

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING DECEMBER 4, 2025**

**CASE No. 25735**

*TWINKLE 2601 FED COM #202H WELL*

**LEA & EDDY COUNTIES, NEW MEXICO**



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

**APPLICATION OF MRC PERMIAN  
COMPANY FOR COMPULSORY POOLING,  
LEA AND EDDY COUNTIES, NEW MEXICO.**

**CASE NO. 25735**


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<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 25735</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date:</b>	<b>December 4, 2025</b>
Applicant	MRC Permian Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company [OGRID 228937]
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MRC PERMIAN COMPANY FOR COMPULSORY POOLING, LEA AND EDDY COUNTIES, NEW MEXICO
Entries of Appearance/Intervenors:	N/A
Well Family	Twinkle
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp formation
Pool Name and Pool Code:	Hat Mesa; Wolfcamp [96438]
Well Location Setback Rules:	Statewide rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	482.49 acres, more or less
Building Blocks:	40 acres
Orientation:	Standup
Description: TRS/County	E/2 SW/4 of Section 26 and the E/2 W/2 of Section 35, Township 20 South, Range 32 East, NMPPM, Lea County, New Mexico, as well as Lots 4, 5, 12, & 13, the NW/4 SW/4, and the SW/4 SW/4 (W/2 W/2 equivalent) of irregular Section 1, Township 21 South, Range 31 East, NMPPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C-2
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location,	
Well #1	Twinkle 2601 Federal Com 202H (API No. Pending) SHL: 1,372' FNL & 1,670' FWL (Unit F) of Section 26, T20S-R32E BHL: 110' FSL & 991' FWL (Unit M) of Section 1, T21S-R31E Completion Target: Wolfcamp formation Well Orientation: Standup Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
<b>Notice of Hearing</b>	

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Exhibit No. A  
Submitted by: Matador Production Company  
Hearing Date: December 4, 2025  
Case No. 25735

Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2 & C-3
Tract List (including lease numbers and owners)	Exhibit C-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
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
Cost Estimate for Production Facilities	Exhibit C-4
<b>Geology</b>	
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
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-2 & C-3
General Location Map (including basin)	Exhibit D
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
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Paula M. Vance
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	11/21/2025

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

**APPLICATION OF MRC PERMIAN  
COMPANY FOR COMPULSORY POOLING,  
LEA AND EDDY COUNTIES, NEW MEXICO.**

**CASE NO. 25735**

**APPLICATION**

MRC Permian Company (“MRC” or “Applicant”), through its undersigned attorneys, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling the uncommitted interest owners in a standard 482.49-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the E/2 SW/4 of Section 26 and the E/2 W/2 of Section 35, Township 20 South, Range 32 East, Lea County, New Mexico, as well as Lots 4, 5, 12, & 13, the NW/4 SW/4, and the SW/4 SW/4 (W/2 W/2 equivalent) of irregular Section 1, Township 21 South, Range 31 East, Eddy County, New Mexico. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal well spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Twinkle 2601 Federal Com 202H** well, to be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 26, T20S-R32E, with a first take point in the NE/4 SW/4 (Unit K) of Section 26, T20S-R32E, and a last take point in the SW/4 SW/4 (Unit M) of irregular Section 1, T21S-R31E.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: Matador Production Company  
Hearing Date: December 4, 2025  
Case No. 25735**

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.


5. The granting of this application 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 the November 13, 2025, hearing docket and after notice and hearing as required by law, the Division enter an order:

- A. Approving the standard horizontal well spacing unit and pooling all uncommitted interest owners therein;
- B. Designating Matador Production Company as operator of this horizontal spacing unit and the horizontal 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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Paula M. Vance  
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Santa Fe, NM 87504  
505-988-4421  
505-983-6043 Facsimile  
agrarkin@hollandhart.com  
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**ATTORNEYS FOR MRC PERMIAN COMPANY AND  
MATADOR PRODUCTION COMPANY**

CASE \_\_\_\_\_: **Application of MRC Permian Company for Compulsory Pooling, Lea and Eddy Counties, New Mexico.** Applicant in the above-styled cause seeks an order pooling the uncommitted interest owners in a standard 482.49-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the E/2 SW/4 of Section 26 and the E/2 W/2 of Section 35, Township 20 South, Range 32 East, Lea County, New Mexico, as well as Lots 4, 5, 12, & 13, the NW/4 SW/4, and the SW/4 SW/4 (W/2 W/2 equivalent) of irregular Section 1, Township 21 South, Range 31 East, Eddy County, New Mexico. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Twinkle 2601 Federal Com 202H** well, to be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 26, T20S-R32E, with a first take point in the NE/4 SW/4 (Unit K) of Section 26, T20S-R32E, and a last take point in the SW/4 SW/4 (Unit M) of irregular Section 1, T21S-R31E. Also, to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the proposed well. The subject area is located approximately 32 miles east of Carlsbad, New Mexico.



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

**APPLICATION OF MRC PERMIAN COMPANY  
FOR COMPULSORY POOLING, LEA AND  
EDDY COUNTIES, NEW MEXICO.**

**CASE NO. 25735**

**SELF-AFFIRMED STATEMENT OF HAWKS HOLDER**

Hawks Holder, of lawful age and being first duly sworn, declares as follows:

1. My name is Hawks Holder. I work for MRC Energy Company, an affiliate of MRC Permian Company ("MRC"), as an Area Land Manager.
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 the uncommitted interest owners in a standard 482.49-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the E/2 SW/4 of Section 26 and the E/2 W/2 of Section 35, Township 20 South, Range 32 East, Lea County, New Mexico, as well as Lots 4, 5, 12, & 13, the NW/4 SW/4, and the SW/4 SW/4 of irregular Section 1, Township 21 South, Range 31 East, Eddy County, New Mexico, and initially dedicate this spacing unit to the proposed **Twinkle 2601 Federal Com 202H** well, to be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 26, T20S-R32E, with a first take point in the NE/4 SW/4 (Unit K) of Section 26, T20S-

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: Matador Production Company  
Hearing Date: December 4, 2025  
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R32E, and a last take point in the SW/4 SW/4 (Unit M) of irregular Section 1, T21S-R31E.

5. MRC understands this will be placed in the HAT MESA;WOLFCAMP [96438] pool.

6. **MRC Exhibit C-1** contains a draft 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 federal lands.

9. **MRC Exhibit C-3** identifies the working interest owner that MRC is seeking to pool, as well as the overriding royalty and record title owners that MRC seeks to pool. The first pages of Exhibit C-3 shows the parties MRC is seeking to pool on a unit basis. Behind the unit analysis, there are additional pages showing the working interest owners 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 Wolfcamp formation for this acreage.

11. While MRC was working to put this unit together, MRC proposed the above well to the working interest party it seeks to pool. **MRC Exhibit C-4** contains a representative copy of the forms of well proposal letter that was sent to the working interest owner, 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. As indicated on MRC Exhibit C-5, MRC has

been able to contact and have discussions with the working interest owner we seek to pool. In my opinion, MRC has undertaken good faith efforts to reach an agreement with the uncommitted unleased mineral interest owners 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 for whom MRC was able to locate an address or potential address. 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 Exhibit C-6** contains a chart showing the owners being pooled as well as those owners who are not being pooled because they are already committed to the unit and the commitment type for those owners. MRC Exhibit C-6 also indicates, upon information and belief, the dates notice of this hearing was mailed to each party to be pooled and the date of notice by publication for this hearing, which is based on information provided by Matador's outside counsel at Holland and Hart who prepared and sent such notices.

