BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING NOVEMBER 7, 2024

CASE No. 24921

PRATER FED COM #113H & #123H WELLS

EDDY COUNTY, NEW MEXICO



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

APPLICATION OF MRC PERMIAN COMPANY TO AMEND ORDER R-23188 TO ADD ADDITIONAL POOLED PARTIES, EDDY COUNTY, NEW MEXICO.

CASE NO. 24921 ORDER NO. R-23188

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Received by OCD: 10/31/2024/1333128PM

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

APPLICATION OF MRC PERMIAN COMPANY TO AMEND ORDER R-23188 TO ADDITIONAL POOLED PARTIES, EDDY COUNTY, NEW MEXICO.

CASE NO. 24921

APPLICATION

MRC Permian Company ("MRC" or "Applicant"), through its undersigned attorneys,

hereby files this application with the Oil Conservation Division to amend pooling Order R-23188

to add additional mineral interest owners to the pooling order. In support of its application, MRC

states:

1. Order R-23188 was issued in Case 24217 and pooled uncommitted mineral interest

owners in the Bone Spring formation [Malaga; Bone Spring, North Pool (42800)] underlying the

N2S2 of Sections 9 and 10, Township 24 South, Range 28 East, NMPM, Eddy County, New

Mexico. This standard 320-acre horizontal well spacing unit is currently dedicated to the **Prater**

Fed Com 113H and Prater Fed Com 123H wells.

2. Applicant has discovered additional mineral interest owners in the pooled acreage

that were not subject to the pooling proceedings giving rise to Order R-23188.

3. Applicant has sought and been unable to obtain voluntary agreement for the

development of these lands from these additional mineral interest owners.

WHEREFORE, Applicant requests that this application be set for hearing before an

Examiner of the Oil Conservation Division on November 7, 2024, and, after notice and hearing as

required by law, the Division enter an order pooling these additional mineral interest owners under

the terms of Order R-23188.

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

Submitted by: Matador Production Company Hearing Date: November 7, 2024

Case No. 24921

Respectfully submitted,

HOLLAND & HART LLP

Michael H. Feldewert

Adam G. Rankin

Paula M. Vance

Post Office Box 2208

Santa Fe, NM 87504

505-988-4421

505-983-6043 Facsimile

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ATTORNEYS FOR MRC PERMIAN COMPANY

CASE :

Application of MRC Permian Company to Amend Order R-23188 to Additional Pooled Parties, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order amending pooling Order R-23188 to add additional mineral interest owners to the pooling order. Order R-23188 was issued in Case 24217 and pooled uncommitted mineral interest owners in the Bone Spring formation [Malaga; Bone Spring, North Pool (42800)] underlying the N2S2 of Sections 9 and 10, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard 320-acre horizontal well spacing unit is currently dedicated to the **Prater Fed Com 113H** and **Prater Fed Com 123H** wells. The subject area is located approximately 3 miles south of Loving, 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 MRC PERMIAN COMPANY

CASE NO. 24217 ORDER NO. R-23188

ORDER

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

FINDINGS OF FACT

- 1. MRC Permian 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.

Case No. 24921

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- 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.

<u>ORDER</u>

- 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 Operator fails to comply with Paragraph 20 unless Operator obtains an extension by amending this Order for good cause shown.
- 22. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 23. 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").
- 24. 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

CASE NO. 24217 ORDER NO. R-23188

Page 2 of 7

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."

- 25. 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.
- 26. 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.
- 27. 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."
- 28. 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.
- 29. 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.

- 30. 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.
- 31. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 30 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 32. 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.
- 33. 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.
- 34. 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.*
- 35. 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.
- 36. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

DYLAN M FUGE DIRECTOR (ACTING)

DMF/hat

Date: _5/9/24

Exhibit A

CONTPULSORY POOLING APPLICATION MUST BE					
ALL INFORMATION IN THE APPLICATION MUST B					
Case: 24217	APPLICANT'S RESPONSE				
Date	March 21, 2024				
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 COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.				
Entries of Appearance/Intervenors:	Mewbourne Oil Company & EOG Resources, Inc.				
Well Family	Prater				
Formation/Pool					
Formation Name(s) or Vertical Extent:	Bone Spring				
Primary Product (Oil or Gas):	Oil				
Pooling this vertical extent:	N/A				
Pool Name and Pool Code:	Malaga; Bone Spring, North [42800]				
Well Location Setback Rules:	Statewide oil rules				
Spacing Unit					
Type (Horizontal/Vertical)	Horizontal				
Size (Acres)	320				
Building Blocks:	40 acres				
Orientation:	East-West				
Description: TRS/County	N/2 S/2 of Sections 9 and 10, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico				
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	_ Yes				
Other Situations					
Depth Severance: Y/N. If yes, description	No BEFORE THE OIL CONSERVATION DIVISION				
Proximity Tracts: If yes, description	No Santa Fe, New Mexico				
Proximity Defining Well: if yes, description	N/A Submitted by: MRC Permian Company Hearing Date: March 21, 2024				
Applicant's Ownership in Each Tract	Exhibit C-3 Case No. 24217				
Well(s)					
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed				

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Wallettaived by OCD: 3/19/2024 3:42:31 PM	Prater 10&9-24S-28E RB 113H well Pag	e 4 o
,	SHL: 1,801' FSL, 202' FWL (Unit L) of Section 11	
	BHL: 1,980' FSL, 60' FWL (Unit L) of Section 9	
	Target: Bone Spring	1
	Orientation: East-West	
	Completion: Standard	
Well #2	Prater 10&9-24S-28E RB 123H well	
	SHL: 1,801' FSL, 232' FWL (Unit L) of Section 11 BHL: 2,316' FSL, 110' FWL (Unit L) of Section 9	
	Target: Bone Spring	
	Orientation: East-West	ı
	Completion: Standard	
Horizontal Well First and Last Take Points	Exhibit C-1	1
Completion Target (Formation, TVD and MD)	Exhibit C-4]
AFE Capex and Operating Costs Drilling Supervision/Month \$	\$8,000	1
	\$800	+
Production Supervision/Month \$ Justification for Supervision Costs	Exhibit C	
Requested Risk Charge	200%	1
Notice of Hearing		1
Proposed Notice of Hearing	Exhibit B	1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E	1
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F	1
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	Exhibit C-2	
Tract List (including lease numbers and owners)	Exhibit C-2	
If approval of Non-Standard Spacing Unit is requested, Tract List		1
(including lease numbers and owners) of Tracts subject to notice		
requirements.	N/A	╛
Pooled Parties (including ownership type)	Exhibit C-3	
Unlocatable Parties to be Pooled	Exhibit C-5]
Ownership Depth Severance (including percentage above &		1
below)	N/A	-
loinder		4
Sample Copy of Proposal Letter	Exhibit C-4	4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3	-
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5	_
Overhead Rates In Proposal Letter	Exhibit C-4	
Cost Estimate to Drill and Complete	Exhibit C-4	1
Cost Estimate to Equip Well	Exhibit C-4	

