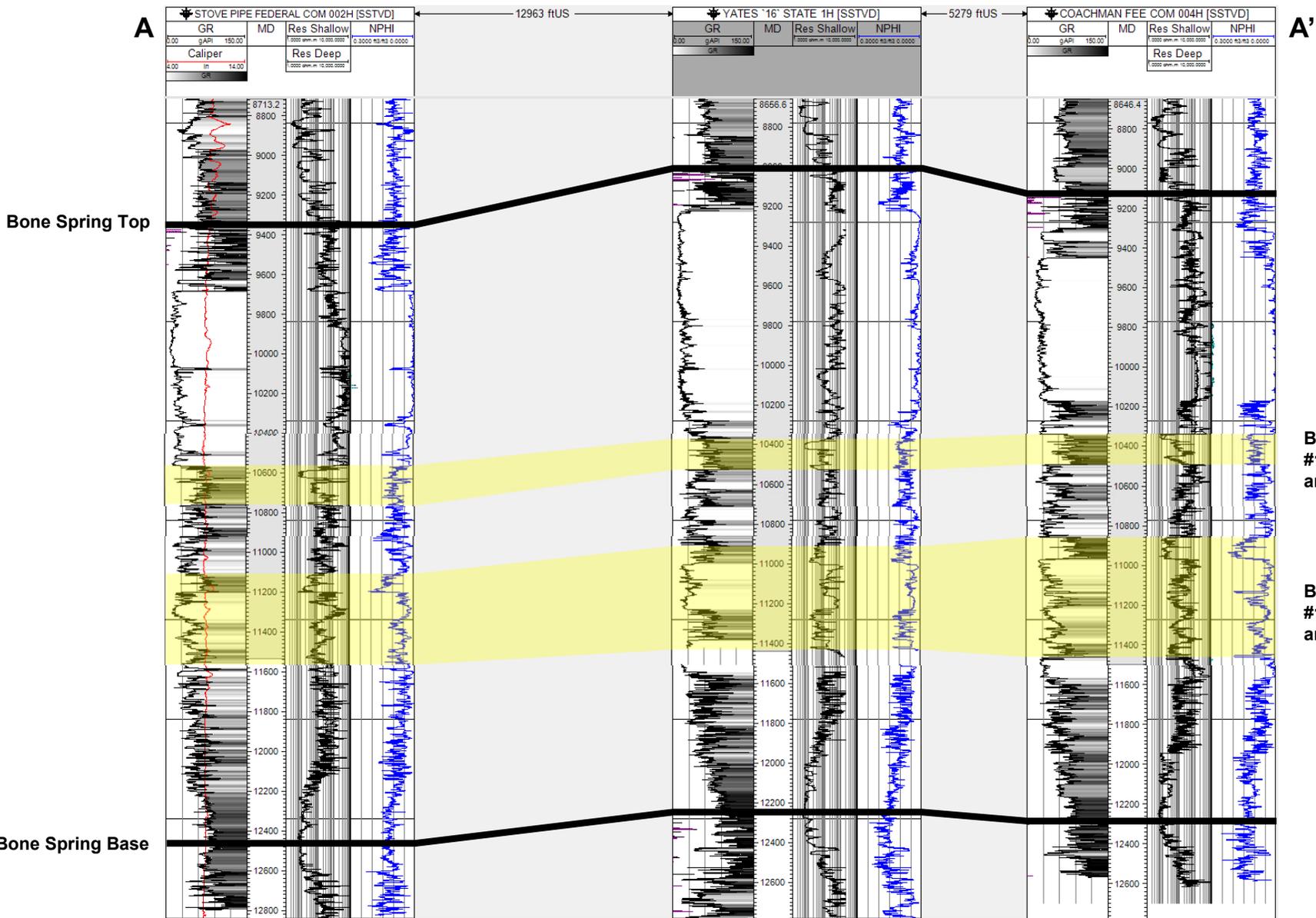
Case No. 23744



D-2

# WC-025 G-08 S253534O; Bone Spring (Pool Code 97088) Structural Cross-Section A – A'

# Exhibit D-3



Biggers Fed Com #111H, #112H, #113H, and #114H Target

Biggers Fed Com #121H, #122H, #123H, and #124H Target

Biggers Fed Com #111H, #121H, #112H, #122H, #113H, #123H, #114H, and #124H

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. D-3  
 Submitted by: Matador Production Company  
 Hearing Date: September 7, 2023  
 Case No. 23744



D-3



STATE OF NEW MEXICO  
 NOTARY PUBLIC  
 KARI D PEREZ  
 COMMISSION # 1138272  
 COMMISSION EXPIRES 06/28/2026

*[Handwritten signature]*  
 Notary Public

*[Handwritten signature]*  
 My Commission Expires:

Feldewert.