16. **MRC Exhibits C-1 through C-6** were either prepared by me or compiled under my direction and supervision.

17. 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.

Hawks Holder

Hawks Holder

11/18/2025

Date

# Exhibit C-1

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-1

Submitted by: Matador Production Company  
Hearing Date: December 4, 2025  
Case No. 25735

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:	<input checked="" type="checkbox"/> Initial Submittal
			<input type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled	

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 96438	Pool Name HAT MESA;WOLFCAMP
Property Code	Property Name TWINKLE 26 FED COM	Well Number 202H
OGRID No. 228937	Operator Name MATADOR PRODUCTION COMPANY	Ground Level Elevation 3549'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal

## Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
F	26	20-S	32-E	-	1372' N	1670' W	N 32.5476504	W 103.7400636	LEA

## Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
M	1	21-S	31-E	-	110' S	991' W	N 32.5006793	W 103.7368237	EDDY

Dedicated Acres 482.50	Infill or Defining Well Defining	Defining Well API N/A	Overlapping Spacing Unit (Y/N) N	Consolidated Code O
Order Numbers N/A			Well Setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

## Kick Off Point (KOP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
K	26	20-S	32-E	-	2587' S	2316' W	N 32.5440306	W 103.7379712	LEA


## First Take Point (FTP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
K	26	20-S	32-E	-	2537' S	2316' W	N 32.5438932	W 103.7379713	LEA

## Last Take Point (LTP)

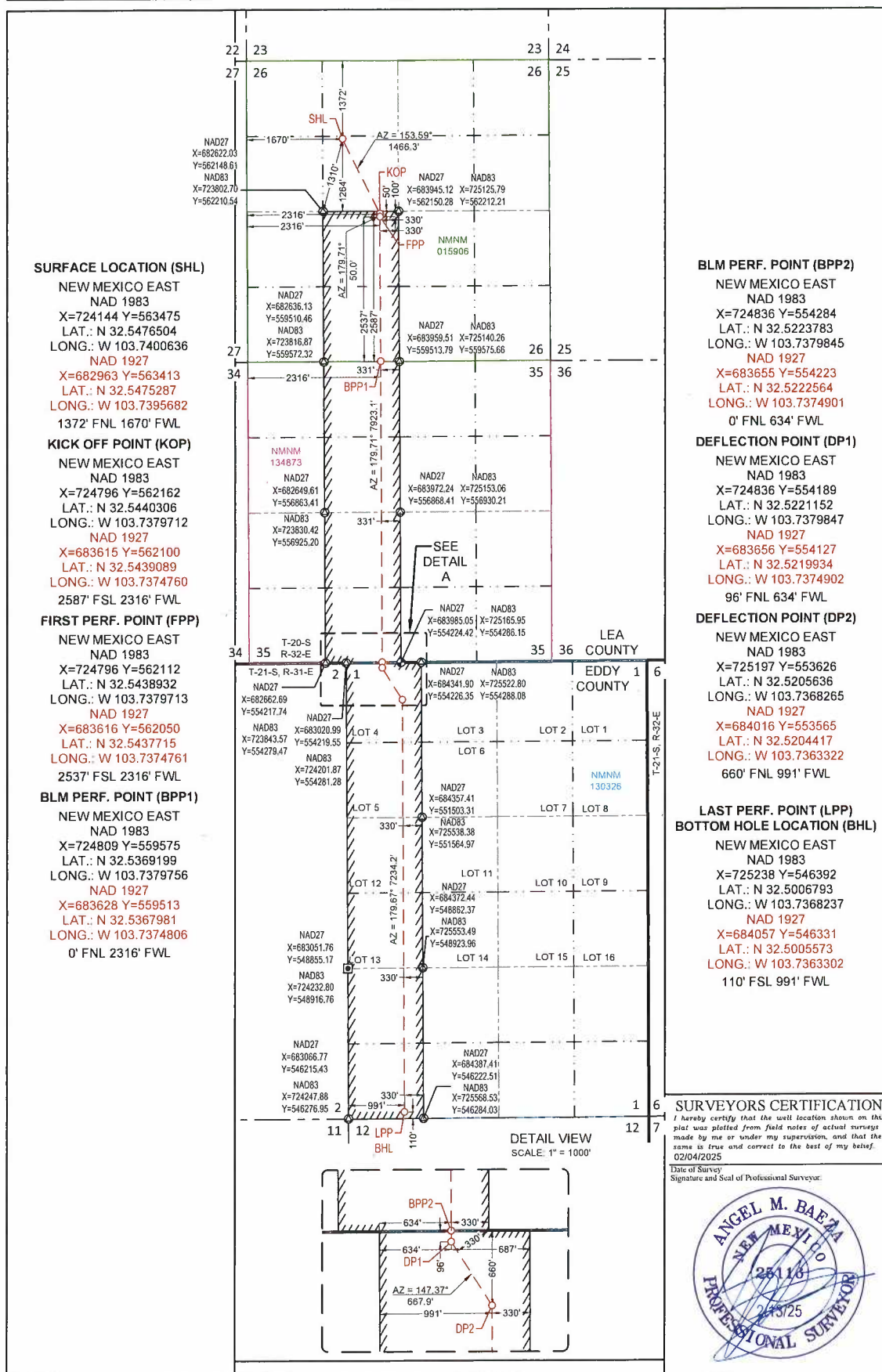
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
M	1	21-S	31-E	-	110' S	991' W	N 32.5006793	W 103.7368237	EDDY

Unitized Area or Area of Uniform Interest E2W2 Sec. 26 & 35, T20S-R32E; W2W2 Sec. 1 T21S-R31E	Spacing Unity Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation
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<b>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i>  Debbie Creed 7/8/2025		<b>SURVEYORS CERTIFICATION</b> <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveying made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>   2/13/25	
Signature Debbie Creed		Signature and Seal of Professional Surveyor Date	
Print Name debbie.creed@matadorresources.com		Date of Survey 02/04/2025	
E-mail Address		Certificate Number 25116	



<b>C-102</b> Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>		Revised July 9, 2024
	Submittal Type:	<input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled	
		Property Name and Well Number <b>TWINKLE 26 FED COM 202H</b>	









# Exhibit C-2

**BEFORE THE OIL CONSERVATION DIVISION**

**Santa Fe, New Mexico**

**Exhibit No. C-2**

**Submitted by: Matador Production Company**

**Hearing Date: December 4, 2025**

**Case No. 25735**



# Twinkle: E2W2 Wolfcamp

Date Published:  
4/9/2025

Lease No.

- NMNM 015906
- NMNM 134873
- NMNM 130326



N

GIS Standard Map Disclaimer:

This is a technical product and is for informational purposes only. It is not a legal document and should not be used for legal purposes. The information is provided as is and the user assumes all responsibility for its use.