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Cost Estimate for Production Fachines M	Exhibit C-4
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D, D-3
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	Ph. 11.
Date:	3/19/2024

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

APPLICATION OF MRC PERMIAN COMPANY TO AMEND ORDER R-23188 TO ADD ADDITIONAL POOLED PARTIES, EDDY COUNTY, NEW MEXICO.

CASE NO. 24921 (formerly Case 24217)

AFFIDAVIT OF HANNA RHOADES

Hanna Rhoades, of lawful age and being first duly sworn, states the following:

1. My name is Hanna Rhoades and I am employed by MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Senior 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 MRC Permian Company ("MRC") in this case and the status of the lands in the subject area.

4. In this case, MRC seeks to re-open Case No. 24217 and add additional parties to be pooled under NMOCD Order No. 23188, which created a standard horizontal spacing unit in the Bone Spring formation (Malaga; Bone Spring, North [42800] pool) comprised of the N/2 S/2 of Sections 9 and 10, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. The spacing unit was initially dedicated to the proposed **Prater 10&9 24S-28E RB #113H** and **Prater 10&9 24S-28E RB #123H** wells, both with a first take point in the SE/4 SE/4 of Section 10 and a last take point in the SW/4 SW/4 of Section 9.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Matador Production Company
Hearing Date: November 7, 2024

Case No. 24921

- 5. Since the original pooling case, and out of an abundance of caution, Matador has received updated title information and identified additional working interest and unleased mineral interest parties to be pooled, as described below.
- 6. **Matador Exhibit C-1** identifies the additional working interest and unleased mineral interest owners that Matador is seeking to pool in this horizontal spacing unit.
- 7. **Matador Exhibit C-2** contains a sample of the well proposal letter and AFE sent to the additional working interest and unleased mineral interest owners MRC is seeking to pool. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area in these formations.
- 8. **Matador Exhibit C-3** contains a general summary of the contacts with the uncommitted working interest and unleased mineral interest owners that Matador is seeking to add to the existing pooling order in this case.
- 9. Matador has conducted a diligent search of the public records in the county where the property is located and conducted computer searches in an attempt to locate contact information for each of these working interest and unleased mineral interest owners. Despite these efforts, as shown on Matador Exhibit C-3, there are a few owners that we have not yet been able to contact. For those owners, if our initial well proposals were returned as undelivered, we then conducted additional online searches and attempted to mail the proposals to other addresses potentially associated with those owners that we were able to locate. Matador continues to make efforts to locate these parties.
- 10. In my opinion, Matador has undertaken good faith efforts to locate and reach an agreement with the additional working interest and unleased mineral owners that Matador is seeking to pool in this case.

- 11. Matador has provided its outside counsel, Holland and Hart, with the names and addresses of the parties that Matador seeks to pool and instructed that they be notified of this hearing.
- 12. **Matador Exhibits C-1 through C-3** were either prepared by me or compiled under my direction and supervision.

FIRTHER	AFFIANT	SAYETH NAUGHT
CONTRE	ALLIANI	DATE HIT INDUITE

Hanna Rhoades

STATE OF TEXAS)
COUNTY OF DALLAS)

SUBSCRIBED and SWORN to before me this 30th day of October 2024 by Hanna Rhoades.

NOTARY PUBLIC

My Commission Expires:

3/23/2025

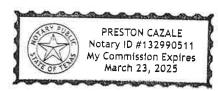


Exhibit C-1

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Summary of Interests (Case No. 24921 – Prater 113 and Prater 123)

MRC Permian Company:	45.0681478%			
Voluntary Joinder/Previously Fore	54.8579285%			
Parties Being Added to Force Poo	oling Order:	00.0739237%		
Interest Owner:	Description:	Interest:		
Aimee Miller	Uncommitted Working Interest Owner	0.000015%		
Austin Miller	Uncommitted Working Interest Owner	0.000015%		
Deborah Gaye Kesler	Uncommitted Working Interest Owner	0.000051%		
Helena Marie Sawyer Gazelka	Unleased Mineral Interest Owner	0.000391%		
HRM Morris Land Services, Inc.	Uncommitted Working Interest Owner	0.003907%		
Mikel Louis Sawyer	Unleased Mineral Interest Owner	0.000391%		
Texplor Oil LLC	Uncommitted Working Interest Owner	0.060948%		
Sandra Marie Schaffner Sawyer	Uncommitted Working Interest Owner	0.000391%		
Slaton Resources II, LLC	Uncommitted Working Interest Owner	0.007814%		

Exhibit C-2

Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Cell 405.652.6929 • Office 972.619.4341 • Fax 972-371-5201 hanna.bollenbach@matadorresources.com

Hanna Bollenbach Senior Landman

August 5, 2024

VIA CERTIFIED RETURN RECEIPT MAIL

Helena Marie Sawyer Gazelka, as her separate property 688 Shardlow Place NE Byron, MN 55920"

Re: Prater 10&9-24S-28E RB #113H, #114H, #123H & #124H (the "Wells")
Participation Proposal

S/2 of Sections 10 & 9, Township 24 South, Range 28 East

Eddy County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Prater 10&9-24S-28E RB #113H, Prater 10&9-24S-28E RB #123H & Prater 10&9-24S-28E RB #124H wells, located in the S/2 of Sections 10 & 9, Township 24 South, Range 28 East, Eddy County, New Mexico.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the four (4) enclosed Authority for Expenditures ("AFE") dated December 15, 2023.

