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

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

**CASE NO. 25388** 

#### NOTICE OF SECOND REVISED EXHIBITS

MRC Permian Company ("MRC"), applicant in the above referenced case, gives notice that it is filing the attached revised exhibit for acceptance into the record.

**Matador** *Revised* **Exhibit A** is an updated compulsory pooling checklist ("CPAC") that shows the other parties that entered an appearance and describes the vertical interval.

**Matador** *Revised* **Exhibit D-3** is a revised structural cross-section that shows the top of the Strawn interval, per the Division technical examiner's request at the June 5, 2025 hearing.

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

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mfeldewert@hollandhart.com

agrankin@hollandhart.com

pmvance@hollandhart.com

ATTORNEYS FOR MRC PERMIAN COMPANY

#### **CERTIFICATE OF SERVICE**

I hereby certify that on July 15, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Scott S. Morgan Cavin & Morgan, P.A. P.O. Box 20339 Albuquerque, NM 87112 TEL: (505) 243-5400 smorgan@cilawnm.com

Attorneys for Wyotex Drilling Ventures, LLC, Yeager Resources, Ltd., Patsy Hinchey Family, Ltd., Sevenways 2 Minerals, Ltd., The Carol Ann Sandquist 1995 Management Trust, Blessed Income, LLC, Mary Helen Energy, LLC, Pops Minerals, LLC, and McRae Management Trust

Paula M. Vance

# BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JULY 15, 2025

**CASE No. 25388** 

ED DRAKE FED COM 241H WELL

Lea County, New Mexico



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

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

**CASE NO. 25388** 

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o Matador Exhibit C-2: Land Tract Map

o Matador Exhibit C-3: Uncommitted Working Interest Owners & ORRI

o Matador Exhibit C-4: Sample Well Proposal Letter with AFEs

o Matador Exhibit C-5: Chronology of Contacts

• Matador Exhibit D: Affidavit of Joshua Burrus, Geologist

o Matador Exhibit D-1: Locator map

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o Matador Revised Exhibit D-3: Stratigraphic cross-section

- Matador Exhibit E: Self-Affirmed Statement of Notice
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### **COMPULSORY POOLING APPLICATION CHECKLIST**

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

Case: 25388	APPLICANT'S RESPONSE
Date	July 15, 2025
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 COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:  BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Revised Exhibit No. A Submitted by: Matador Production Company Hearing Date: July 15, 2025 Case No. 25388	Wyotex Drilling Ventures, LLC, Yeager Resources, Ltd., Patsy Hinchey Family, Ltd., Sevenways 2 Minerals, Ltd., The Carol Ann Sandquist 1995 Management Trust, Blessed Income, LLC, Mary Helen Energy, LLC, Pops Minerals, LLC, and McRae Management Trust
Well Family	Ed Drake
Formation/Pool	
Formation Name(s) or Vertical Extent:	Pennsylvanian
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Cisco and Canyon intervals of the Pennsylvanian formation
Pool Name and Pool Code (Only if NSP is requested):	Dean; Permo Upper Penn [16720] pool
Well Location Setback Rules (Only if NSP is Requested):	Statewide oil rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480
Building Blocks:	40 acres
Orientation:	Stand-up
Description: TRS/County	W/2 W/2 of Sections 11, 14, and 23, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and	Yes
is approval of non-standard unit requested in this application?	
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Preferenced for brownings 3K15/AVZ5aEA:75ACA AM	See Exhibit C-3

Received by OCD: 7/15/2025 10:17:56 AM	Page 6 of
Well(s)	
Name & API (if assigned), surface and bottom hole location,	Add wells as needed
footages, completion target, orientation, completion status	
(standard or non-standard)	
Well #1	Ed Drake Fed Com 241H well (API: PENDING) SHL: 984' FSL & 1,094' FWL (Unit M) of Section 23
	BHL: 110' FNL & 660' FWL (Unit D) of Section 11
	Target: Pennsylvanian
	Orientation: Stand-up
	Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2; C-3
If approval of Non-Standard Spacing Unit is requested, Tract	
List (including lease numbers and owners) of Tracts subject to	21/2
notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above &	
below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-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
Cost Estimate to Equip Well	Exhibit C-4
KeletsEatimategtag:P1/19/1901997 F.25:Uit) 96M	Exhibit C-4

Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D; D-3
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
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 pr	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	Pakhyr
Date:	7/8/2025

Received by OCD: 3/15/2025/10:174564AM

Page 8 lof 40

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

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

CASE NO. 25388

APPLICATION

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

files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978,

§ 70-2-17, for an order pooling a standard 480-acre, more or less, horizontal well spacing unit in

the Pennsylvanian formation underlying the W/2 W/2 of Sections 11, 14, and 23, Township 15

South, Range 36 East, NMPM, Lea County, New Mexico. In support of its application, MRC

states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and

has the right to drill thereon.

2. Applicant seeks to designate Matador Production Company (OGRID No. 228937)

as the operator of the proposed horizontal spacing unit.

3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit

to the proposed Ed Drake Fed Com #241H well, with a surface location in the SW/4 SW/4 (Unit

M) of Section 23, a first take point in the SW/4 SW/4 (Unit M) of Section 23, and a last take point

in the NW/4 NW/4 (Unit D) of Section 11.

4. 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.

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

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

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 5, 2025, and, after notice and hearing as required by law, the Division enter an order:

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

Respectfully submitted,

**HOLLAND & HART LLP** 

By:

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Adam G. Rankin
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agrankin@hollandhart.com
pmvance@hollandhart.com

ATTORNEYS FOR MRC PERMIAN COMPANY

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

Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 480-acre, more or less, horizontal well spacing unit in the Pennsylvanian formation underlying the W/2 W/2 of Sections 11, 14, and 23, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Ed Drake Fed Com #241H well, with a surface location in the SW/4 SW/4 (Unit M) of Section 23, a first take point in the SW/4 SW/4 (Unit M) of Section 23, and a last take point in the NW/4 NW/4 (Unit D) of Section 11. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling the well. The subject area is located approximately 6.5 miles northeast of Lovington, New Mexico.