0 1,000 2,000 4,000 Feet

1:25,000

1 inch equals 2,083 feet

Map Prepared by: Lillian Yeagins  
Date: April 9, 2025  
Project: \\gis\userdata\llyeargins\projects\Pooling Hearings\Pooling Hearings.aprx  
Spatial Reference: NAD 1983 StatePlane New Mexico East FIPS 3001 Feet  
Sources: IHS, ESRI, US DOI BLM, Carlsbad, NM Field Office, GIS Department,  
Texas Cooperative Wildlife Collection, Texas A&M University,  
United States Census Bureau (TIGER)

# Exhibit C-3

E2W2 Wolfcamp Twinkle Fed Com			
<b>MRC Permian</b>		<b>86.3873%</b>	
<b>Voluntary Joinder</b>		<b>6.9514%</b>	
<b>Owner</b>	<b>Description</b>	<b>Tract</b>	<b>Interest</b>
Foran Oil Company	WI	1	4.4643%
DOW Chemical Co.	WI	1	2.4871%
<b>Compulsary Pool</b>		<b>6.6613%</b>	
<b>Owner</b>	<b>Description</b>	<b>Tract</b>	<b>Interest</b>
Permian Resources Operating LLC	WI	1	6.6613%
Hutchings Oil Co.	ORRI		
Morgan, Frank & Robin	ORRI		
Susan S. Murphy Marital Trust UTA 11/15/12	ORRI		
Mark B. Murphy Irrev. Trust UTA 12/11/12	ORRI		
Snoddy Oil & Gas Trust	ORRI		
Sydney Investments, LP	ORRI		
Hidden Hills Minerals, LLC	ORRI		
Topsey, LLC	ORRI		
Titus Oil & Gas Production, LLC	Record Title	1, 2	

E2W2 Wolfcamp Twinkle Fed Com Case No. 25178		
Tract 1 (80 acres)	Net Mineral Acres	Working Interest in Tract
Permian Resources Operating LLC	32.14	40.1775%
MRC Permian Company	14.32	17.8994%
Foran Oil Company	21.54	26.9231%
DOW Chemical Co.	12.00	15.0000%

Tract 3 (160 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	160.00	100.0000%

Tract 4 (242.49 acres)	Net Mineral Acres	Working Interest in Tract
MRC Permian Company	242.49	100.0000%

# Exhibit C-4

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-4  
Submitted by: Matador Production Company  
Hearing Date: December 4, 2025  
Case No. 25735

# Matador Production Company

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

Cell 806.282.6846 • Office 972.619.4336 • Fax 972-371-5201

[hawks.holder@matadorresources.com](mailto:hawks.holder@matadorresources.com)

**Hawks Holder**  
Area Land Manager

September 3<sup>rd</sup>, 2025

VIA CERTIFIED RETURN RECEIPT MAIL

Permian Resources Operating, LLC  
300 N. Marienfeld St., Suite 1000  
Midland, TX 79701

Re: Twinkle 2601 Fed Com #101H, #102H, #103H, #104H, #111H, #112H, #113H, #114H, #141H, #143H, #144H, #121H, #122H, #123H, #151H, #153H, #154H, #131H, #132H, #133H, #134H, #201H, #202H, #203H & #204H (the "Wells")  
Participation Proposal  
The S/2 of Section 26, Township 20 South, Range 32 East  
All of Section 35, Township 20 South, Range 32 East  
Lots 1, 8, 9, & 16, and the E/2SE/4 (being the E/2E/2) of Section 2, Township 21 South, Range 31 East  
Lots 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, & 15, and the SW/4, W/2SE/4 (being the W/2 and W/2E/2) of Section 1, Township 21 South, Range 31 East  
Lea and Eddy Counties, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's above-referenced Wells, located in the S/2 of Section 26, Township 20 South, Range 32 East, All of Section 35, Township 20 South, Range 32 East, Lots 1, 8, 9, & 16, and the E/2SE/4 (being the E/2E/2) of Section 2, Township 21 South, Range 31 East, Lots 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, & 15, and the SW/4, W/2SE/4 (being the W/2 and W/2E/2) of Section 1, Township 21 South, Range 31 East, and Lea and Eddy Counties, 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 twenty-five (25) enclosed Authority for Expenditures ("AFE") dated August 20, 2025 and August 25, 2025.
- **Twinkle 2601 Fed Com #101H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NW/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 330' FWL of Section 26-20S-32E and a proposed last take point 100' FSL and 990' FEL of Section 2-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Avalon (~8,400' TVD) to a Measured Depth of approximately 23,984'.
- **Twinkle 2601 Fed Com #102H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NW/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 1,650' FWL of Section 26-20S-32E and a proposed last take point 100' FSL and 330' FWL of Section 1-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Avalon (~8,400' TVD) to a Measured Depth of approximately 23,984'.



- **Twinkle 2601 Fed Com #103H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 2,310' FEL of Section 26-20S-32E and a proposed last take point 100' FSL and 1,650' FWL of Section 1-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Avalon (~8,400' TVD) to a Measured Depth of approximately 23,984'.
- **Twinkle 2601 Fed Com #104H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 990' FEL of Section 26-20S-32E and a proposed last take point 100' FSL and 2,310' FEL of Section 1-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Avalon (~8,400' TVD) to a Measured Depth of approximately 23,984'.
- **Twinkle 2601 Fed Com #111H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NW/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 330' FWL of Section 26-20S-32E and a proposed last take point 100' FSL and 990' FEL of Section 2-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,020' TVD) to a Measured Depth of approximately 24,604'.
- **Twinkle 2601 Fed Com #112H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NW/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 1,650' FWL of Section 26-20S-32E and a proposed last take point 100' FSL and 330' FWL of Section 1-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,020' TVD) to a Measured Depth of approximately 24,604'.
- **Twinkle 2601 Fed Com #113H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 2,310' FEL of Section 26-20S-32E and a proposed last take point 100' FSL and 1,650' FWL of Section 1-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,020' TVD) to a Measured Depth of approximately 24,604'.
- **Twinkle 2601 Fed Com #114H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 990' FEL of Section 26-20S-32E and a proposed last take point 100' FSL and 2,310' FEL of Section 1-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,020' TVD) to a Measured Depth of approximately 24,604'.
- **Twinkle 2601 Fed Com #141H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NW/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 990' FWL of Section 26-20S-32E and a proposed last take point 100' FSL and 330' FEL of Section 2-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,550' TVD) to a Measured Depth of approximately 25,134'.
- **Twinkle 2601 Fed Com #143H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 2,310' FEL of Section 26-20S-32E and a proposed last take point 100' FSL and 1,650' FWL of Section 1-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,550' TVD) to a Measured Depth of approximately 25,134'.

