# **BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JANUARY 19, 2023**

# CASE NOS. 23267-23268

# Glen Spiller Fed Com #111H well Harrold Melton Fed Com #112H well

EDDY COUNTY, NEW MEXICO



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

## APPLICATION OF MATADOR PRODUCTION COMPANY TO AMEND ORDER NO. R-22045, EDDY COUNTY, NEW MEXICO.

CASE NO. 23267 ORDER NO. R-22045

## APPLICATION OF MATADOR PRODUCTION COMPANY TO AMEND ORDER NO. R-22046, EDDY COUNTY, NEW MEXICO.

CASE NO. 23268 ORDER NO. R-22046

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

## APPLICATION OF MATADOR PRODUCTION COMPANY TO AMEND ORDER NO. R-22045, EDDY COUNTY, NEW MEXICO.

## CASE NO. <u>23267</u> ORDER NO. R-22045

## APPLICATION

Matador Production Company ("Matador" or "Applicant"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to amend Order No. R-22045 ("Order") to allow for an extension of time for drilling the proposed initial well under the Order. In support of its application, Matador states:

1. Division Order No. R-22045, entered on February 23, 2022, in Case No. 22255, created a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Section 13, Township 24 South, Range 28 East, and the N/2 N/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico (the "Unit"), and designated Matador as operator of the Unit.

2. Order No. R-22045 further pooled the uncommitted interests in the Bone Spring formation (Pierce Crossing; Bone Spring [50371]) in the Unit and dedicated the Unit to the proposed initial **Glen Spiller Fed Com #111H** (API No. 30-015-PENDING) well.

3. Applicant requests that Order No. R-22045 be re-opened and amended to allow Applicant additional time to commence drilling the well under the Order.

4. There is good cause for Applicant's request for an extension of time to drill. Matador filed permits with the Bureau of Land Management in April 2022 and has not

> BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Matador Production Company Hearing Date: January 19, 2023 Case Nos. 23267 & 23268

yet received approval, thereby causing Matador to delay its intended plans to develop the acreage subject to the Order.

5. Under the Order, Applicant would be required to commence drilling the well by February 24, 2023, and therefore, asks for the deadline to commence drilling the well be extended for a year, to February 24, 2024.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 5, 2023, and, after notice and hearing as required by law, the Division enter an order extending the time for Matador to commence drilling the proposed initial wells under the Order.

Respectfully submitted,

## HOLLAND & HART LLP

By:

Michael H. Feldewert Adam G. Rankin Julia Broggi Paula M. Vance Post Office Box 2208 Santa Fe, NM 87504 505-998-4421 505-983-6043 Facsimile mfeldewert@hollandhart.com agrankin@hollandhart.com jbroggi@hollandhart.com

ATTORNEYS FOR MATADOR PRODUCTION COMPANY CASE \_\_\_\_\_: Application of Matador Production Company to Amend Order No. R-22045, Eddy County, New Mexico. Applicant in the above-styled cause seeks a year extension of time for drilling the well under Order No. R-22045. The Unit is comprised of the N/2 N/2 of Section 13, Township 24 South, Range 28 East, and the N/2 N/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. Order No. R-22045 pooled the uncommitted interests in the Bone Spring formation and dedicated the Unit to the proposed initial Glen Spiller Fed Com #111H well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, Township 24 South, Range 28 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 18, Township 24 South, Range 29 East. Said area is located 12 miles west of Malaga, New Mexico.

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

## APPLICATION OF MATADOR PRODUCTION COMPANY TO AMEND ORDER NO. R-22046, EDDY COUNTY, NEW MEXICO.

## CASE NO. <u>23268</u> ORDER NO. R-22046

## APPLICATION

Matador Production Company ("Matador" or "Applicant"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to amend Order No. R-22046 ("Order") to allow for an extension of time for drilling the proposed initial well under the Order. In support of its application, Matador states:

1. Division Order No. R-22046, entered on February 23, 2022, in Case No. 22256, created a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 N/2 of Section 13, Township 24 South, Range 28 East, and the S/2 N/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico (the "Unit"), and designated Matador as operator of the Unit.