- Prater 10&9-24S-28E RB #113H: to be drilled from a legal location with a proposed surface hole location in the NW4SW4 of Section 11-24S-28E, a proposed first take point located at 100' FEL and 1,980' FSL of Section 10-24S-28E, and a proposed last take point located at 100' FWL and 1,980' FSL of Section 9-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,350' TVD) to a Measured Depth of approximately 18,237'.
- Prater 10&9-24S-28E RB #114H: to be drilled from a legal location with a proposed surface hole location in the NW4SW4 of Section 11-24S-28E, a proposed first take point located at 100' FEL and 660' FSL of Section 10-24S-28E, and a proposed last take point located at 100' FWL and 660' FSL of Section 9-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~7,350' TVD) to a Measured Depth of approximately 18,237'.
- Prater 10&9-24S-28E RB #123H: to be drilled from a legal location with a proposed surface hole location in the NW4SW4 of Section 11-24S-28E, a proposed first take point located at 100' FEL and 1,980' FSL of Section 10-24S-28E, and a proposed last take point located at 100' FWL and 1,980' FSL of Section 9-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,180' TVD) to a Measured Depth of approximately 19,067'.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-2

Submitted by: Matador Production Company Hearing Date: November 7, 2024

Case No. 24921

Prater 10&9-24S-28E RB #124H: to be drilled from a legal location with a proposed surface hole location in the NW4SW4 of Section 11-24S-28E, a proposed first take point located at 100' FEL and 660' FNL of Section 10-24S-28E, and a proposed last take point located at 100' FWL and 660' FNL of Section 9-24S-28E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~8,180' TVD) to a Measured Depth of approximately 19,067'.

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.

Helena Marie Sawyer Gazelka, as her separate property will own an approximate 0.00000391 working interest in each Well, subject to title verification.

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 dated December 1, 2023, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators covering the S/2 of Sections 10 & 9, Township 24 South, Range 28 East, Eddy 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 AFE(s) within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE(s) 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