- **Twinkle 2601 Fed Com #144H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 660' FEL of Section 26-20S-32E and a proposed last take point 100' FSL and 1,980' FEL of Section 1-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,550' TVD) to a Measured Depth of approximately 25,134'.
- **Twinkle 2601 Fed Com #121H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NW/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 330' FWL of Section 26-20S-32E and a proposed last take point 100' FSL and 990' FEL of Section 2-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,900' TVD) to a Measured Depth of approximately 25,484'.
- **Twinkle 2601 Fed Com #122H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NW/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 1,980' FWL of Section 26-20S-32E and a proposed last take point 100' FSL and 660' FWL of Section 1-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,900' TVD) to a Measured Depth of approximately 25,484'.
- **Twinkle 2601 Fed Com #123H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 1,650' FEL of Section 26-20S-32E and a proposed last take point 100' FSL and 2,310' FWL of Section 1-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~9,900' TVD) to a Measured Depth of approximately 25,484'.
- **Twinkle 2601 Fed Com #151H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NW/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 990' FWL of Section 26-20S-32E and a proposed last take point 100' FSL and 330' FEL of Section 2-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,270' TVD) to a Measured Depth of approximately 25,854'.
- **Twinkle 2601 Fed Com #153H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NW/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 2,310' FEL of Section 26-20S-32E and a proposed last take point 100' FSL and 1,650' FEL of Section 1-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,270' TVD) to a Measured Depth of approximately 25,854'.
- **Twinkle 2601 Fed Com #154H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NW/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 660' FEL of Section 26-20S-32E and a proposed last take point 100' FSL and 1,980' FEL of Section 1-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,270' TVD) to a Measured Depth of approximately 25,854'.

- **Twinkle 2601 Fed Com #131H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NW/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 330' FWL of Section 26-20S-32E and a proposed last take point 100' FSL and 990' FEL of Section 2-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,940' TVD) to a Measured Depth of approximately 26,524'.
- **Twinkle 2601 Fed Com #132H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NW/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 1,650' FWL of Section 26-20S-32E and a proposed last take point 100' FSL and 330' FWL of Section 1-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,940' TVD) to a Measured Depth of approximately 26,524'.
- **Twinkle 2601 Fed Com #133H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 2,310' FEL of Section 26-20S-32E and a proposed last take point 100' FSL and 1,650' FWL of Section 1-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,940' TVD) to a Measured Depth of approximately 26,524'.
- **Twinkle 2601 Fed Com #134H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 990' FEL of Section 26-20S-32E and a proposed last take point 100' FSL and 2,310' FEL of Section 1-21S-31E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~10,940' TVD) to a Measured Depth of approximately 26,524'.
- **Twinkle 2601 Fed Com #201H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NW/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 990' FWL of Section 26-20S-32E and a proposed last take point 100' FSL and 330' FEL of Section 2-21S-31E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,075' TVD) to a Measured Depth of approximately 26,659'.
- **Twinkle 2601 Fed Com #202H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NW/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 2,310' FWL of Section 26-20S-32E and a proposed last take point 100' FSL and 990' FWL of Section 1-21S-31E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,075' TVD) to a Measured Depth of approximately 26,659'.
- **Twinkle 2601 Fed Com #203H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 1,650' FEL of Section 26-20S-32E and a proposed last take point 100' FSL and 2,310' FWL of Section 1-21S-31E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,075' TVD) to a Measured Depth of approximately 26,659'.
- **Twinkle 2601 Fed Com #204H:** to be drilled from a legal location with a proposed surface hole location in the SE/4NE/4 of Section 26-20S-32E, with a proposed first take point 2,540' FSL and 330' FEL of Section 26-20S-32E and a proposed last take point 100' FSL and 1,650' FEL of Section 1-21S-31E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~11,075' TVD) to a Measured Depth of approximately 26,659'.



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 August 1, 2025, covering the S/2 of Section 26, Township 20 South, Range 32 East, All of Section 35, Township 20 South, Range 32 East, Lots 1, 8, 9, & 16, and the E/2SE/4 (being the E/2E/2) of Section 2, Township 21 South, Range 31 East, Lots 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, & 15, and the SW/4, W/2SE/4 (being the W/2 and W/2E/2) of Section 1, Township 21 South, Range 31 East, Lea and Eddy Counties, New Mexico, and has the following general provisions. MRC will be following up with a revised copy of the JOA.

- 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**



Hawks Holder

**Permian Resources Operating, LLC hereby elects to:**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Twinkle 2601 Fed Com #101H** well.  
 \_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #101H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Twinkle 2601 Fed Com #102H** well.  
 \_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #102H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Twinkle 2601 Fed Com #103H** well.  
 \_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #103H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Twinkle 2601 Fed Com #104H** well.  
 \_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #111H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **Twinkle 2601 Fed Com #111H** well.  
 \_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #111H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #112H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #112H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #113H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #113H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #114H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #114H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #141H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #141H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #143H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #143H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #144H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #144H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #121H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #121H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #122H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #122H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #123H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #123H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #151H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #151H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #153H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #153H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #154H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #154H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #131H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #131H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #132H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #132H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #133H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #133H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #134H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #134H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #201H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #201H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #202H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #202H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #203H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #203H**

\_\_\_\_\_ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador  
Production Company's **Twinkle 2601 Fed Com #204H** well.  
\_\_\_\_\_ Not to participate in the **Twinkle 2601 Fed Com #204H**