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

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

**CASE NO. 25388** 

SELF-AFFIRMED STATEMENT OF ADDISON COSTLEY

Addison Costley, of lawful age and being first duly sworn, declares as follows:

1. My name is Addison Costley. I work for MRC Energy Company, an affiliate of

MRC Permian Company ("MRC"), 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 MRC in this case, and I am familiar with

the status of the lands in the subject area.

4. In this case, MRC is seeking an order pooling all uncommitted interests in the

Pennsylvanian formation in the standard 480-acre, more or less, horizontal well spacing unit

underlying the W/2 W/2 of Sections 11, 14, and 23, Township 15 South, Range 36 East,

NMPM, Lea County, New Mexico, and initially dedicate this Pennsylvanian spacing unit

to the proposed Ed Drake Fed Com #241H well, with a surface location in the SW/4

SW/4 (Unit M) of Section 23, a first take point in the SW/4 SW/4 (Unit M) of Section

23, and a last take point in the NW/4 NW/4 (Unit D) of Section 11.

5. MRC understands this well will be placed in the Dean; Permo Upper Penn

[16720] pool.

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

- 6. **MRC Exhibit C-1** contains the Form C-102 for the proposed initial well.
- 7. 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.
- 8. **MRC Exhibit C-2** identifies the tracts of land comprising the proposed horizontal spacing unit. The land in the proposed spacing unit is comprised of fed, state, and fee lands.
- 9. **MRC Exhibit C-3** identifies the working interest owner that MRC is seeking to pool. The first page of Exhibit C-3 shows the parties MRC is seeking to pool on a unit basis. Behind the unit analysis, there are additional pages showing the working interest owner that MRC seeks to pool, on a tract by tract basis, along with their ownership interest in each of the tracts in the proposed horizontal spacing unit. The parties that MRC is seeking to pool are highlighted yellow.
  - 10. There are no depth severances within the Pennsylvanian formation for this acreage.
- 11. While MRC was working to put this unit together, MRC proposed the above well to the working interest parties it seeks to pool. **MRC Exhibit C-4** contains a representative copy of the forms of well proposal letters that were sent to the working interest partner (to their predecessor in interest as explained in more detail in MRC Exhibit C-5), along with the AFE that was sent for the well. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.
- 12. **MRC Exhibit C-5** contains a summary of MRC's contacts with the uncommitted working interest owner we seek to pool in this case. In my opinion, MRC has undertaken good faith efforts to reach an agreement with the uncommitted working interest owner that MRC seeks to pool in this case.

- 13. MRC has made an estimate of overhead and administrative costs for drilling and producing the proposed well. It is \$10,000/month while drilling, and \$1,000/month while producing. These costs are consistent with what other operators are charging in this area for these types of wells. MRC respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.
- 14. I provided MRC's outside counsel, Holland & Hart, a list of names and addresses for the parties that MRC is seeking to pool. In compiling this notice list, MRC conducted a diligent search of all public records in the county where the proposed wells are located, including computer searches.
- 15. **MRC Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.
- 16. 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.

Addison Costley 5/29/2025

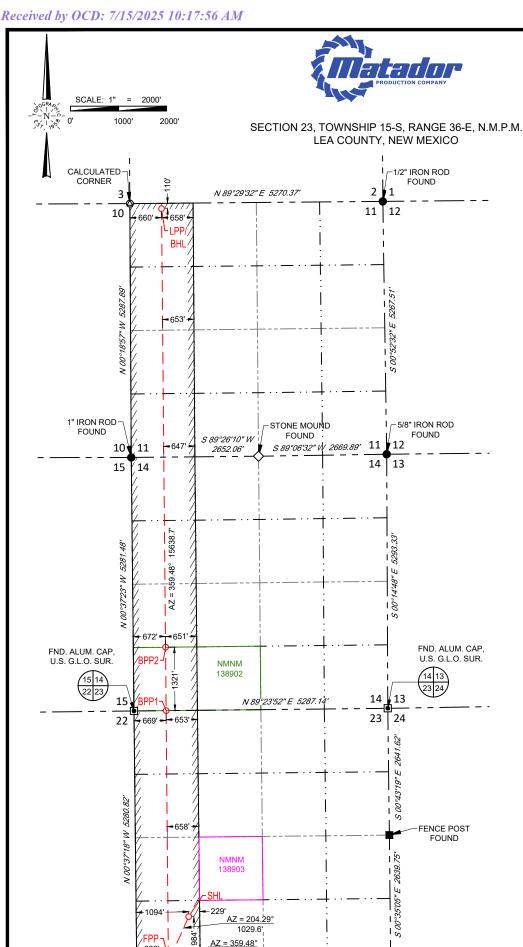
Addison Costley Date

### Exhibit C-1

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-1
Submitted by: Matador Production Company
Hearing Date: July 15, 2025
Case No. 25388