2. Order No. R-22046 further pooled the uncommitted interests in the Bone Spring formation (Pierce Crossing; Bone Spring [50371]) in the Unit and dedicated the Unit to the proposed initial **Harrold Melton Fed Com #112H** (API No. 30-015-PENDING) well.

3. Applicant requests that Order No. R-22046 be re-opened and amended to allow Applicant additional time to commence drilling the well under the Order.

4. There is good cause for Applicant's request for an extension of time to drill. Matador filed permits with the Bureau of Land Management in April 2022 and has not yet received approval, thereby causing Matador to delay its intended plans to develop the acreage subject to the Order.

5. Under the Order, Applicant would be required to commence drilling the well by February 24, 2023, and therefore, asks for the deadline to commence drilling the well be extended for a year, to February 24, 2024.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 5, 2023, and, after notice and hearing as required by law, the Division enter an order extending the time for Matador to commence drilling the proposed initial wells under the Order.

Respectfully submitted,

## HOLLAND & HART LLP

By:

Michael H. Feldewert Adam G. Rankin Julia Broggi Paula M. Vance Post Office Box 2208 Santa Fe, NM 87504 505-998-4421 505-983-6043 Facsimile mfeldewert@hollandhart.com agrankin@hollandhart.com jbroggi@hollandhart.com

ATTORNEYS FOR MATADOR PRODUCTION COMPANY CASE \_\_\_\_\_: Application of Matador Production Company to Amend Order No. R-22046, Eddy County, New Mexico. Applicant in the above-styled cause seeks a year extension of time for drilling the well under Order No. R-22046. The Unit is comprised of the S/2 N/2 of Section 13, Township 24 South, Range 28 East, and the S/2 N/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. Order No. R-22046 pooled the uncommitted interests in the Bone Spring formation and dedicated the Unit to the proposed initial Harrold Melton Fed Com #112H well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 14, Township 24 South, Range 28 East, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 18, Township 24 South, Range 29 East. Said area is located 12 miles west of Malaga, New Mexico.

#### STATE OF NEW MEXICO Case Nos. 23267 & 232 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 22255 ORDER NO. R-22045

## **ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on February 3, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

## **FINDINGS OF FACT**

- 1. Matador Production Company ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

## **CONCLUSIONS OF LAW**

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

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

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

## <u>ORDER</u>

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs that exceed the Estimated Well Costs that estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION ADRIENNE SANDOVAL DIRECTOR AES/jag

Date: <u>2/23/2022</u>

Exhibit	A
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ALL INFORMATION IN THE APPLICATION MUST	BE SUPPORTED BY SIGNED AFFIDAVITS		
Case: 22255	APPLICANT'S RESPONSE		
Date	February 3, 2022		
Applicant	Matador Production Company		
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 228937		
Applicant's Counsel:	Holland & Hart LLP		
Case Title:	APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.		
Entries of Appearance/Intervenors:	N/A		
Well Family	Glen Spiller		
Formation/Pool			
Formation Name(s) or Vertical Extent:	Bone Spring Formation		
Primary Product (Oil or Gas):	Oil		
Pooling this vertical extent:	N/A		
Pool Name and Pool Code:	Pierce Crossing; Bone Spring [50371]		
Well Location Setback Rules:	Statewide oil rules		
Spacing Unit Size:	320 acres		
Spacing Unit			
Type (Horizontal/Vertical)	Horizontal		
Size (Acres)	320		
Building Blocks:	40 acres		
Orientation:	West-East		
Description: TRS/County	N/2 N/2 of Section 13, Township 24 South, Range 28 East and the N/2 N/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.		
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes		
Other Situations			
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	See Exhibit C-3		
Well(s)			
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Matador Production Company		

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Well#1	Glen Spiller #111H
	SHL: (Unit A) of Section 14, Township 24 South, Range 28 East BHL: (Unit A) of Section 18, Township 24 South, Range 29 East Target: Bone Spring Orientation: West-East Completion: Standard Location
Well #2	completion standard tocation
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-1
AFE Capex and Operating Costs Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$8,000
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A
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
Pooled Parties (including ownership type)	Exhibit C-3, C-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates in Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	
Fernite and the former of the state of the s	Exhibit D