**Permian Resources Operating, LLC**

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

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

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

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

## MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240

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

## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	August 20, 2025	AFE NO.:	
WELL NAME:	Twinkle 2601 Fed Corn 202H	FIELD:	
LOCATION:	Sec. 26 20S-32E & Sec. 1 21S-31E	MD/TVD:	26,659/11,075'
COUNTY/STATE:	Lea & Eddy County, NM	LATERAL LENGTH:	15,117
MRC WI:			
GEOLOGIC TARGET:	Wolfcamp A		
REMARKS:	Drill and complete a horizontal 3.0-mile long Wolfcamp A target.		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
<b>INTANGIBLE COSTS</b>					
Land / Legal / Regulatory	\$ 75,000	\$ -	\$ -	\$ 10,000	\$ 85,000
Location, Surveys & Damages	180,333	13,000	15,000	15,625	223,958
Drilling	1,288,525	-	-	-	1,288,525
Cementing & Float Equip	364,623	-	-	-	364,623
Logging / Formation Evaluation	-	3,750	3,000	-	6,750
Flowback - Labor	-	-	42,400	-	42,400
Flowback - Surface Rentals	-	-	127,850	-	127,850
Flowback - Rental Living Quarters	-	-	40,000	-	40,000
Mud Logging	31,175	-	-	-	31,175
Mud Circulation System	196,425	-	-	-	196,425
Mud & Chemicals	555,000	56,000	25,000	-	636,000
Mud / Wastewater Disposal	325,000	-	-	1,000	326,000
Freight / Transportation	29,400	37,875	7,000	-	74,275
Rig Supervision / Engineering	189,600	81,600	6,000	7,200	284,400
Drill Bits	176,200	-	-	-	176,200
Fuel & Power	258,750	432,186	15,000	-	705,936
Water	92,500	869,215	3,000	1,000	965,715
Drig & Completion Overhead	19,750	-	-	-	19,750
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	383,067	-	-	-	383,067
Completion Unit, Swab, CTU	-	200,000	9,000	-	209,000
Perforating, Wireline, Slickline	-	235,540	-	-	235,540
High Pressure Pump Truck	-	91,200	6,000	-	97,200
Stimulation	-	3,134,965	-	-	3,134,965
Stimulation Flowback & Disp	-	15,500	131,250	-	146,750
Insurance	46,653	-	-	-	46,653
Labor	308,500	58,000	45,000	5,000	416,500
Rental - Surface Equipment	177,433	317,168	35,000	10,000	539,600
Rental - Downhole Equipment	267,234	86,000	-	-	353,234
Rental - Living Quarters	87,010	31,408	-	5,000	103,418
Contingency	354,585	252,844	51,050	5,483	663,962
Operations Center	33,327	-	-	-	33,327
<b>TOTAL INTANGIBLES &gt;</b>	<b>5,420,091</b>	<b>5,916,250</b>	<b>561,550</b>	<b>60,308</b>	<b>11,958,198</b>
<b>TANGIBLE COSTS</b>					
Surface Casing	\$ 166,200	\$ -	\$ -	\$ -	\$ 166,200
Intermediate Casing	154,480	-	-	-	154,480
Drilling Liner	180,900	-	-	-	180,900
Production Casing	757,934	-	-	-	757,934
Production Liner	-	-	-	-	-
Tubing	-	-	145,950	-	145,950
Wellhead	101,000	-	45,000	-	146,000
Packers, Liner Hangers	-	72,581	6,000	-	78,581
Tanks	-	-	-	65,000	65,000
Production Vessels	-	-	-	165,438	165,438
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	345,000	-	345,000
Compressor	-	-	-	40,625	40,625
Installation Costs	-	-	-	75,000	75,000
Surface Pumps	-	-	5,000	20,625	25,625
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	61,875	72,875
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	62,500	62,500
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	-	9,375	9,375
Tank / Facility Containment	-	-	-	33,750	33,750
Flare Stack	-	-	-	-	-
Electrical / Grounding	-	-	30,000	50,000	80,000
Communications / SCADA	-	-	12,000	12,500	24,500
Instrumentation / Safety	-	-	-	33,750	33,750
<b>TOTAL TANGIBLES &gt;</b>	<b>1,360,514</b>	<b>72,581</b>	<b>599,950</b>	<b>752,438</b>	<b>2,785,482</b>
<b>TOTAL COSTS &gt;</b>	<b>6,780,604</b>	<b>5,988,831</b>	<b>1,161,500</b>	<b>812,745</b>	<b>14,743,680</b>

## PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer: BB Team Lead - WTX/NM  
 Completions Engineer: JH TW  
 Production Engineer: GL

## MATADOR RESOURCES COMPANY APPROVAL:

President: VS EVP, Geoscience: NLF  
 EVP, COO: CC EVP, Land: JF  
 EVP, Reservoir: WTE

## NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, court fees, regulatory, bookkeeping and net costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and held jointly and severally for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of sign.

AFE - Version 3

# Exhibit C-5

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-5  
Submitted by: Matador Production Company  
Hearing Date: December 4, 2025  
Case No. 25735



### **Summary of Communications – Twinkle 2601 Fed Com E2W2 Wolfcamp**

Earthstone Permian, LLC, (a wholly owned subsidiary of Permian Resources Operating, LLC):

- 9/3/2025 Well proposals mailed via certified mail
- 9/6/2025 Well proposals delivered via certified mail
- 9/6/2025-present: Discussed at various times Earthstone Permian, LLC's participation in the wells proposed.

# Exhibit C-6

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-6

Submitted by: Matador Production Company  
Hearing Date: December 4, 2025  
Case No. 25735

Twinkle Fed Com - E2W2 Wolfcamp						
Owner Name	Ownership Type	Ownership Status	Commitment Type	Notice Provided - Letter	Notice Provided - NOP	Exhibit
Foran Oil Company	WI	Committed	JOA	N/A	N/A	N/A
DOW Chemical Co.	WI	Committed	JOA	N/A	N/A	N/A
Permian Resources Operating LLC	WI	Uncommitted	N/A	10/24/2025	10/29/2025	Exhibit E and F
Hutchings Oil Co.	ORRI	Uncommitted	N/A	10/24/2025	10/29/2025	Exhibit E and F
Morgan, Frank & Robin	ORRI	Uncommitted	N/A	10/24/2025	10/29/2025	Exhibit E and F
Susan S. Murphy Marital Trust UTA 11/15/12	ORRI	Uncommitted	N/A	10/24/2025	10/29/2025	Exhibit E and F
Mark B. Murphy Irrev. Trust UTA 12/11/12	ORRI	Uncommitted	N/A	10/24/2025	10/29/2025	Exhibit E and F
Snoddy Oil & Gas Trust	ORRI	Uncommitted	N/A	10/24/2025	10/29/2025	Exhibit E and F
Sydney Investments, LP	ORRI	Uncommitted	N/A	10/24/2025	10/29/2025	Exhibit E and F
Hidden Hills Minerals, LLC	ORRI	Uncommitted	N/A	10/24/2025	10/29/2025	Exhibit E and F
Topsey, LLC	ORRI	Uncommitted	N/A	10/24/2025	10/29/2025	Exhibit E and F
Titus Oil & Gas Production, LLC	Record Title	Uncommitted	N/A	10/24/2025	10/29/2025	Exhibit E and F

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

**APPLICATION OF MRC PERMIAN COMPANY  
FOR COMPULSORY POOLING, LEA AND  
EDDY COUNTIES, NEW MEXICO.**

**CASE NO. 25735**

**SELF-AFFIRMED STATEMENT OF ANDREW PARKER, GEOLOGIST**

1. My name is Andrew Parker. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Senior Vice President of Geosciences.
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 Upper Wolfcamp of the Wolfcamp formation.
6. **MRC Exhibit D-2** is a subsea structure map prepared off the top of the Wolfcamp formation. The contour interval is 50 feet. The structure map shows the Wolfcamp formation gently dipping to the southeast. 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  
Exhibit No. D

Submitted by: Matador Production Company

Hearing Date: December 4, 2025

Case No. 25735

8. **MRC Exhibit D-3** is a structural cross-section prepared displaying open-hole logs run over the Wolfcamp formation 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 Wolfcamp 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 Wolfcamp wells because the maximum horizontal stress is east-west 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 Wolfcamp 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 more-or-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. 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