C-102 Submit Electroni	cally		Energy			lew Mexico aral Resources	Department		Revise	ed July 9, 2024
Via OCD Permit			(	OIL CO	NSERV	ATION DIVI	SION		Initial Submittal	
								Submittal Type:	Amended Report	
								71	As Drilled	
		W		OCATIO:		ACREAGE DI	EDICATION	N PLAT		
API Number			Pool Code	16720	Po	ool Name DE	EAN; PERMO	UPPER P		
Property Code			Property Name	E	ED DRAK	E FED COM			Well Number	241H
OGRID No.	2289	37	Operator Name		DOR PRO	DDUCTION CO	MPANY		Ground Level Elev	ation 3874'
Surface Owner:	State Fee	Tribal Federal				Mineral Owner:	State Fee Tribal	Federal		
					Surfa	ce Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	N/S Feet from the E/W	Latitude		Longitude	County
М	23	15-S	36-E	-	984' S	1094' W	N 32.9984	693   W 1	03.2795345	LEA
						Hole Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the		Latitude		Longitude	County
D	11	15-S	36-E	-	110' N	660' W	N 33.0390	180   W 1	03.2808995	LEA
Dedicated Acres	Infill or Def	ining Well Defin	ing Well API			Overlapping Spacing	Unit (Y/N)	Consolida	ted Code	
480.00						o vernapping spacing		Consonau		
Order Numbers						Well Setbacks are u	nder Common Ownersh	ip: □Yes □N		
					17: 1 0			<u> </u>		
UL or lot no.	Section	Township	Range	Lot Idn	K1CK Of	ff Point (KOP) N/S   Feet from the E/W	Latitude		Longitude	County
M	23	15-S	36-E	_	50' S		N 32.9959	018   W 1	03.2809463	LEA
			1 00 -		1				00.200	
UL or lot no.	Section	Township	D	Lot Idn		ke Point (FTP)  N/S   Feet from the E/W	Latitude		Longitude	Country
M	23	15-S	Range 36-E	Lot Idii	100' S		N 32.9960	302   W 1	03.2809461	County LEA
IVI		13-0	30-L		100 0	000 11	14 32.9900	332   VV I	03.2003401	
						ke Point (LTP)				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the		Latitude	400	Longitude	County
D	11	15-S	36-E	-	110' N	660' W	N 33.0390	180   W 1	03.2808995	LEA
				_			<u> </u>			
Unitized Area or A	rea of Uniform I	nterest		Spacing Unity	Type Hori	izontal Vertical	Ground	Floor Elevation	•	
				ı			I			
I hereby certificate of my ky that this orgain the land if well at this lift or unleased mooling order.  If this well if received The counteased municased municased municased municased municany part of the set	wiledge and nization eith nicluding the ocation pursu tineral interectofore entonsent of at eral interest the well's comment of the well-served of the well	nformation con- belief; and, if er owns a worn proposed botton ant to a contra st, or to a volt- ered by the di well, I furthe least one lessed in each tract ( pleted interval	the well is a king interest on hole location oct with an ountary pooling vision.  r certify that e or owner of in the target	vertical or of or unleased ring or has a ring of a wo gagreement of this organization of the organization of the organization or formed the organization of the organization or formed the organization of the organization or formed the organization or formed the organization or formed the organization of th	directional we nineral inter ght to drill to the tribing interes or a compulso ation has interest or ution) in whi	he I hereby certify ell, est notes of actual est is true and con t t ry	RS CERTIFICA  y that the well loce surveys made by rrect to the best of	ıtion shown on me or under m	this plat was plotte ny supervision, artel	d from field has the same
pooling order  Signature	from the div	ision.	Date Details	o. ooutilet	_ w 5011epus01		of Professional Survey	or Dat	OVAL C	SUPERIO .
							<u>.</u>			
Print Name						Certificate Number	Date	of Survey 03/19/2025		
E-mail Address						<u> </u>				

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024  Submittal Type:  Amended Report  As Drilled
operty Name and Well Number	ED DRAKE 2311 FED COM 241H	
SURFACE LOCATION (SHL)  NEW MEXICO EAST NAD 1983  X=864421 Y=728598  LAT.: N 32.9984693  LONG: W 103.2795345  NAD 1927  X=823244 Y=728534  LAT.: N 32.9983544  LONG: W 103.2790345  984' FSL 1094' FWL  KICK OFF POINT (KOP)  NEW MEXICO EAST NAD 1983  X=863997 Y=727659  LAT.: N 32.9959018  LONG.: W 103.2809463  NAD 1927  X=822820 Y=727595  LAT.: N 32.9957869  LONG: W 103.2804464  50' FSL 660' FWL  FIRST PERF. POINT (FPP)  NEW MEXICO EAST NAD 1983  X=863997 Y=727709  LAT.: N 32.9960392  LONG: W 103.2809461  NAD 1927  X=822820 Y=727645  LAT.: N 32.9959243  LONG: W 103.2804462  100' FSL 660' FWL	NAD27 X=822046.22 Y=738098.66 NAD83 X=86322.92 Y=738163.65  NAD27 X=822074.90 Y=735458.30 NAD83 X=863516.30 Y=735523.07  NAD27 X=823398.73 Y=73573.70 NAD83 X=864575.45 Y=735583.07  NAD27 X=82318.8 Y=735523.07  NAD27 X=823425.29 Y=732817.75 NAD83 X=864575.45 Y=732817.75 NAD83 X=863280.34 Y=73282.48  NAD27 X=823425.29 Y=732831.68 Y=732817.75 NAD83 X=863602.06 Y=732896.38 Y=732896.38 Y=730277.52 X=823454.40 Y=730177.52 Y=823454.40 Y=730177.52 Y=823454.40 Y=730177.52 Y=823454.40 Y=730255.81 NAD27 X=823454.40 Y=730255.81 NAD83 X=863308.99 Y=730255.81 NAD83 X=864631.20 Y=730255.81 NAD83	X=863937 Y=734210 LAT.: N 33.0139061 LONG.: W 103.2809268 NAD 1927 X=822761 Y=734146 LAT.: N 33.0137914 LONG.: W 103.2804264 1321' FSL 672' FWL  LAST PERF. POINT (LPP) BOTTOM HOLE LOCATION (BHL) NEW MEXICO EAST NAD 1983 X=863854 Y=743347 LAT.: N 33.0390180 LONG.: W 103.2808995 NAD 1927



**SURFACE LOCATION (SHL)** 

**NEW MEXICO EAST** NAD 1983 X=864421 Y=728598 LAT.: N 32.9984693 LONG.: W 103.2795345 984' FSL 1094' FWL

#### KICK OFF POINT (KOP)

**NEW MEXICO EAST** NAD 1983 X=863997 Y=727659 LAT.: N 32.9959018 LONG.: W 103.2809463 50' FSL 660' FWL

#### FIRST PERF. POINT (FPP)

**NEW MEXICO EAST** NAD 1983 X=863997 Y=727709 LAT.: N 32.9960392 LONG.: W 103.2809461 100' FSL 660' FWL

#### **BLM PERF. POINT (BPP1)**

NEW MEXICO EAST NAD 1983 X=863949 Y=732890 LAT.: N 33.0102764 LONG.: W 103.2809308 0' FNL 669' FWL

#### **BLM PERF. POINT (BPP2)**

**NEW MEXICO EAST** NAD 1983 X=863937 Y=734210 LAT.: N 33.0139061 LONG.: W 103.2809268 1321' FSI 672' FWI

#### LAST PERF. POINT (LPP) **BOTTOM HOLE LOCATION (BHL) NEW MEXICO EAST**

NAD 1983 X=863854 Y=743347 LAT.: N 33.0390180 LONG.: W 103.2808995 110' FNL 660' FWL

LEASE NAME & WELL NO .:

22

27

STONE

FOUND

660' <del>-</del>

**FOUND** ED DRAKE 2311 FED COM 241H

STONE

S 89°26'34" W 2644.49

24 23

100D NAIL

26 25

36-E SECTION \_ \_ TWP\_ 15-S RGE\_ SURVEY N.M.P.M. LEA COUNTY. **STATE** NM 984' FSL & 1094' FWL DESCRIPTION

 $AZ = 359.48^{\circ}$ 

S 89°21'57" W 2645.57'

#### **DISTANCE & DIRECTION**

FROM INT. OF US-82 E/PLAINS HWY & STATE HWY 206 S/TATUM HWY, GO NORTHEAST ON US ±2.0 MILES, THENCE NORTH (LEFT) ON A PROPOSED RD. ±822 FEET TO A POINT ±461 FEET SOUTHWEST OF THE LOCATION.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET
THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY MATADOR PRODUCTION COMPANY. THIS CERTIFICATION IS MADE AND LITTED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

AS OF THE DATE OF SURVEY, ALL ABOVE GROUND APPURTENANCES WITHIN 300' OF THE STAKED LOCATION ARE SHOWN HEREON.



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

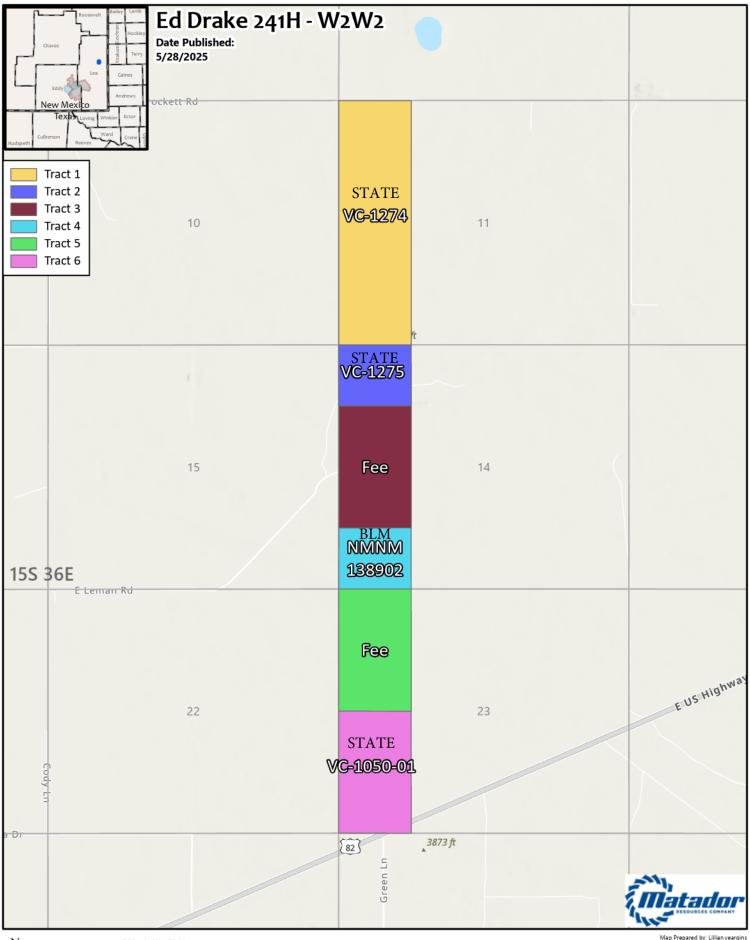


481 WINSCOTT ROAD, Ste. 200 • BENBROOK, TEXAS 76126

### Exhibit C-2

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-2
Submitted by: Matador Production Company

Hearing Date: July 15, 2025 Case No. 25388





**1:25,000** 1 inch equals 2,083 feet

Map Prepared by: Lillian, yeargins
Date: May 28, 2025
Project: \\gis\UserData\\yeargins\-projects\Tract Maps\Tract Maps.aprx
Spatial Reference. GCS WGS 1984
Sources: IHS; ESRI; US DOI BLM Carlsbad, NM Field Office, GIS Department,
Texas Cooperative Wildlife Collection. Texas A&M University.
United States Census Bureau [TIGER];

### Exhibit C-3

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-3
Submitted by: Matador Production Company

Hearing Date: July 15, 2025 Case No. 25388

Ed Drake (W2/W2)			
Summary of Interests			
Matador Working Interest		66.66666	7%
Compulsory Pool Interest		33.333333	3%
Interest Owners:	Description:	Tract:	Interest:
Wyotex Drilling Ventures, LLC*	Uncommitted Working Interest	3 & 5	33.333333%

7
8
8e
23
9
7
40

	Ed Drake	e (W2W2)		
	~	07		
	Summary of	of Interests		
	Tra	ct 1		
Interest Owners:		Description:	Net Mineral Acres:	Working Interest in Tract:
MRC Permian Company		Committed Working Interest	160.00000	100.000000%
	Tra	ct 2		
Interest Owners:		Description:	Net Mineral Acres:	Working Interest in Tract:
MRC Permian Company		Commited Working Interest	40.000000	100.000000%
	Tra	ct 3		
Interest Owners:		Description:	Net Mineral Acres:	Working Interest in Tract:
Wyotex Drilling Ventures, LLC*		Uncommited Working Interest	80.00000	100.000000%
	Tra	ct 4		
Interest Owners:		Description:	Net Mineral Acres:	Working Interest in Tract:
MRC Permian Company		Committed Working Interest	40.000000	100.00000%
	Tra	ct 5		
Interest Owners:		Description:	Net Mineral Acres:	Working Interest in Tract:
Wyotex Drilling Ventures, LLC*		Uncommited Working Interest	80.00000000	100.00000%
	Tra	ct 6		
Interest Owners:		Description:	Net Mineral Acres:	Working Interest in Tract:
MRC Permian Company		Committed Working Interest	80.0000000	100.00000%