Hanna Bollenbach

Helena Marie Sawyer Gazelka, as her separate property hereby elects to:
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Prater 10&9-24S-28E RB #113H well, in the estimated amount of \$ 37.32. Not to participate in the Prater 10&9-24S-28E RB #113H.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Prater 10&9-24S-28E RB #114H well, in the estimated amount of \$ 37.32. Not to participate in the Prater 10&9-24S-28E RB #114H.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Prater 10&9-24S-28E RB #123H well, in the estimated amount of \$ 37.09. Not to participate in the Prater 10&9-24S-28E RB #123H.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Prater 10&9-24S-28E RB #124H well in the estimated amount of \$ 37.09. Not to participate in the Prater 10&9-24S-28E RB #124H.
Helena Marie Sawyer Gazelka, as her separate property
Ву:
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:	December 15, 2023	AFE NO.:	500002,896,01,001			
WELL NAME: LOCATION: COUNTY/STATE:	Prater State Corn #113H	FIELD:	Bone Spring			
	Section 1089 24S 28E	MD/TVD:	18237'/7350'			
	Eddy, NM	LATERAL LENGTH:	10,320			
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	COMPLETION	PRODUCTION	FACILITY COSTS	TOTAL
INTANGIBLE COSTS		COSTS	COSTS	COSTS		
and / Legal / Regulatory	\$	78,000	\$	\$ 10,000	\$ 10,000	\$ 98,0
ocation, Surveys & Damages		125,333	13,000	50,000	15,000	206,3
Orilling	7	628.875	-	-		628.8
Comenting & Float Equip	-	184,000				184,0
	-		3,000	3 000		6,0
ogging / Formation Evaluation	-			52,785		52,7
Towback - Labor	-			199,200		190.2
Flowback - Surface Rentals	_			21,000		21.0
Flowback - Rental Living Quarters	_			21,000		16,8
Mud Logging		16,875				45.7
Mud Circulation System		45,700				
Wud & Chemicals	-	212,100	49,000	31,000		292,1
Mud / Wastewater Disposal	-	130,000		9,000	-	139.0
Freight / Transportation	-	12,760	26,700	12,000	-	51,4
	-	96,000	91,500	13,200	12,600	213,3
Rig Supervision / Engineering	-	83,300				83,3
Drill Bits	_	93,300	352,098	10,000	(2)	495.0
Fuel & Power	-	133,000		3,000	100	761,0
Water	_	75,500	682.500	3,000		12.0
Orig & Completion Overhead		12,000	(• ·			12,0
Plugging & Abandonment	-					
Directional Drilling, Surveys	-	240,607				240,6
Completion Unit, Swab, CTU	-		118,000	11,400		129,4
	-		178,609	7,000		185,6
Perforating, Wireline, Slickline	-		61,875	5,000		66,8
High Pressure Pump Truck	-		2.329 659			2,329.8
Stimulation		•		10,000		25,5
Stimulation Flowback & Disp	_		15,500	10,000		32.8
nsurance	8	32,827				213.7
nbor		141,500	59,750	12,500		
Rental - Surface Equipment		74.910	329,988	15,000	•	419.8
Rental - Downhole Equipment	7	163.875	86,000		1.5	239,8
	-	41,820	39,333			61,1
Rental - Living Quarters	-	76,210	210,685	43,509		330,4
Contingency		18.354	210,000			18.3
MaxCom						7,811,
TOTAL	INTANGIBLES >	2,616,536	4,647,395	509,594	37,600	
A server Made and Constitution and Service	INTANGIBLES >	DRILLING	COMPLETION	PRODUCTION		TOTAL
TANGIBLE COSTS	INTANGIBLES >	DRILLING			FACILITY COSTS	TOTAL
TANGIBLE COSTS	INTANGIBLES >	DRILLING COSTS 29,230	COMPLETION	PRODUCTION		TOTAL COSTS \$ 29,2
TANGIBLE COSTS	INTANGIBLES >	DRILLING	COMPLETION	PRODUCTION		TOTAL COSTS \$ 29,2
TANGIBLE COSTS Surface Casing Intermediate Casing	INTANGIBLES >	DRILLING COSTS 29,230	COMPLETION	PRODUCTION		TOTAL COSTS 5 29,2 155,3
TANGIBLE COSTS Surface Casing Intermediate Casing Orilling Liner	INTANGIBLES >	DRILLING COSTS 29,230 155,350	COMPLETION	PRODUCTION		TOTAL COSTS 5 29,2 155,3
TANGIBLE COSTS Surface Casing Intermediate Casing Orilling Liner Production Casing	INTANGIBLES >	DRILLING COSTS 29,230	COMPLETION	PRODUCTION		TOTAL COSTS 5 29,2 155,3 503,4
TANGIBLE COSTS Surface Casing Intermediate Casing Orilling Liner Production Casing Production Liner	INTANGIBLES >	DRILLING COSTS 29,230 155,350	COMPLETION	PRODUCTION COSTS		TOTAL COSTS 5 29,2 155,3 503,4
TANGIBLE COSTS Surface Casing Intermediate Casing Orilling Liner Production Casing Production Uner Tubing	INTANGIBLES >	DRILLING COSTS 29,230 165,350 	COMPLETION	PRODUCTION COSTS \$ 132,660		TOTAL COSTS 5 29,2 155,3 503,4
TANGIBLE COSTS Surface Casing Intermediate Casing Orilling Liner Production Casing Production Liner Tubbing Wallhand	INTANGIBLES >	DRILLING COSTS 29,230 155,350	COMPLETION COSTS	PRODUCTION COSTS \$ 132,660 55,000		TOTAL COSTS \$ 28.2 155.3 503.4 132.6 123.0
TANGIBLE COSTS Surface Casing Intermediate Casing Orilling Liner Production Casing Production Liner Tubbing Wallhand	S .	DRILLING COSTS 29,230 165,350 	COMPLETION	PRODUCTION COSTS \$ 132,660	FACILITY COSTS	TOTAL COSTS \$ 29.2 155,2 503,4 132,6 123.6 64.9
TANGIBLE COSTS Surface Casing Intermediate Casing Orilling Liner Production Casing Production Liner Tubing Wallhead Packers, Liner Hangere	S .	DRILLING COSTS 29,230 165,350 	COMPLETION COSTS	PRODUCTION COSTS \$ 132,660 55,000	FACILITY COSTS \$ 25,000	TOTAL COSTS 5 29,2 155,3 503,4 132,6 123,0 64,5 25,0
TANGIBLE COSTS Surface Casing Intermediate Casing Orilling Liner Production Casing Production Uner Tubing Wallhaad Packers, Liner Hangere Tanks	S.	DRILLING COSTS 29,230 165,350 	COMPLETION COSTS	PRODUCTION COSTS \$ 132,660 55,000	25,000 169,000	TOTAL COSTS 29.2 155,3 503,4 132,6 123.0 64.9 25,0 160,0
TANGIBLE COSTS Surface Casing Intermediste Casing Orilling Liner Production Casing Production Liner Tubing Wallhead Packers, Liner Hangers Tanks	S .	DRILLING COSTS 29,230 155,350 503,483	COMPLETION COSTS	PRODUCTION COSTS \$ 132,660 55,000	FACILITY COSTS \$ 25,000	TOTAL COSTS 29.2 155,3 503,4 132,6 123.0 64.9 25,0 160,0