SUBSCRIBED AND SWORN to before me this 5th day of September 2023 by Michael H.



**Michael Feldewert**  
**Partner**  
**Phone** (505) 988-4421  
**Email** mhfeldewert@hollandhart.com

August 18, 2023

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

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico: Biggers 18&7 Fed Com 113H and 123H wells**

Ladies & Gentlemen:

This letter is to advise you that MRC Permian Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on September 7, 2023, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

**Due to the remodeling of the state building where the New Mexico Oil Conservation Division is located, hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic 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,

Michael H. Feldewert  
ATTORNEY FOR MRC PERMIAN COMPANY

T 505.988.4421 F 505.983.6043  
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849  
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208  
[www.hollandhart.com](http://www.hollandhart.com)

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

MRC - Biggers 113H and 123H wells Case no. 23744  
Postal Delivery Report

9414811898765410124432	COG Acreage, LP	600 W Illinois Ave	Midland	TX	79701-4882	Your item was delivered to the front desk, reception area, or mail room at 8:02 am on August 23, 2023 in MIDLAND, TX 79701.
9414811898765410124517	COG Operating, LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was delivered to the front desk, reception area, or mail room at 8:02 am on August 23, 2023 in MIDLAND, TX 79701.
9414811898765410124555	COG Production, LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was delivered to the front desk, reception area, or mail room at 8:02 am on August 23, 2023 in MIDLAND, TX 79701.
9414811898765410124562	Tap Rock Resources II, LLC	523 Park Point Dr Ste 200	Golden	CO	80401-9387	Your item was delivered to the front desk, reception area, or mail room at 12:16 pm on August 21, 2023 in GOLDEN, CO 80401.
9414811898765410124524	Franklin Mountain Energy 2, LLC	44 Cook St Ste 1000	Denver	CO	80206-5827	Your item was delivered to the front desk, reception area, or mail room at 1:16 pm on August 22, 2023 in DENVER, CO 80206.
9414811898765410124500	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 1:05 pm on August 22, 2023 in HOUSTON, TX 77024.
9414811898765410124593	Prime Rock Resources AssetCo, LLC	203 W Wall St Ste 1000	Midland	TX	79701-4525	Your item was delivered to an individual at the address at 10:30 am on August 22, 2023 in MIDLAND, TX 79701.
9414811898765410124548	Chief Capital O&G II LLC	8111 Westchester Dr Ste 900	Dallas	TX	75225-6146	Your item was delivered to the front desk, reception area, or mail room at 10:29 am on August 22, 2023 in DALLAS, TX 75225.
9414811898765410124531	Santo Royalty Company, LLC	PO Box 1020	Artesia	NM	88211-1020	Your item was picked up at the post office at 10:43 am on August 22, 2023 in ARTESIA, NM 88210.
9414811898765410124579	OGX Royalty Fund, LP	PO Box 2064	Midland	TX	79702-2064	Your item was delivered to the front desk, reception area, or mail room at 11:06 am on August 23, 2023 in MIDLAND, TX 79701.
9414811898765410125217	Malaga Royalty, LLC	PO Box 2064	Midland	TX	79702-2064	Your item was delivered to the front desk, reception area, or mail room at 11:06 am on August 23, 2023 in MIDLAND, TX 79701.
9414811898765410125255	Malaga EF7, LLC	PO Box 2064	Midland	TX	79702-2064	Your item was delivered to the front desk, reception area, or mail room at 11:06 am on August 23, 2023 in MIDLAND, TX 79701.
9414811898765410125262	Ohio State University	281 W Lane Ave	Columbus	OH	43210-1132	Your item was delivered to the front desk, reception area, or mail room at 11:03 am on August 23, 2023 in COLUMBUS, OH 43210.
9414811898765410125224	West Texas A&M University	2501 4th Ave	Canyon	TX	79016-0001	Your item was delivered at 12:47 pm on August 22, 2023 in CANYON, TX 79016.
9414811898765410125200	Beverly Jean Renfro Barr, Trustee of the Family Trust created under the Last Will and Testament of Richard Kevin Barr	804 Park Vista Cir	Southlake	TX	76092-4342	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