<sup>\*</sup> MRC Permian is seeking to force pool the parties highlighted in yellow \* Wyotex Drilling Ventures is the successor in title to Thomas L. Alexander

### Exhibit C-4

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-4
Submitted by: Matador Production Company
Hearing Date: July 15, 2025

Case No. 25388

### MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240 Voice 972.371.5474

addison.costley@matadorresources.com

Addison Costley Landman

March 4, 2025

#### VIA CERTIFIED RETURN RECEIPT MAIL

Thomas L. Alexander PO Box 2005 Morro Bay, CA 93443

Re: Ed Drake Fed Com #241H &#242H and Ed Drake State Com #243H & #244H (the "Wells")

Participation Proposal

Sections 23, 14 & 11, Township 15 South, Range 36 East

Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's wells, located in Sections 23, 14 and 11, Township 15 South, Range 36 East, Lea County, New Mexico:

Well Name	SHL	FTP	LTP	TVD	TMD	Formation
Ed Drake Fed	SW4SW4	660' FWL & 100' FSL	660' FWL & 100' FNL	~11,400'	~26,834'	Wolfcamp D
Com #241H	23-15S-36E	23-15S-36E	11-15S-36E	~11,400	~20,634	woncamp D
Ed Drake Fed	SW4SW4	1980' FWL & 100' FSL	1980' FWL & 100' FNL	~11,400'	26 924	Wolfcamp D
Com #242H	23-15S-36E	23-15S-36E	11-15S-36E	~11,400	~26,834'	woncamp D
Ed Drake State	SE4SE4	1980' FEL & 100' FSL	1980' FEL & 100' FNL	11 400	26 924	W-16 D
Com #243H	23-15S-36E	23-15S-36E	11-15S-36E	~11,400'	~26,834'	Wolfcamp D
Ed Drake State	SE4SE4	660' FEL & 100' FSL	660' FEL & 100' FNL	~11,400'	~26,834'	Walfaamn D
Com #244H	23-15S-36E	23-15S-36E	11-15S-36E	~11,400	~20,834	Wolfcamp D

In connection with the above, please note the estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the four (4) enclosed Authority for Expenditures ("AFE") dated February 5, 2025.

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 dated March 5, 2025, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators covering All of Sections 23, 14 and 11, Township 15 South, Range 36 East, Lea County, New Mexico, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$10,000/\$1,000 Drilling and Producing rate
- Matador Production Company named as Operator

If your election is to participate in the drilling and completion of the 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

Addison Costley

Addison Costley

Thomas L. Alexander hereby elects to:
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Ed Drake Fed Com #241H well. Not to participate in the Ed Drake Fed Com #241H.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Ed Drake Fed Com #242H wellNot to participate in the Ed Drake Fed Com #242H.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Ed Drake State Com #243H well. Not to participate in the Ed Drake State Com #243H.
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's Ed Drake State Com #244H well.  Not to participate in the Ed Drake State Com #244H.
Thomas L. Alexander
By:
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 A	ND AUTHORIZATION FOR E	(PENDITURE		
DATE:	02/05/2025		AFE NO.:		0	
WELL NAME:         Ed Drake Fed Com #24           LOCATION:         Sections 23&14&11 15           COUNTY/STATE:         Lea		Н	FIELD:			0
		36E		MD/TVD:		26834'/11400'
			LATERAL LENGTH:		<u>-</u>	about 15,000'
MRC WI:			 S			
GEOLOGIC TARGET:	Wolfcamp D		7). <del>2</del> :			
REMARKS:	Drill and complete a 3-mi	le horizontal well in the	Wolfcamp D formation with	about 80 frac stages.		
		DRILLING	COMPLETION	PRODUCTION	FACILITY	TOTAL
INTANGIBL	E COSTS	COSTS	COSTS	COSTS	COSTS	COSTS