Spacing Unit Schematic	Exhibit D	
Gunbarrel/Lateral Trajectory Schematic	N/A	
Well Orientation (with rationale)	Exhibit D	
Target Formation	Exhibit D	
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	
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):	Adam G. Rankin	
Signed Name (Attorney or Party Representative):	100	
Date:	3-Feb-22	

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

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

CASE NO. 22256 ORDER NO. R-22046

## **ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on February 3, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

## **FINDINGS OF FACT**

- 1. Matador Production Company ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

## **CONCLUSIONS OF LAW**

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

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

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

## <u>ORDER</u>

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs that exceed the Estimated Well Costs that estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Date: <u>2/23/2022</u>

Exhibit	A
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ALL INFORMATION IN THE APPLICATION MUST	BE SUPPORTED BY SIGNED AFFIDAVITS		
Case: 22256	APPLICANT'S RESPONSE		
Date	February 3, 2022		
Applicant	Matador Production Company		
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 228937		
Applicant's Counsel:	Holland & Hart LLP		
Case Title:	APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.		
Entries of Appearance/Intervenors:	N/A		
Well Family	Harrold Melton Fed Com		
Formation/Pool			
Formation Name(s) or Vertical Extent:	Bone Spring Formation		
Primary Product (Oil or Gas):	Oil		
Pooling this vertical extent:	N/A		
Pool Name and Pool Code:	Pierce Crossing; Bone Spring [50371]		
Well Location Setback Rules:	Statewide oil rules		
Spacing Unit Size:	320 acres		
Spacing Unit			
Type (Horizontal/Vertical)	Horizontal		
Size (Acres)	320		
Building Blocks:	40 acres		
Orientation:	West-East		
Description: TRS/County	S/2 N/2 of Section 13, Township 24 South, Range 28 East and the S/2 N/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.		
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes		
Other Situations			
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	See Exhibit C-3		
Well(s)			
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)			

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Well #1	Page Harrold Melton Fed Com #112H SHL: (Unit H) of Section 14, Township 24 South, Range 28 East BHL: (Unit H) of Section 18,Township 24 South, Range 29 East Target: Bone Spring Orientation: West-East Completion: Standard Location
Well #2 Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-1
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A
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
Pooled Parties (including ownership type)	Exhibit C-3, C-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates in Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	
Fornicana (includio parasial revelationations)	Exhibit D

Spacing Unit Schematic	Exhibit D
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
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
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):	Adam G. Rankin
Signed Name (Attorney or Party Representative):	20-
Date:	3-Feb-22

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

## APPLICATION OF MATADOR PRODUCTION COMPANY TO AMEND ORDER NO. R-22045, EDDY COUNTY, NEW MEXICO.

CASE NO. 23267 (Order R-22045)

### AFFIDAVIT OF HANNA BOLLENBACH

Hanna Bollenbach, of lawful age and being first duly sworn, declares as follows:

1. My name is Hanna Bollenbach. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Landman.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of public record.

3. I am familiar with the application filed by Matador in this newly filed case and the status of the development efforts for the pooled spacing unit.

4. Under Case No. 22255, the Division entered Order R-22045 on February 23, 2022. This Order created a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Section 13, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico and the N/2 N/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico (the "Unit"), and designated Matador as operator of the Unit. Order No. R-22045 further pooled the uncommitted interests in the Bone Spring formation (Pierce Crossing; Bone Spring [50371]) in the Unit and dedicated the Unit to the proposed initial **Glen Spiller Fed Com 111H well** (API No. 30-015-PENDING) and required the commencement of drilling by February 23, 2023.

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. C Submitted by: Matador Production Company Hearing Date: January 19, 2023 Case Nos. 23267 & 23268

1

5. Matador is eager to develop this acreage and has previously filed its application for a federal APD for the initial well in April 2022. Matador has been unable to drill the initial well yet because our federal APD has not been approved.

6. Once Matador's previously filed federal APD is approved, Matador intends to promptly drill the initial well under the order. Good cause therefore exists to extend the deadline to commence drilling under the order for a year, until February 23, 2024.