MRC - Biggers 113H and 123H wells Case no. 23744  
Postal Delivery Report

9414811898765410125293	Bugling Bull Investments, LLC	4747 Research Forest Dr unit 180-315	The Woodlands	TX	77381-4912	Your item was delivered to an individual at the address at 2:18 pm on August 22, 2023 in SPRING, TX 77381.
9414811898765410125248	Carrollton Mineral Partners IV, LP	5950 Berkshire Ln Ste 1125	Dallas	TX	75225-5846	Your item was delivered to an individual at the address at 10:38 am on August 22, 2023 in DALLAS, TX 75225.
9414811898765410125231	Carrollton Mineral Partners IV, LP for the duration of Lela Ellen Maderas life only	5950 Berkshire Ln Ste 1125	Dallas	TX	75225-5846	Your item was delivered to an individual at the address at 10:38 am on August 22, 2023 in DALLAS, TX 75225.
9414811898765410125279	CMP Permian, LP	5950 Berkshire Ln Ste 1125	Dallas	TX	75225-5846	Your item was delivered to an individual at the address at 8:55 am on August 23, 2023 in DALLAS, TX 75225.
9414811898765410125811	CMP Permian, LP for the duration of Lela Ellen Maderas life only	5950 Berkshire Ln Ste 1125	Dallas	TX	75225-5846	Your item was delivered to an individual at the address at 10:38 am on August 22, 2023 in DALLAS, TX 75225.
9414811898765410125866	TWR IV LLC	3724 Hulen St	Fort Worth	TX	76107-6816	Your item was delivered to an individual at the address at 10:22 am on August 22, 2023 in FORT WORTH, TX 76107.
9414811898765410125828	Foundation Minerals, LLC	PO Box 50820	Midland	TX	79710-0820	Your item was delivered to the front desk, reception area, or mail room at 10:19 am on August 22, 2023 in MIDLAND, TX 79710.
9414811898765410125804	G. Dan Thompson, as his separate property	12107 Lueders Ln	Dallas	TX	75230-2376	Your item was delivered at 12:01 pm on August 28, 2023 in DALLAS, TX 75230.
9414811898765410125897	GGM Exploration, Inc.	PO Box 123610	Fort Worth	TX	76121-3610	Your item was delivered at 5:14 am on August 22, 2023 in FORT WORTH, TX 76121.
9414811898765410125842	Katherine Woltz Aven, as her separate property	2512 Doris Dr	Brighton	MI	48114-8935	Your item was returned to the sender at 9:27 am on August 26, 2023 in BRIGHTON, MI 48114 because the forwarding order for this address is no longer valid.
9414811898765410125880	Post Oak Mavros II LLC	34 S Wynden Dr Ste 210	Houston	TX	77056-2531	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765410125835	Sortida Resources, LLC	PO Box 50820	Midland	TX	79710-0820	Your item was delivered to the front desk, reception area, or mail room at 10:19 am on August 22, 2023 in MIDLAND, TX 79710.
9414811898765410125873	Michael Fred Madera, as his separate property	PO Box 645	La Pine	OR	97739-0645	Your item was picked up at the post office at 10:53 am on August 22, 2023 in LA PINE, OR 97739.
9414811898765410125712	Oak Valley Mineral and Land, LP	PO Box 50820	Midland	TX	79710-0820	Your item was delivered to the front desk, reception area, or mail room at 10:19 am on August 22, 2023 in MIDLAND, TX 79710.
9414811898765410125750	Pegasus Resources, LLC	PO Box 733980	Dallas	TX	75373-3980	Your item was picked up at a postal facility at 6:22 pm on August 24, 2023 in DALLAS, TX 75260.

MRC - Biggers 113H and 123H wells Case no. 23744  
 Postal Delivery Report

9414811898765410125767	Riverbend Oil & Gas IX Investments, LLC	1200 Smith St Ste 1950	Houston	TX	77002-4322	Your item was delivered to an individual at the address at 12:05 pm on August 28, 2023 in HOUSTON, TX 77002.
9414811898765410125729	TD Minerals, LLC	8111 Westchester Dr Ste 900	Dallas	TX	75225-6146	Your item was delivered to the front desk, reception area, or mail room at 10:29 am on August 22, 2023 in DALLAS, TX 75225.
9414811898765410125705	SMP Sidecar Titan Mineral Holdings, LP C/O Spicewood Mineral Partners Lp	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Your item was delivered to an individual at the address at 10:10 am on August 22, 2023 in DALLAS, TX 75219.
9414811898765410125798	SMP Titan Mineral Holdings, LP C/O Spicewood Mineral Partners Lp	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Your item was delivered to an individual at the address at 10:11 am on August 22, 2023 in DALLAS, TX 75219.
9414811898765410125743	MSH Family Real Estate Partnership II, LLC C/O Spicewood Mineral Partners Lp	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Your item was delivered to an individual at the address at 10:10 am on August 22, 2023 in DALLAS, TX 75219.
9414811898765410125736	SMP Titan Flex, LP C/O Spicewood Mineral Partners Lp	4143 Maple Ave Ste 500	Dallas	TX	75219-3294	Your item was delivered to an individual at the address at 10:10 am on August 22, 2023 in DALLAS, TX 75219.
9414811898765410125774	The United States of America	620 E Greene St	Carlsbad	NM	88220-6292	Your item was delivered to an individual at the address at 11:43 am on August 22, 2023 in CARLSBAD, NM 88220.