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
and / Legal / Regulatory \$	67,500	\$	\$	\$ 10,000 \$	77,500
ocation, Surveys & Damages	128,250	13,000	15,000	37,500	193,750
Orilling	1,220,400			-	1,220,400
Cementing & Float Equip	447,000				447,000
ogging / Formation Evaluation	111,000	3,750			3,750
Mud Logging	43,500			·	43,500
Mud Circulation System	147,064			V <del></del>	147,064
Aud & Chemicals	550,500	70,000		S	620,500
Mud / Wastewater Disposal	200,000	- 15,555		1,000	201,000
Freight / Transportation	28,000	39,000		\$ -	67,000
Rig Supervision / Engineering	166,500	89,600	7,500	9,000	272,600
Orll Bits	132,500				132,500
Fuel & Power	211,200	545,127	<del>)</del> )	<del></del>	756,327
Vater	44,600	1,705,700	-	1,000	1,751,300
Orig & Completion Overhead	16,000				16,000
Plugging & Abandonment	15,555	-	×	X	9
Directional Drilling, Surveys	415,551	-			415,551
	410,001	245,000	25,000	y	270,000
Completion Unit, Swab, CTU	<del></del>	299,500	15,000	S	314,500
Perforating, Wireline, Silckline	<del></del>	104,100	10,000	5,000	109,100
High Pressure Pump Truck	<del></del>	4,440,600		5,000	4,440,600
Stimulation	<del></del>	15,500	320,000	1	335,500
Stimulation Flowback & Disp	21,467	15,500	320,000		21,467
nsurance	191,500	61,250	110,000	\$ -	362,750
Labor	162,593	355,440	70,000	10,000	598,033
Rental - Surface Equipment	222,400	103,000	70,000	10,000	325,400
Rental - Downhole Equipment	51,285	36,955		5,000	93,240
Rental - Living Quarters		30,955	56,250	7,850	288,924
Contingency	224,824		56,250	7,830	28,670
Operations Center	28,670				
TOTAL INTANGIBLES >	4,721,303	8,127,522	618,750	86,350	13,553,92
TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL
Surface Casing \$	96,750	\$	\$	\$ \$	96,750
Intermediate Casing	373,063			V	373,063
Drilling Liner	-				950
Production Casing	1,020,054				1,020,05
Production Liner					100
Tubing			134,400		134,400
Wellhead	96,000		25,000		121,000
Packers, Liner Hangers	= = = = = = = = = = = = = = = = = = =	93,350	5,000		
Tanks					98,35
				81,833	
	<del>:</del>			81,833 151,250	81,83
Production Vessels					81,83 151,25
Production Vessels Flow Lines			= :	151,250	81,83 151,25
Production Vessels Flow Lines Rod string	:			151,250	81,83 151,25 177,75
Production Vessels Flow Lines Rod string Artificial Lift Equipment	:			151,250	81,83 151,25 177,75 - 300,00
Production Vessels Flow Lines Rod string Artiflcial Lift Equipment Compressor	-		300,000	151,250 177,750	81,83 151,25 177,75 - 300,00 26,25
Production Vessels Flow Lines Rod string Artiflcial Lift Equipment Compressor Installation Costs	:		300,000	151,250 177,750 26,250	81,83 151,25 177,75 - 300,00 26,25 56,00
Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps			300,000	151,250 177,750 26,250 56,000	81,83 151,25 177,75 - 300,00 26,25 56,00 20,00
Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface	- - - - - - - - 350		300,000 - - 12,500 60,000	151,250 177,750 26,250 56,000 7,500	81,83 151,25 177,75 - 300,00 26,25 56,00 20,00 62,35
Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole	- - - - - - - 350		300,000	151,250 177,750 26,250 56,000 7,500	81,83 151,25 177,75 300,00 26,25 56,00 20,00 62,35
Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps	- - - - - - - - 350		300,000 	151,250 177,750 26,250 56,000 7,500 2,000	81,83 151,25 177,75 - 300,00 26,25 56,00 20,00 62,35 10,00
Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation	- - - - - - - 350		300,000 - - 12,500 60,000	151,250 177,750 26,250 56,000 7,500	81,83 151,25 177,75 300,00 26,25 56,00 20,00 62,35 10,00
Production Vessels Flow Lines Rod string Artiflcial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration	- - - - - - - 350		300,000 	151,250 177,750 26,250 56,000 7,500 2,000	81,83 151,25 177,75 300,00 26,25 56,00 20,00 62,35 10,00
Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping	- - - - - - - 350		300,000 	151,250 177,750 26,250 56,000 7,500 2,000 96,250	81,83 151,25 177,75 300,00 26,25 56,00 20,00 62,35 10,00 
Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines	- - - - - - - 350		300,000 	151,250 177,750 26,250 56,000 7,500 2,000 96,250 230,000	81,83 151,25 177,75 - 300,000 26,25 56,00 20,00 62,35 10,00 - 112,25 250,00
Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers	- - - - - - - 350		300,000 	151,250 177,750 26,250 56,000 7,500 2,000 96,250 	81,83 151,25 177,75 300,00 26,25 56,00 20,00 62,35 10,00 
Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment	- - - - - - - 350		300,000 	151,250 177,750 26,250 56,000 7,500 2,000 96,250 - 230,000 \$ - \$ -	81,83 151,25 177,75 300,00 26,25 56,00 20,00 62,35 10,00 
Production Vessels Flow Lines Rod string Artiflcial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack	- - - - - - - 350		300,000 	151,250 177,750 26,250 56,000 7,500 2,000 96,250 - 230,000 \$ - \$ - 17,500 33,750	81,83 151,25 177,75 300,00 26,25 56,00 20,00 62,35 10,00 
Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding	- - - - - - - 350		300,000 	151,250 177,750 26,250 56,000 7,500 2,000 96,250 	81,83 151,25 177,75 - 300,00 26,25 56,00 20,00 62,35 10,00 - 112,25 - 250,00 17,50 33,75 81,50
Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA	- - - - - - - 350		300,000 	151,250 177,750 26,250 56,000 7,500 2,000 96,250  230,000 \$ - \$ - 17,500 33,750 56,500 15,000	81,83 151,25 177,75 300,00 26,25 56,00 20,00 62,35 10,00 - 112,25 250,00 17,50 33,75 81,50
Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding Communications / SCADA Instrumentation / Safety	350		300,000  12,500 60,000 10,000  20,000  5,000  25,000 2,500	151,250 177,750 26,250 56,000 7,500 2,000 96,250 - 230,000 \$ - \$ - 17,500 33,750 56,500 15,000 42,000	81,83 151,25 177,75 300,00 26,25 56,00 20,00 62,35 10,00 - 112,25 - 250,00 17,50 33,75 81,50 17,50 42,00
Production Vessels Flow Lines Rod string Artificial Lift Equipment Compressor Installation Costs Surface Pumps Non-controllable Surface Non-controllable Downhole Downhole Pumps Measurement & Meter Installation Gas Conditioning / Dehydration Interconnecting Facility Piping Gathering / Bulk Lines Valves, Dumps, Controllers Tank / Facility Containment Flare Stack Electrical / Grounding	- - - - - - - 350	93,350	300,000 	151,250 177,750 26,250 56,000 7,500 2,000 96,250  230,000 \$ - \$ - 17,500 33,750 56,500 15,000	300,000 26,250 56,000 20,000 62,350 10,000 

PREPARED BY MATADOR PRO	DOUCTION COMPANY:		
Drilling Engineer:	Patrick Walsh	Team Lead - WTX/NM	
Completions Engineer:	Garrett Hunt	FM	
Production Engineer:	Josh Bryant		