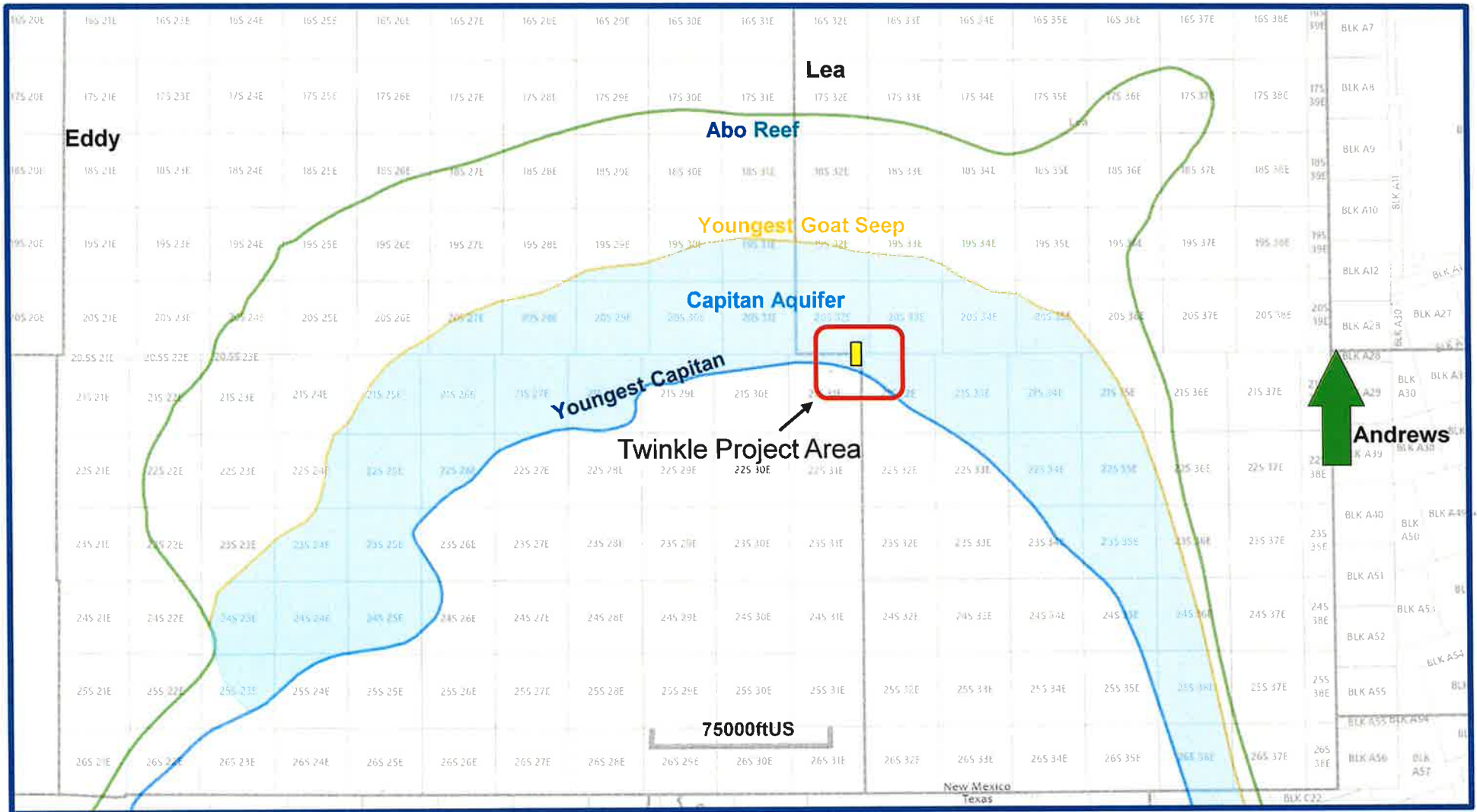
used as written testimony in this case. This statement is made on the date next to my signature below.

  
\_\_\_\_\_  
Andrew Parker

  
\_\_\_\_\_  
Date

# Locator Map

# Exhibit D-1



Twinkle 2601 Fed Com #202H

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. D-1  
 Submitted by: Matador Production Company  
 Hearing Date: December 4, 2025  
 Case No. 25735

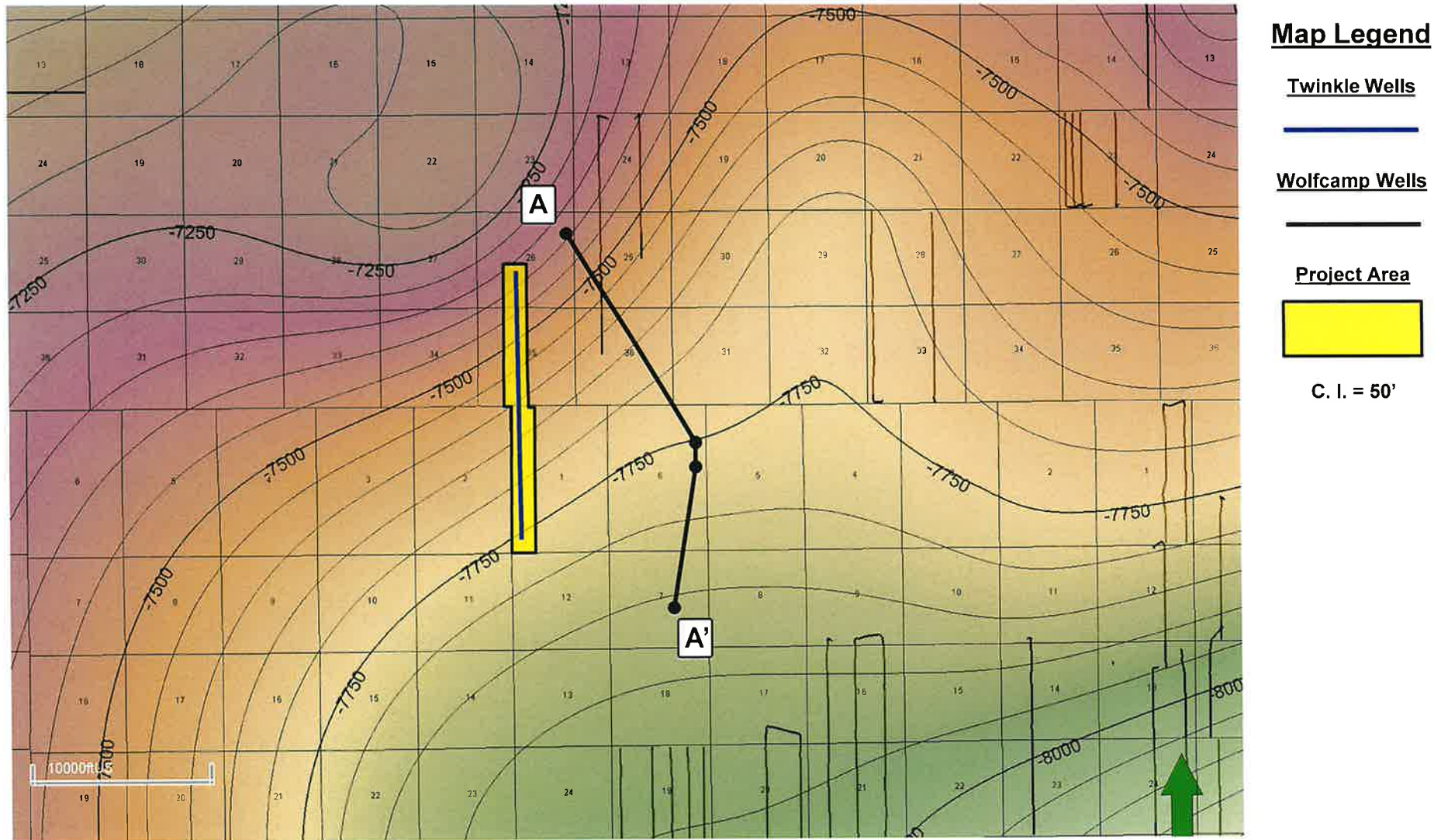


D-1



# HAT MESA;WOLFCAMP [96438] Structure Map (Top Wolfcamp Subsea) A – A' Reference Line

Exhibit D-2



Twinkle 2601 Fed Com #202H

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D-2  
Submitted by: Matador Production Company  
Hearing Date: December 4, 2025  
Case No. 25735