TANGIBLE COSTS Surface Casing Intermediate Casing Orilling Liner Production Casing Production Liner Tubing Wallhaud Packers, Liner Hangers Tanka Froduction Vessels Flow Lines	S .	DRILLING COSTS 29,230 165,350 503,483	COMPLETION COSTS	PRODUCTION COSTS \$ 132,660 55,000	25,000 169,000	TOTAL COSTS 29.2 155.3 503.4 132,6 123.0 64.9 25,0 160,0
TANGIBLE COSTS Surface Casing Intermediate Casing Intermediate Casing Intermediate Casing Intermediate Casing Production Casing Intermediate Interme	INTANGIBLES >	DRILLING COSTS 28,230 165,350 503,483	COMPLETION COSTS	PRODUCTION COSTS \$ 132,660 55,000 6,000	25,000 169,000	TOTAL COSTS 29.2 155.3 503.4 132,6 123.0 64.9 25,0 160,0
TANGIBLE COSTS Surface Casing Intermediate Casing Ordilling Liner Production Casing Production Uner Tubing Wallhaud Packers, Liner Hengers Tanka Production Vessels Flow Lines Rod string Artificial Life Equipment	INTANGIBLES >	DRILLING COSTS 28,230 155,350 503,493	COMPLETION COSTS	PRODUCTION COSTS \$ 132,660 55,000	25,000 169,000 125,000	TOTAL COSTS \$ 29.2 155.3 503.4 132,6 123.0 64.9 25,5 150.0 125.0
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Casing Wallhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor	INTANGIBLES >	DRILLING COSTS 28,230 155,350 563,483	COMPLETION COSTS	PRODUCTION COSTS \$ 132,660 55,000 6,000	25,000 125,000 25,000	TOTAL COSTS \$ 29.2 155.3 503.4 132.6 123.0 64.5 125.0 160.0 125.0
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Casing Wallhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor	INTANGIBLES >	DRILLING COSTS 28,230 165,350 503,483	COMPLETION COSTS	PRODUCTION COSTS 132.660 55.000 6,000 40,000	25,000 169,000 125,000 25,000	TOTAL COSTS \$ 29.2 155.3 155.3 155.3 155.3 155.3 155.3 155.3 150.3
TANGIBLE COSTS Surface Casting Intermediate Casting Oriflling Liner Production Casting Production Casting Wallhead Packers, Liner Hengers Tenha Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor	INTANGIBLES >	DRILLING COSTS 28,230 155,350 503,483	COMPLETION COSTS	PRODUCTION COSTS \$ 132,660 55,000 6,000	25,000 160,000 125,000 25,000 25,000 25,000	TOTAL COSTS \$ 29.2 155.3 155.3 155.3 155.3 155.3 155.3 155.3 150.3
TANGIBLE COSTS Surface Casing Intermediate Casing Orilling Liner Production Casing Production Casing Production Uner Tubing Wallhead Packers, Liner Hangers Isnks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps	INTANGIBLES >	DRILLING COSTS 28,230 165,350 503,483	COMPLETION COSTS	PRODUCTION COSTS \$ 132,660 55,000 6,000 40,000	25,000 169,000 125,000 25,000	TOTAL COSTS \$ 29.2 155.3 503,4 152,6 123.5 64,1 160,0 125,6 25,6 160,0 25,6 30,0 30,0
TANGIBLE COSTS Surface Casing Intermediate Casing Production Casing Production Casing Production Uner Libing Wellhead Packers, Liner Hangere Iranka Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface	INTANGIBLES >	DRILLING COSTS 28,230 155,350 503,483	COMPLETION COSTS	PRODUCTION COSTS 132.660 55.000 6,000 40,000	25,000 160,000 125,000 25,000 25,000 25,000	TOTAL COSTS \$ 29,2 155,2 155,2 503,4 132,6 123,3 25,5 160,0 125,0 40,0 25,5 50,0 30,6
TANGIBLE COSTS Surface Casing Intermediate Casing Production Casing Production Uner Tubing Wallhasd Packers, Liner Hengers Tanka Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Surface	INTANGIBLES >	DRILLING COSTS 28,230 155,350 503,483	COMPLETION COSTS	PRODUCTION COSTS 132,660 55,000 6,000 40,000	25,000 169,000 125,000 25,000 50,000 25,000	TOTAL COSTS \$ 29.2 155.3 503,4 132,6 123.1 64,5 160,0 125,0 40,0 25,0 30,0
TANGIBLE COSTS Surface Casing Ontling Liner Production Casing Production Casing Production Liner Tubing Wellhaad Packers, Liner Hangers Fanks Production Vessels Flow Lines Rod string Autilical Lift Equipment Compressor natalization Costs Surface Pumps Non-controllable Surface	INTANGIBLES >	DRILLING COSTS 28,230 155,350 503,483	COMPLETION COSTS	PRODUCTION COSTS \$ 132,660 55,000 6,000 40,000	25,000 160,000 125,000 25,000 25,000 25,000	TOTAL COSTS \$ 28.2 155.3 503.4 132.6 123.0 64.5 25.0 160.0 125.0 25.0 30.0
TANGIBLE COSTS Surface Casing Infermediate Casing Production Casing Production Uner Fubling Wallhaud Packers, Liner Hengers Fanka Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Ven-controllable Surface Ven-controllable Surface Ven-controllable Downhole Downhole Pumps Messervement & Mester Installation	INTANGIBLES >	DRILLING COSTS 28,230 155,350 563,483	COMPLETION COSTS	PRODUCTION COSTS 132,660 55,000 6,000 40,000	25,000 169,000 125,000 25,000 50,000 25,000	TOTAL COSTS \$ 29.2 155,3 503,4 152,6 123,0 64,9 25,0 180,0 125,0 30,0 30,0
TANGIBLE COSTS Surface Casing Intermediate Casing Orilling Liner Production Casing Production Casing Production Uner Tubing Wallhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Tow Lines Tow Lines Tow Lines Sod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Messurement & Meter Installation Sos Conditioning / Delydration	INTANGIBLES >	DRILLING COSTS 28,230 155,350 563,483	COMPLETION COSTS	PRODUCTION COSTS \$ 132,660 55,000 6,000 40,000	25,000 169,000 125,000 25,000 25,000 25,000 50,000	TOTAL COSTS \$ 29.2 155,3 503,4 152,6 123,0 64,9 25,0 180,0 125,0 30,0 30,0
TANGIBLE COSTS Surface Casing Diffing Liner Production Casing Production Casing Production Uner Tubing Wallhaad Packers, Liner Hangere Franks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable S	INTANGIBLES >	DRILLING COSTS 28,230 155,350 563,483	COMPLETION COSTS	PRODUCTION COSTS 132,660 55,000 6,000 40,000	25,000 169,000 125,000 25,000 50,000 25,000	TOTAL COSTS \$ 29.2 155,3 503,4 152,6 123,0 64,9 25,0 180,0 125,0 30,0 30,0