MATADOR RESOURCES COMPANY APPROVAL:

Received by OCD: 7/15/2025 10:17:56 AM

President _	VS	Chief Geologist	-	
CFO	8W	COO	-	
EVP, Reservoir	WTE			
NON OPERATING PARTNER A	APPROVAL:			
Company Name:		Working Interest (%)	·	Tax ID:
Signed by:		Date	<u> </u>	
Title:		Approval	: Yes	No (mark one)

Released to Inhaging: 7/15/2025 10:25:09 AM

### Exhibit C-5

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-5
Submitted by: Matador Production Company

Hearing Date: July 15, 2025 Case No. 25388

#### **Summary of Communications Ed Drake Fed Com 241H (Slot 1- WFMP)**

#### **Uncommitted Working Interest Owner**

#### 1. Wyotex Drilling Ventures\*

Matador has had discussions with **Wyotex Drilling Ventures**, LLC regarding their acquired interest and we are continuing to discuss voluntary joinder.

- Proposal sent to Thomas L. Alexander March 5, 2025
- Phone Call with Thomas L. Alexander April 15, 2025
- Email correspondence with Thomas L. Alexander April 16, 2025
- Wyotex Drilling Ventures, LLC leased Thomas L. Alexander April 30, 2025
- Wyotex Drilling Ventures, LLC filed the lease with Thomas L. Alexander May 12, 2025
- Email correspondence with Wyotex Drilling Ventures, LLC May 12, 2025, acknowledging the June 5, 2025 hearing
- Email correspondence with Wyotex Drilling Ventures, LLC May 15, 2025
- Phone Call with Wyotex Drilling Ventures, LLC May 15, 2025

<sup>\*</sup> Wyotex Drilling Ventures, LLC is the successor in title to Thomas L. Alexander

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

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

**CASE NO. 25388** 

SELF-AFFIRMED STATEMENT OF JOSHUA BURRUS

1. My name is Joshua Burrus. I work for MRC Energy Company, an affiliate of

Matador Production Company ("Matador"), as a Senior Staff Geologist.

2. I have previously testified before the New Mexico Oil Conservation Division as an

expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted

by the Division and made a matter of record.

3. I am familiar with the application filed by MRC in this case, and I have conducted

a geologic study of the lands in the subject area.

4. MRC Exhibit D-1 is a locator map outlining the horizontal spacing unit with a

black box shaded in yellow, with the larger area identified in a red box.

5. In this case, MRC intends to develop the Penn Shale of the upper Pennsylvanian

formation.

6. MRC Exhibit D-2 is a subsea structure map prepared off the top of the

Pennsylvanian formation. The contour interval is 50 feet. The structure map shows the

Pennsylvanian formation dipping to the east. The structure appears consistent across the proposed

wellbore path. I do not observe any faulting, pinchouts, or other geologic impediments to

horizontal drilling.

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

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

- 8. MRC Exhibit D-3 is a structural cross-section displaying open-hole logs run over the Pennsylvanian formation (or at least portions thereof) from the four representative wells denoted from A to A'. For each well in the cross-section, the following logs are included: gamma ray, caliper, resistivity, and porosity, where available. The proposed target interval for the proposed well is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted interval, within the Pennsylvanian formation, is consistent in thickness across the entirety of the proposed spacing unit.
- 9. In my opinion, the standup orientation is the preferred orientation for development in this area for the Penn Shale well based on the maximum horizontal stress orientation in this area.
- 10. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells within the Pennsylvanian formation in the area of the spacing unit proposed in this case.
- 11. In my opinion, each quarter-quarter section will be productive and contribute moreor-less equally to production from the horizontal spacing unit.
- 12. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery.
- 13. In my opinion, approving MRC's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.
- 14. **MRC Exhibits D-1 through D-3** were either prepared by me or compiled under my direction and supervision.
- 15. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed

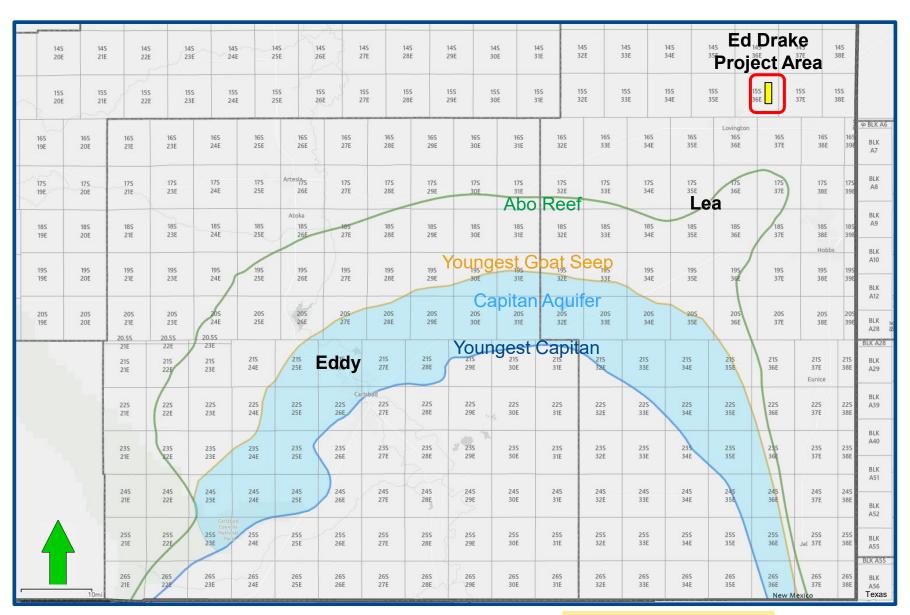
statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