# 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 23, 2023 and ending with the issue dated August 23, 2023.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this 23rd day of August 2023.

  
\_\_\_\_\_  
Business Manager

My commission expires January 29, 2027

(Seal) **STATE OF NEW MEXICO**  
**NOTARY PUBLIC**  
**GUSSIE RUTH BLACK**  
**COMMISSION # 1087528**  
**COMMISSION EXPIRES 01/29/2027**

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

## LEGAL NOTICE August 23, 2023

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. The hearing will be conducted remotely on Thursday, September 7, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at [Marlene.Salvidrez@emnrd.nm.gov](mailto:Marlene.Salvidrez@emnrd.nm.gov). Documents filed in the case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at [Marlene.Salvidrez@emnrd.nm.gov](mailto:Marlene.Salvidrez@emnrd.nm.gov), or the New Mexico Relay Network at 1-800-659-1779, no later than August 27, 2023.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m83c3ecf5b757a93f26a029c5b871606d>  
Webinar number: 2484 767 1008

Join by video system: 24847671008@nmemnrd.webex.com  
You can also dial 173.243.2.68 and enter your webinar number

Join by phone: 1-844-992-4726 United States Toll Free  
+1-408-418-9388 United States Toll  
Access code: 2484 767 1008

Panelist password: edC57GzhwV8 (33257494 from phones and video systems)

**STATE OF NEW MEXICO TO:**  
**All named parties and persons**  
**having any right, title, interest**  
**or claim in the following case**  
**and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All affected Interest owners, including: COG Acreage, LP; COG Operating, LLC; COG Production, LLC; Tap Rock Resources II, LLC; Franklin Mountain Energy 2, LLC; Marathon Oil Permian, LLC; Prime Rock Resources AssetCo, LLC; Chief Capital (O&G) II LLC; Santo Royalty Company, LLC; OGX Royalty Fund, LP; Malaga Royalty, LLC; Malaga EF7, LLC; Ohio State University; West Texas A&M University; Beverly Jean Renfro Barr, Trustee of the Family Trust created under the Last Will and Testament of Richard Kevin Barr; Bugling Bull Investments, LLC; Carrollton Mineral Partners IV, LP; Carrollton Mineral Partners IV, LP (for the duration of Lela Ellen Madera's life only); CMP Permian, LP; CMP Permian, LP (for the duration of Lela Ellen Madera's life only); TWR IV LLC; Foundation Minerals, LLC; G. Dan Thompson, as his separate property, his heirs and devisees; GGM Exploration, Inc.; Katherine Woltz Aven, as her separate property, her heirs and devisees; Post Oak Mavros II LLC; Sortida Resources, LLC; Michael Fred Madera, as his separate property, his heirs and devisees; Oak Valley Mineral and Land, LP; Pegasus Resources, LLC; Riverbend Oil & Gas IX Investments, LLC; TD Minerals, LLC; SMP Sidecar Titan Mineral Holdings, LP; SMP Titan Mineral Holdings, LP; MSH Family Real Estate Partnership II, LLC; SMP Titan Flex, LP; and The United States of America.

**Case No. 23744: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving an overlapping 320-acre, more or less, standard horizontal well spacing unit in the Bone Spring formation underlying the W2E2 of Sections 7 and 18, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. Said unit will be initially dedicated to the proposed Biggers 18&7 Fed Com 113H and the Biggers 18&7 Fed Com 123H wells to be horizontally drilled from the SW4SE4 (Unit O) of Section 18 to a bottom hole location in the NW4NE4 (Unit B) of Section 7. This proposed horizontal well spacing unit will overlap a horizontal spacing unit in the WC-025 G-09 S243532M; Wolfbone Pool (98098), an interval and pool different from that targeted by the proposed wells, comprised of the W2E2 equivalent of Irregular Section 6 and the W2NE4 of Section 7, Township 25 South, Range 35 East, dedicated to the COG Stove Pipe Fed Com 2H (30-025-42926). Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for sk involved in drilling said wells. Said area is located approximately 12 miles west of Jal, New Mexico.  
00281900

67100754

00281900

HOLLAND & HART LLC  
PO BOX 2208  
SANTA FE, NM 87504-2208

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. F  
Submitted by: Matador Production Company  
Hearing Date: September 7, 2023  
Case No. 23744