TANGIBLE COSTS Surface Casing Diffing Liner Production Casing Production Casing Production Uner Tubing Wallhaad Packers, Liner Hangere Franks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable S	INTANGIBLES >	DRILLING COSTS 28,230 155,350 563,483	COMPLETION COSTS	PRODUCTION COSTS 132,660 55,000 6,000 40,000 15,000 5,000 5,000	25,000 169,000 125,000 25,000 25,000 25,000 50,000	TOTAL COSTS \$ 28,2 155,3 155,3 155,3 155,3 155,3 155,3 155,3 150,0
TANGIBLE COSTS Surface Casing Intermediate Casing Production Casing Production Casing Production Liner Tubing Wallhead Packers, Liner Hengers Tanka Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costa Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Downhols Downhole Pumps Messeursenser & Mester Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines	INTANGIBLES >	DRILLING COSTS 28,230 155,350 563,483	COMPLETION COSTS	PRODUCTION COSTS 132,660 55,000 6,000 40,000 5,000 15,000 2,000	25,000 169,000 125,000 25,000 50,000 50,000 50,000	TOTAL COSTS \$ 28.2 155.3 503,4 132,6 123.0 64.5 25.0 160,0 125.0 50,0 30,0
TANGIBLE COSTS Surface Casing Intermediate Casing Ontilling Liner Production Casing Production Casing Production Liner Tubing Wallhand Packer, Liner Hangers Fanks Production Vessels Flow Lines Rod string William Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Non-contro	INTANGIBLES >	DRILLING COSTS 28,230 155,350 563,483	COMPLETION COSTS	PRODUCTION COSTS 132,660 55,000 6,000 40,000 15,000 5,000 5,000	25,000 169,000 125,000 50,000 25,000 50,000 50,000	TOTAL COSTS \$ 29.2 155.5 503,4 132,6 123,0 125,0 125,0 125,0 125,0 126,0
TANGIBLE COSTS Surface Casing Intermediate Casing Orilling Liner Production Casing Production Uner Tubing Wallhaud Packers, Liner Hengers Tanka Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installarion Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Messurement & Meser Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Lank / Facility Containment	INTANGIBLES >	DRILLING COSTS 28,230 155,350 563,483	COMPLETION COSTS	PRODUCTION COSTS 132,660 55,000 6,000 40,000 5,000 15,000 2,000	25,000 169,000 125,000 25,000 25,000 25,000 50,000 25,000	TOTAL COSTS \$ 29.7 155.5 503,4 152,6 1233,6 64.9 25,6 150,0 30,0 65.6 65,6 65,6 65,6 65,6 65,6 65,6 65,6
TANGIBLE COSTS Surface Casing Intermediate Casing Orilling Liner Production Casing Production Casing Production Casing Production Uner Tubing Mailhead Packers, Liner Hangers Iranks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Sessering I Bellydration Interconnecting Facility Piping Sathering I Bulk Lines Valvas, Dumps, Controllers Irank I Facility Containment Flank Stack	INTANGIBLES >	DRILLING COSTS 28,230 155,350 563,483	COMPLETION COSTS	PRODUCTION COSTS 132,660 55,000 6,000 40,000 5,000 15,000 2,000	25,000 169,000 125,000 50,000 25,000 50,000 50,000	TOTAL COSTS \$ 29.2 155.3 155.3 155.3 155.3 155.3 155.3 155.3 150.3
TANGIBLE COSTS Surface Casing Infermediate Casing Production Casing Production Casing Production Uner Libring Wallhard Production Wassels Flow Lines Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Surface Pumps Won-controllable Surface Non-controllable Sas Conditioning (Dehydration Inferconnecting Facility Piping Sathering / Bulk Lines Insk / Facility Containment Flare Stack Flacktical / Grounding	INTANGIBLES >	DRILLING COSTS 28,230 155,350 563,483	COMPLETION COSTS	\$ 132,660 \$5,000 6,000 40,000 15,000 5,000 2,000 2,000	25,000 169,000 125,000 25,000 25,000 25,000 50,000 25,000	TOTAL COSTS \$ 29.2 155.3
TANGIBLE COSTS Surface Casing Intermediate Cosing Production Casing Production Casing Production Liner Tubing Wallhead Packers, Liner Hangers Tanka Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Intermediate Costa Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Surface Surface Pumps Resurrement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Steck Communications / SCADA	INTANGIBLES >	DRILLING COSTS 28,230 155,350 563,483	COMPLETION COSTS	PRODUCTION COSTS 132,660 55,000 6,000 40,000 15,000 5,000 2,000 2,000	25,000 160,000 125,000 25,000 25,000 25,000 25,000 20,000 20,000 50,000	TOTAL COSTS \$ 28.2 155.3 503.4 152.6 123.0 64.9 25.6 150.0 30.0 30.0 65.0 65.0 20.0 55.0 50.0 55.0 55.0 55.0 55.0 5
TANGIBLE COSTS Surface Casing Intermediate Casing Drilling Liner Production Casing Production Casing Production Casing Wallhead Packers, Liner Hangers Tanks Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Non-controllabl	5	DRILLING COSTS 28,230 155,350 503,483	COMPLETION COSTS \$ 58.989	\$ 132,660 55,000 6,000 40,000 15,000 15,000 2,000 2,000 2,000	25,000 169,000 125,000 25,000 25,000 25,000 50,000 	TOTAL COSTS \$ 28,2 155,3 503,4 132,6 123,0 64,9 25,0 125,0 30,0 25,0 50,0 20,0 20,0 20,0 20,0 20,0 40,0 20,0 2
TANGIBLE COSTS Surface Casting Intermediate Casting Drilling Liner Production Casting Production Casting Production Casting Wallhaad Packers, Liner Hangers Tanka Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installarition Costa Surface Pumps Non-controllable Surface Non-controllable Surface Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Melser Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SGADA Instrumentation / SAGDA	INTANGIBLES >	DRILLING COSTS 28,230 155,350 563,483	COMPLETION COSTS	\$ 132,660 \$5,000 6,000 40,000 15,000 5,000 2,000 2,000	25,000 160,000 125,000 25,000 25,000 25,000 25,000 20,000 20,000 50,000	TOTAL