Joshua Burrus

05/27/2025 Date Received by OCD: 7/15/2025 10:17:56 AM

### **Locator Map**

### **Exhibit D-1**



BEFORE THE OIL CONSERVATION DIVISION

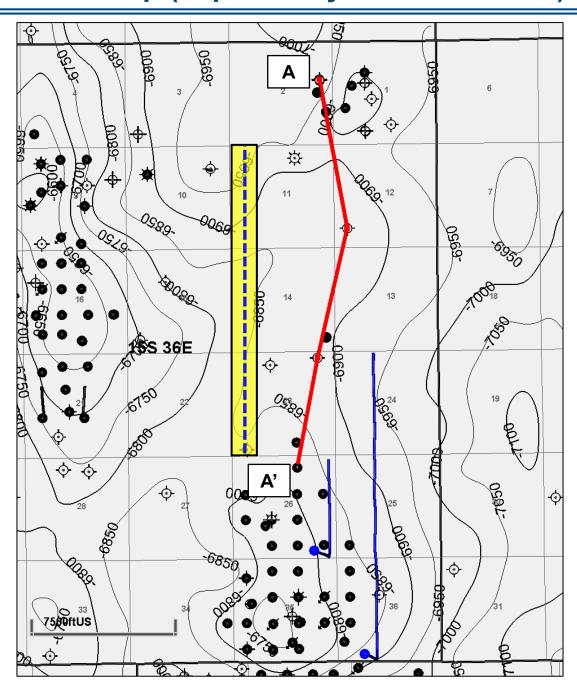
Santa Fe, New Mexico
Exhibit No. D-1
ted by: Matador Production Comp

Submitted by: Matador Production Company
Hearing Date: July 15, 2025
Case No. 25388



### Dean; Permo Upper Penn [Pool Code 16720] Structure Map (Top Pennsylvanian Subsea)

### Exhibit D-2

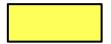


#### Map Legend

**Upper Penn Shale Wells** 

Ed Drake #241H

**Project Area** 



C. I. = 50'

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D-2
Submitted by: Matador Production Company
Hearing Date: July 15, 2025

Case No. 25388



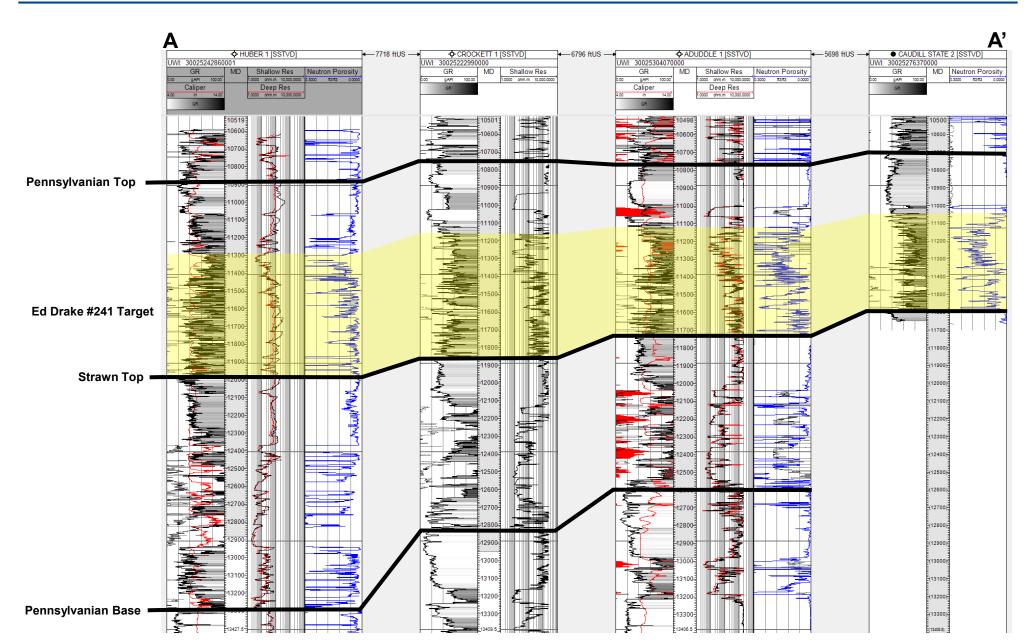
Hearing Date: July 15, 2025

Case No. 25388

Santa Fe, New Mexico

Revised Exhibit No. D-3
Submitted by: Matador Production Company hibit D-3

### Dean; Permo Upper Penn [Pool Code 16720] Structural Cross Section A – A' Reference Line



Received by OCD: 7/15/2025 10:17:56 AM

Page 36 of 40

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

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

**CASE NO. 25388** 

SELF-AFFIRMED STATEMENT OF PAULA M. VANCE

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

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

competent to provide this self-affirmed statement.

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

sent by certified mail to the locatable affected parties on the date set forth in the letter attached

hereto.

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

was provided.

4. The spreadsheet attached hereto contains the information provided by the United

States Postal Service on the status of the delivery of this notice as of May 23, 2025.

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

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

of publication is attached herein.

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

the foregoing statements are true and correct. I understand that this self-affirmed statement will be

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

below.

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Santa Fe, New Mexico Exhibit No. E

5/29/25 Date



Adam G. Rankin Partner Phone (505) 988-4421 agrankin@hollandhart.com

May 16, 2025

## VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED INTEREST OWNERS

Re: Application of MRC Permian Company for Compulsory Pooling, Lea County,

New Mexico: Ed Drake Fed Com #241H well

Ladies & Gentlemen:

This letter is to advise you that MRC Permian Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on June 5, 2025, and the status of the hearing can be monitored through the Division's website at <a href="https://www.emnrd.nm.gov/ocd/">https://www.emnrd.nm.gov/ocd/</a>.

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 Addison Costley at (972) 371-5474 or at addison.costley@matadorresources.com.

Sincerely,

Adam G. Rankin

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

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

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### MEC - Ed Drake 241H , 242H wells - Case nos. 25388 and 25390 Postal Delivery Report

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### **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 May 18, 2025 and ending with the issue dated May 18, 2025.

Publisher

Sworn and subscribed to before me this 18th day of May 2025.

Business Manager

My commission expires

January 29, 2027

(Seal)

STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

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

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LEGAL NOTICE May 18, 2025

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BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: Matador Production Company

Hearing Date: July 15, 2025 Case No. 25388