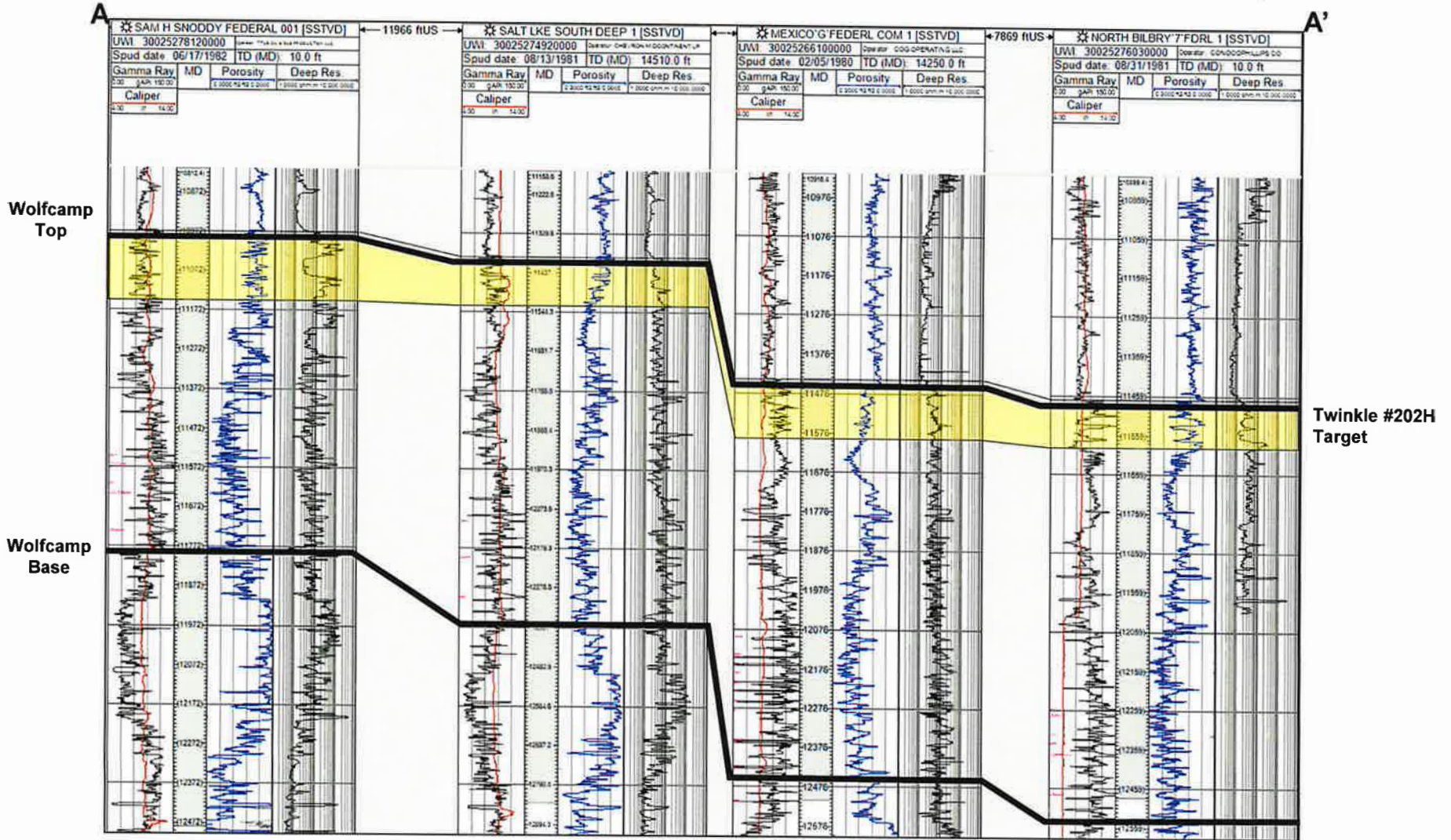


D-2



# HAT MESA; WOLFCAMP [96438] Structural Cross-Section A – A'

## Exhibit D-3



Twinkle 2601 Fed Com #202H

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. D-3  
 Submitted by: Matador Production Company  
 Hearing Date: December 4, 2025  
 Case No. 25735



D-3

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

**APPLICATION OF MRC PERMIAN  
COMPANY FOR COMPULSORY POOLING,  
LEA AND EDDY COUNTIES, NEW MEXICO.**

**CASE NO. 25735**

**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 November 20, 2025.

5. I caused a notice to be published to all parties subject to these proceedings. An affidavit of publication from the publication’s legal clerk with a copy of the notice of publication is attached herein.

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

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. E  
Submitted by: Matador Production Company  
Hearing Date: December 4, 2025  
Case No. 25735**



---

Paula M. Vance

11/20/25

---

Date



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

October 24, 2025

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

**TO: ALL AFFECTED INTEREST OWNERS**

**Re: Application of MRC Permian Company for Compulsory Pooling, Lea and Eddy Counties, New Mexico: *Twinkle 2601 Federal Com 202H 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 November 13, 2025, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

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

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

If you have any questions about this matter, please contact Addison Costley at (972) 371-5474 or at [addison.costly@matadorresources.com](mailto:addison.costly@matadorresources.com).