Drilling Engineer: Completions Engineer: Production Engineer: Disk	Tyler Kinnon Trace Sahe Philip van den Berg	Team Lead - WTX/NM.	<u>.</u>		
OR RESOURCES COMP.	ANY APPROVAL:				-
Executive VP, Res	WTE	SVP Geoscience	C00- I	Oriting, Completion and Production	CC
Executive VP, Legal	CA CA	1462			
President	BG				
PERATING PARTNER AP	PROVAL:				
Company Name:		Working Interest (%):		Tax ID:	
Signed by:		Date:		£	
Title:		Approval:	Yes	No	(mark one

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MATADOR PRODUCTION COMPANY

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

			AND AUTHORIZATION FO			
DATE:	December 15, 2023			AFE NO.:	-	500002.898.01.001
WELL NAME:	Prater State Com #12	3H		FIELD:	_	Bone Spring
LOCATION:	Section 1089 24S 28E			MD/TVD:	-	19067'/8180'
COUNTY/STATE:	Eddy, NM			LATERAL LENGTH:	-	10,320
MRC WI:	Territory and a second					
GEOLOGIC TARGET:	Second Bane Spring S	Sand	cond Bone Spring sand	target with about 46 frag	stages	
REMARKS:	Unii and complete a n	onzonia z mie iong soc	cho bone oping sene	io go.		
		DRILLING	COMPLETION	PRODUCTION		TOTAL
INTANGIBLE	COSTS	COSTS	costs	COSTS \$ 10,000	FACILITY COSTS	COSTS \$ 98,000
Land / Legal / Regulatory Location, Surveys & Dame	mes	78,000 126,333	13,000	50,000	15,600	206,333
Drilling	gos.	588,000	·			589,000 184,000
Cementing & Float Equip		184,000	3,000	3,000		6,000
Logging / Formation Evalu Flowback - Labor	ation			52,785		52,785
Flowback - Surface Rental				190,200		190,200 21,000
Flowback - Rental Living C Mud Logging	Juartera	15,000		21,000		15,000
Mud Circulation System		43,413	40.000	31,000		43,413 290,750
Mud & Chemicals		210,750 130,000	49,000	9,000		139,000
Mud / Wastewater Dispose Freight / Transportation		12,750	26,700	12,000	40.600	\$1,450 207,300
Rig Supervision / Engineer	ring	90,000	91,500	13,200	12,600	83,300
Drill Bits Fuel & Power		122,500	352,098	10,000	-	484,698
Water		65,600	682,500	3,000		751,000 11,250
Drig & Completion Overhe Plugging & Abandonment	ed	11,250				
Directional Origing, Survey	ys.	229,737		11,400		229,737 129,400
Completion Unit, Swab, C			118,000 178,609	7,000		185,609
Perforating, Wireline, Slici High Pressure Pump Truc			61,875	5,000		2,329,859
Stimulation			2,329,859 15,500	10,000		25,500
Stimulation Flowback & D Insurance	Isp	34,321	10,000			34,321
Labor		141,500	59,750	12,500 15,000		213,750 414,123
Rental - Surface Equipment Rental - Downhole Equipment		69,135 164,300	329,988 86,000	15,000	•	250,300
Rentel - Living Quarters		40,425	39,333	42.500		79,758 327,967
Contingency		73,774 16,905	210,685	43,509		16,905
MaxCom	TOTAL INTANGIBLES		4,647,395	509,594	37,600	7,727,481
	101111111111111111111111111111111111111	DRILLING	COMPLETION	PRODUCTION	FACILITY COSTS	COSTS
TANGIBLE	COSTS	COSTS 29,230	COSTS	COSTS	\$	\$ 29,230
Surface Casing Intermediate Casing		155,350		85		155,350
Drilling Liner						527,467
Production Casing Production Liner		527,467				
Tubing				132,650		132,660
Wellhead		68,000	58,969	55,000 6,000		64,989
Packers, Liner Hangers Tanks					25,000	25,000 160,000
Production Vessels		<u>:</u>			160,000	125,000
Flow Lines Rod string						-
Artificial Lift Equipment				40,00D	25,000	40,000 25,000
Compressor Installation Costs				-	50,000	50,000
Surface Pumps		-		5,000	25,000	30,000
Non-controllable Surface	1-					
Non-controllable Downhol Downhole Pumps	le ·					***************************************
Measurement & Motor Ins.				15,000	50,000	65,000
Gas Conditioning / Dehyd Interconnecting Facility P				5,000	\$0,000	85,000
Gethering / Bulk Lines				2,000		2,000
Valves, Dumps, Controller				2,000	10,000	10,000
Tank / Facility Containment Flare Stack	nt				20,000	20,000 52,000
Electrical / Grounding	e.			2,000	50,000	2,000
Communications / SCAD/ Instrumentation / Safety	<u>.</u>				42,000	42,000
	TOTAL TANGIBLES	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	59,989	264,560	652,000	1,765,695 9,493,177
	TOTAL COSTS	> 3,312,939	4,706,385	774,254	699,600	3,433,771
EPARED BY MATADOR	PRODUCTION COMPA	INY:				
		Team Lead - WTX	OM			
Drilling Engine		Team Lead + WIX	JME			
Completions Engine	er. Dirk Philip van den Berg					
11000000						
TADOR RESOURCES C	OMPANY APPROVAL:					
		SVP Geoscie	1900	COO- Drilli	ng, Completion and Produc	tion
Executive VP, R	WTE	SVF GOOLSE	M.F			cc
Executive VP, Le	gal					
	CA					
Preside	ent					
	BG					
N OPERATING PARTNE	R APPROVAL:					
			Working Interest (%):		Tax	(ID:
Company Nan						
Signed	бу		Date: _			
TT	de:		Approval:	Yes	_	No (mark one)
		mountheeus languagen een	regurde the WT may be staged as to the	and the same and the same and the same and	placed for the court space was the	

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Exhibit C-3

Summary of Communications

Uncommitted Owners:

1. Aimee Miller, as her separate property

Matador has tried to contact **Aimee Miller** through sending well proposals to multiple potential addresses, but so far we have been unable to connect with this owner. Matador will continue to research alternative contact addresses in the hopes of making contact with this owner.

2. Austin Miller, as his separate property

Matador has tried to contact **Austin Miller** through sending well proposals to multiple potential addresses, but so far we have been unable to connect with this owner. Matador will continue to research alternative contact addresses in the hopes of making contact with this owner.

3. Deborah Gaye Kesler, as her separate property

Matador has tried to contact **Deborah Gaye Kesler** through sending well proposals to multiple potential addresses, but so far we have been unable to connect with this owner. Matador will continue to research alternative contact addresses in the hopes of making contact with this owner.

4. Helena Marie Sawyer Gazelka, as her separate property

In addition to sending well proposals, Matador has had discussions with Helena Marie Sawyer Gazelka, as her separate property regarding their interest and we are continuing to discuss voluntary joinder.

5. HRM Morris Land Services, Inc.

Matador has tried to contact **HRM Morris Land Services, Inc.** through sending well proposals to multiple potential addresses, but so far we have been unable to connect with this owner. Matador will continue to research alternative contact addresses in the hopes of making contact with this owner.

6. Mikel Louis Sawyer, as his separate property

In addition to sending well proposals, Matador has had discussions with **Mikel Louis Sawyer, as his separate property** regarding their interest and we are continuing to discuss voluntary joinder.

7. Texplor Oil LLC

In addition to sending well proposals, Matador has had discussions with **Texplor Oil LLC** regarding their interest and we are continuing to discuss voluntary joinder.

8. Sandra Marie Schaffner Sawyer, as her separate property

Matador has tried to contact **Sandra Marie Schaffner Sawyer** through sending well proposals to multiple potential addresses, but so far we have been unable to connect with this owner. Matador will continue to research alternative contact addresses in the hopes of making contact with this owner.

Hearing Date: November 7, 2024 Case No. 24921

9. Slaton Resources II, LLC

Matador has tried to contact **Slaton Resources II, LLC** through sending well proposals to multiple potential addresses, but so far we have been unable to connect with this owner. Matador will continue to research alternative contact addresses in the hopes of making contact with this owner.

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

APPLICATION OF MRC PERMIAN COMPANY TO AMEND ORDER R-23188 TO ADD ADDITIONAL POOLED PARTIES, EDDY COUNTY, NEW MEXICO.

> **CASE NO. 24921 ORDER NO. R-23188**

SELF-AFFIRMED STATEMENT OF PAULA M. VANCE

1. I am attorney in fact and authorized representative of MRC Permian Company

("MRC"), the Applicant herein. I have personal knowledge of the matter addressed herein and

am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this pooling

application was sent by certified mail to the locatable affected parties on the date set forth in the

letter attached hereto.

3. The spreadsheets attached hereto contain 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 the notice letters as of October 28, 2024.

5. I caused a notice to be published to all parties subject to this pooling proceeding.

An affidavit of publication from the publication's legal clerk with a copy of the notice of

publication is attached herein.

I affirm under penalty of perjury under the laws of the State of New Mexico that 6.

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: November 7, 2024 Case No. 24921

10/30/2024

Date



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

October 18, 2024

<u>VIA CERTIFIED MAIL</u> CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of MRC Permian Company to Amend Order R-23188 to Add Additional Pooled Parties, Eddy County, New Mexico: Prater Fed Com 113H and Prater Fed Com 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 November 7, 2024, and the status of the hearing can be monitored through the Division's website at https://www.emnrd.nm.gov/ocd/.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Hanna Bollenbach at (972) 619-4341 or hanna.bollenbach@matadorresources.com.

Sincerely,

Michael H. Feldewert

ATTORNEY FOR MRC PERMIAN COMPANY

Location 110 North Guadalupe, Suite 1 Santa Fe, NM 87501-1849 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

p: 505.988.4421 | f: 505.983.6043 www.hollandhart.com

Holland & Hart LLP Anchorage Aspen Billings Boise Boulder Cheyenne Denver Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C.

MRC - Prater 113H, 123H _ 114H, 124H wells - Case nos. 24921-24922 Postal Delivery Report

9414811898765480441743	Aimee Miller	303 County Road 1439	Vinemont	AL	35179-7776	Your item was delivered to an individual at the address at 11:52 am on October 22, 2024 in VINEMONT, AL 35179.
9414811898765480441781	Austin Miller	555 Fm 646 Rd W	Dickinson	TX	77539-3473	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765480441736	Deborah Gaye Kesler	665 Ernest Gibson Rd	Monticello	GA	31064-8418	Your item was delivered to an individual at the address at 2:25 pm on October 22, 2024 in MONTICELLO, GA 31064.
9414811898765480441910	Helena Marie Sawyer Gazelka	689 Shardlow Pl NE	Byron	MN	55920-1564	Your item was delivered to an individual at the address at 2:04 pm on October 22, 2024 in BYRON, MN 55920.
9414811898765480441965	HRM Morris Land Services, Inc.	1817 Rolling Heights Ln	Aledo	TX	76008-1693	Your item was delivered to an individual at the address at 3:21 pm on October 22, 2024 in ALEDO, TX 76008.
9414811898765480441903		PO Box 204057	Augusta	GA	30917-4057	This is a reminder to pick up your item before November 5, 2024 or your item will be returned on November 6, 2024. Please pick up the item at the AUGUSTA, GA 30917

MRC - Prater 113H, 123H _ 114H, 124H wells - Case nos. 24921-24922 Postal Delivery Report

9414811898765480441996	Texplor Oil LLC	PO Box 501	Midland	TX	79702-0501	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.	
9414811898765480441989	Sandra Marie Schaffner Sawyer	688 Shardlow Pl NE	Byron	MN	55920-1564	Your item was delivered to an individual at the address at 2:05 pm on October 22, 2024 in BYRON, MN 55920.	
9414811898765480441934	Slaton Resources II, LLC	9101 Peace St	Fort Worth	TX	76244-7628	Your item was delivered to an individual at the address at 12:40 pm on October 23, 2024 in KELLER, TX 76244.	

Affidavit of Publication

No. 18940

State of New Mexico

County of Eddy:

being duly sworn, sayes that he is the

Publisher

of the Artesia Daily Press, a daily newspaper of General circulation, published in English at Artesia, said county and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/day on the same

day as follows:

First Publication

October 24, 2024

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Sixth Publication

Seventh Publication

Eighth Publication

Subscribed ans sworn before me this

24th

day of

October

2024

LATISHA ROMINE
Notary Public, State of New Mexico
Commission No. 1076338
My Commission Expires
05-12-2027

Latisha Romine

Notary Public, Eddy County, New Mexico

omine

Copy of Publication:

Case No. 24921: Application of MRC Permian Company to Amend Order R-23188 to Add Additional Pooled Parties, Eddy County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Aimee Miller; Austin Miller; Deborah Gaye; Kesler; Helena Marie Sawyer Gazelka; HRM Morris Land Services, Inc.; Mikel Louis Sawyer; Texplor Oil LLC; Sandra Marie Schaffner Sawyer; Slaton Resources II, 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 November 7, 2024, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearing electronically, see the instructions posted on the docket for the hearing date: https://www.emnrd.nm.gov/ocd/hearing-info/oicontact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov Applicant in the above-styled cause seeks an order amending pooling Order R-23188 to add additional mineral interest owners to the pooling order. Order R-23188 was issued in Case 24217 and pooled uncommitted mineral interest owners in the Bone Spring formation [Malaga; Bone Spring, North Pool (42800)] underlying the N2S2 of Sections 9 and 10, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard 320-acre horizontal well spacing unit is currently dedicated to the Prater Fed Com 113H and Prater Fed Com 123H wells. The subject area is located approximately 3 miles south of Loving, New Mexico.

Hearing Date: November 7, 2024 Case No. 24921