Sincerely,

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

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

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

Alaska  
Colorado  
Idaho

Montana  
Nevada  
New Mexico

Utah  
Washington, D.C.  
Wyoming

MRC - Twinkle 202H-204H wells - Case nos. 25735-25737  
Postal Delivery Report

9414811898765476083025	DOW Chemical Co.	1254 Enclave Pkwy	Houston	TX	77077-1607	Your item was delivered to an individual at the address at 12:42 pm on October 28, 2025 in HOUSTON, TX 77077.
9414811898765476083001	Hidden Hills Minerals, LLC	3270 W Main St	Houston	TX	77098-1918	Your item was delivered to the front desk, reception area, or mail room at 4:01 pm on October 28, 2025 in HOUSTON, TX 77098.
9414811898765476083094	Hutchings Oil Co.	PO Box 1216	Albuquerque	NM	87103-1216	Your item has been delivered and is available at a PO Box at 8:25 am on October 27, 2025 in ALBUQUERQUE, NM 87103.
9414811898765476083032	Kimbrough Working Interests, LLC, c/o PlainsCapital Bank, Agent	3707 Camp Bowie Blvd Ste 220	Fort Worth	TX	76107-3330	Your item was delivered to an individual at the address at 1:38 pm on October 28, 2025 in FORT WORTH, TX 76107.
9414811898765476083070	Mark B. Murphy Irrev. Trust UTA 12/11/12, Trustee Murphy, Mark B.	PO Box 2484	Roswell	NM	88202-2484	Your item was picked up at the post office at 11:06 am on October 28, 2025 in ROSWELL, NM 88201.
9414811898765476083414	Morgan, Frank & Robin	135 W Cottonwood Rd	Artesia	NM	88210-9224	Your item was delivered to an individual at the address at 2:32 pm on October 28, 2025 in ARTESIA, NM 88210.
9414811898765476083452	Permian Resources Operating LLC	300 N Marienfeld St Ste 1000	Midland	TX	79701-4688	Your item was delivered to an individual at the address at 11:22 am on October 28, 2025 in MIDLAND, TX 79701.
9414811898765476083469	Petrolux, Inc.	PO Box 1473	Roswell	NM	88202-1473	Your item was picked up at the post office at 10:46 am on October 29, 2025 in ROSWELL, NM 88201.
9414811898765476083421	Snoddy Oil & Gas Trust, Michelle Johnson Ventris, Successor Trustee	3201 Lakeshire Ridge Way	Edmond	OK	73034-1053	Your item was picked up at the post office at 10:00 am on October 29, 2025 in EDMOND, OK 73034.
9414811898765476083490	Susan S. Murphy Marital Trust UTA 11/15/12, Trustee Murph, Susan S.	706 Brazos St	Roswell	NM	88201-3372	Your item could not be delivered on November 12, 2025 at 4:12 pm in ROSWELL, NM 88201. It was held for the required number of days and is being returned to the sender.
9414811898765476083445	Sydney Investments, LP	3270 W Main St	Houston	TX	77098-1918	We were unable to deliver your package at 4:44 pm on October 31, 2025 in HOUSTON, TX 77098 because the business was closed. We will redeliver on the next business day. No action needed.
9414811898765476083438	Titus Oil & Gas Production, LLC	420 Throckmorton St Ste 1150	Fort Worth	TX	76102-3761	Your item was delivered to the front desk, reception area, or mail room at 11:09 am on October 28, 2025 in FORT WORTH, TX 76102.

MRC - Twinkle 202H-204H wells - Case nos. 25735-25737  
Postal Delivery Report

9414811898765476083476	Topsey, LLC	3270 W Main St	Houston	TX	77098-1918	Your item was delivered to the front desk, reception area, or mail room at 4:01 pm on October 28, 2025 in HOUSTON, TX 77098.
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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  
October 29, 2025  
and ending with the issue dated  
October 29, 2025.



Publisher

Sworn and subscribed to before me this  
29th day of October 2025.



Business Manager

My commission expires  
January 29, 2027

(Seal)

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

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

## LEGAL NOTICE October 29, 2025

**Case No. 25735: Application of MRC Permlan Company for Compulsory Pooling, Lea and Eddy Counties, New Mexico.** Notice to all affected interest owners, including all heirs, devisees and successors of: DOW Chemical Co.; Hidden Hills Minerals, LLC; Hutchings Oil Co.; Kimbrough Working Interests, LLC, c/o Plains Capital Bank, Agent; Mark B. Murphy Irrev. Trust UTA 12/11/12, Trustee: Murphy, Mark B.; Morgan, Frank & Robin; Permlan Resources Operating LLC; Petrolux, Inc.; Snoddy Oil & Gas Trust, Michelle Johnson Ventris, Successor Trustee; Susan S. Murphy Marital Trust UTA 11/15/12, Trustee: Murph, Susan S.; Sydney Investments, LP; Titus Oil & Gas Production, LLC; and Topsey, 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 13, 2025, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at Freya.Tschantz@emnrd.nm.gov. Applicant in the above-styled cause seeks an order pooling the uncommitted interest owners in a standard 482.49-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the E/2 SW/4 of Section 26 and the E/2 W/2 of Section 35, Township 20 South, Range 32 East, Lea County, New Mexico, as well as Lots 4, 5, 12, & 13, the NW/4 SW/4, and the SW/4 SW/4 (W/2 W/2 equivalent) of irregular Section 1, Township 21 South, Range 31 East, Eddy County, New Mexico. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Twinkle 2601 Federal Com 202H** well, to be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 26, T20S-R32E, with a first take point in the NE/4 SW/4 (Unit K) of Section 26, T20S-R32E, and a last take point in the SW/4 SW/4 (Unit M) of irregular Section 1, T21S-R31E. Also, to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the proposed well. The subject area is located approximately 32 miles east of Carlsbad, New Mexico.  
#00305643

67100754

00305643

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

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. F  
Submitted by: Matador Production Company  
Hearing Date: December 4, 2025  
Case No. 25735

**Affidavit of Publication****Copy of Publication:**No. 69100

State of New Mexico Publisher

County of Eddy:

**Adrian Hedden**

being duly sworn, says that he is the Publisher

of the Carlsbad Current Argus, a weekly newspaper of

general circulation, published in English at Carlsbad,

said county and state, and that the hereto attached

**Legal Ad**

was published in a regular and entire issue of the said

Carlsbad Current Argus, a weekly 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 28, 2025

Second Publication \_\_\_\_\_

Third Publication \_\_\_\_\_

Fourth Publication \_\_\_\_\_

Fifth Publication \_\_\_\_\_

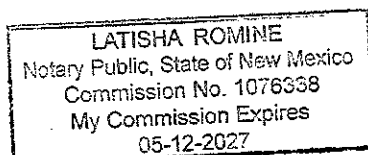
Sixth Publication \_\_\_\_\_

Seventh Publication \_\_\_\_\_

Eighth Publication \_\_\_\_\_

Subscribed and sworn before me this

28th day of October 2025



Latisha Romine

Notary Public, Eddy County, New Mexico

Case No. 25735: Application of MRC Permian Company for Compulsory Pooling, Lea and Eddy Counties, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: DOW Chemical Co.; Hidden Hills Minerals, LLC; Hutchings Oil Co.; Kimbrough Working Interests, LLC, c/o Plains Capital Bank, Agent; Mark B. Murphy Irrev. Trust UTA 12/11/12, Trustee: Murphy, Mark B.; Morgan, Frank & Robin; Permian Resources Operating LLC; Petrolux, Inc.; Snoddy Oil & Gas Trust, Michelle Johnson Ventris, Successor Trustee; Susan S. Murphy Marital Trust UTA 11/15/12, Trustee: Murph, Susan S.; Sydney Investments, LP; Titus Oil & Gas Production, LLC; and Topsey, 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 13, 2025, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at [Freya.Tschantz@emnrd.nm.gov](mailto:Freya.Tschantz@emnrd.nm.gov). Applicant in the above-styled cause seeks an order pooling the uncommitted interest owners in a standard 482.49-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the E/2 SW/4 of Section 26 and the E/2 W/2 of Section 35, Township 20 South, Range 32 East, Lea County, New Mexico, as well as Lots 4, 5, 12, & 13, the NW/4 SW/4, and the SW/4 SW/4 (W/2 W/2 equivalent) of irregular Section 1, Township 21 South, Range 31 East, Eddy County, New Mexico. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Twinkle 2601 Federal Com 202H** well, to be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 26, T20S-R32E, with a first take point in the NE/4 SW/4 (Unit K) of Section 26, T20S-R32E, and a last take point in the SW/4 SW/4 (Unit M) of irregular Section 1, T21S-R31E. Also, to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the proposed well. The subject area is located approximately 32 miles east of Carlsbad, New Mexico.

69100-Published in Carlsbad Current Argus Oct. 28, 2025.