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

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

FURTHER AFFIANT SAYETH NAUGHT.

Janna Bollenbach

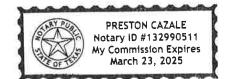
STATE OF TEXAS )
COUNTY OF Dallas

SUBSCRIBED and SWORN to before me this <u>16</u> day of January 2023 by Hanna Bollenbach.

NOTARY PUBLIC

My Commission Expires:

3/23/2025



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

## APPLICATION OF MATADOR PRODUCTION COMPANY TO AMEND ORDER NO. R-22046, EDDY COUNTY, NEW MEXICO.

CASE NO. 23268 (Order R-22046)

## AFFIDAVIT OF HANNA BOLLENBACH

Hanna Bollenbach, of lawful age and being first duly sworn, declares as follows:

1. My name is Hanna Bollenbach. I work for MRC Energy Company, an affiliate of Matador Production Company ("Matador"), as a Landman.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of public record.

3. I am familiar with the application filed by Matador in this newly filed case and the status of the development efforts for the pooled spacing unit.

4. Under Case No. 22256, the Division entered Order R-22046 on February 23, 2022. This Order created a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 N/2 of Section 13, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico and the S/2 N/2 of Section 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico (the "Unit"), and designated Matador as operator of the Unit. Order No. R-22046 further pooled the uncommitted interests in the Bone Spring formation (Pierce Crossing; Bone Spring [50371]) in the Unit and dedicated the Unit to the proposed initial **Harrold Melton Fed Com 112H well** (API No. 30-015-PENDING) and required the commencement of drilling by February 23, 2023.

5. Matador is eager to develop this acreage and has previously filed its application for a federal APD for the initial well in April 2022. Matador has been unable to drill the initial well yet because our federal APD has not been approved.

6. Once Matador's previously filed federal APD is approved, Matador intends to promptly drill the initial well under the order. Good cause therefore exists to extend the deadline to commence drilling under the order for a year, until February 23, 2024.

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

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

FURTHER AFFIANT SAYETH NAUGHT.

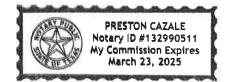
STATE OF TEXAS COUNTY OF \_ Dallas

SUBSCRIBED and SWORN to before me this <u>16th</u> day of January 2023 by Hanna Bollenbach.

NOTARY PUBLIC

My Commission Expires:

3/23/2025



#### Matador - Glen Spiller 111H Harrold Melton 112H Case Nos. 22255-22256 Postal Delivery Report

2 Camarie Ave	Artesia Roswell Roswell Carlsbad Midland Artesia	TX NM NM NM NM TX	60093-1539 79705-6309 88211-0647 88202-0429 88202-0429 88202-0429 88220-4638 79707-1413	Your item has been delivered to an agent for final delivery in WINNETKA, IL 60093 on October 20, 2021 at 2:03 pm. Your item has been delivered to an agent for final delivery in MIDLAND, TX 79705 on October 18, 2021 at 2:02 pm. Your item was picked up at the post office at 1:28 pm on October 19, 2021 in ARTESIA, NM 88210. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:40 am on October 19, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was delivered to an individual at the address at 3:30 pm on October 21, 2021 in CARLSBAD, NM 88220. Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
2 Camarie Ave	Midland Artesia Roswell Roswell Carlsbad Midland Artesia	TX NM NM NM NM TX	79705-6309 88211-0647 88202-0429 88202-0429 88202-0429 88220-4638 79707-1413	Your item has been delivered to an agent for final delivery in MIDLAND, TX 79705 on October 18, 2021 at 2:02 pm. Your item was picked up at the post office at 1:28 pm on October 19, 2021 in ARTESIA, NM 88210. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:40 am on October 19, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was delivered to an individual at the address at 3:30 pm on October 21, 2021 in CARLSBAD, NM 88220. Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
lox 647	Artesia Roswell Roswell Carlsbad Midland Artesia	NM NM NM NM TX	79705-6309 88211-0647 88202-0429 88202-0429 88202-0429 88220-4638 79707-1413	MIDLAND, TX 79705 on October 18, 2021 at 2:02 pm. Your item was picked up at the post office at 1:28 pm on October 19, 2021 in ARTESIA, NM 88210. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:40 am on October 19, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was delivered to an individual at the address at 3:30 pm on October 21, 2021 in CARLSBAD, NM 88220. Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
lox 647	Artesia Roswell Roswell Carlsbad Midland Artesia	NM NM NM NM TX	88211-0647 88202-0429 88202-0429 88202-0429 88220-4638 79707-1413	Your item was picked up at the post office at 1:28 pm on October 19, 2021 in ARTESIA, NM 88210. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:40 am on October 19, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was delivered to an individual at the address at 3:30 pm on October 21, 2021 in CARLSBAD, NM 88220. Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
lox 647	Artesia Roswell Roswell Carlsbad Midland Artesia	NM NM NM NM TX	88211-0647 88202-0429 88202-0429 88202-0429 88220-4638 79707-1413	Your item was picked up at the post office at 1:28 pm on October 19, 2021 in ARTESIA, NM 88210. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:40 am on October 19, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was delivered to an individual at the address at 3:30 pm on October 21, 2021 in CARLSBAD, NM 88220. Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
iox 429 iox 429 iox 429 i North Shore Dr i Island Cir i Sierra Vista Rd	Roswell Roswell Carlsbad Midland Artesia	NM NM NM TX	88211-0647 88202-0429 88202-0429 88202-0429 88220-4638 79707-1413	19, 2021 in ARTESIA, NM 88210. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:40 am on October 19, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was delivered to an individual at the address at 3:30 pm on October 21, 2021 in CARLSBAD, NM 88220. Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
lox 429 lox 429 lox 429 l North Shore Dr l Island Cir 3 Sierra Vista Rd	Roswell Roswell Carlsbad Midland Artesia	NM NM NM TX	88202-0429 88202-0429 88202-0429 88220-4638 79707-1413	Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:40 am on October 19, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was delivered to an individual at the address at 3:30 pm on October 21, 2021 in CARLSBAD, NM 88220. Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
iox 429 Iox 429 I North Shore Dr I Island Cir 3 Sierra Vista Rd	Roswell Roswell Carlsbad Midland Artesia	NM NM NM TX	88202-0429 88202-0429 88202-0429 88220-4638 79707-1413	20, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:40 am on October 19, 2021 in ROSWELL, NM 88201. Your item was picked up at the post office at 8:38 am on October 20, 2021 in ROSWELL, NM 88201. Your item was delivered to an individual at the address at 3:30 pm on October 21, 2021 in CARLSBAD, NM 88220. Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
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I North Shore Dr	Carlsbad Midland Artesia	NM TX	88202-0429 88220-4638 79707-1413	20, 2021 in ROSWELL, NM 88201. Your item was delivered to an individual at the address at 3:30 pm on October 21, 2021 in CARLSBAD, NM 88220. Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
I North Shore Dr	Carlsbad Midland Artesia	NM TX	88220-4638 79707-1413	Your item was delivered to an individual at the address at 3:30 pm on October 21, 2021 in CARLSBAD, NM 88220. Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
I Island Cir 3 Sierra Vista Rd	Midland Artesia	тх	88220-4638 79707-1413	on October 21, 2021 in CARLSBAD, NM 88220. Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
3 Sierra Vista Rd	Artesia	тх	79707-1413	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
3 Sierra Vista Rd	Artesia		79707-1413	is currently in transit to the next facility.
3 Sierra Vista Rd	Artesia			· · ·
		NM		······································
			88210-9409	is currently in transit to the next facility.
W Wall St Ste 1001	Midland			Your package will arrive later than expected, but is still on its way. It
		тх		is currently in transit to the next facility.
				Your item was picked up at a postal facility at 7:55 am on October
N Western Ave	Oklahoma City	ок		18, 2021 in OKLAHOMA CITY, OK 73118.
	· · · · · ,	-		Your item was returned to the sender on October 27, 2021 at 4:00
				pm in SANTA FE, NM 87501 because the addressee moved and left
Dona Ana Rd SW	Deming	NM		no forwarding address.
	- 0			Your item was delivered at 9:13 am on October 27, 2021 in
lox 2818	Midland	тх		MIDLAND, TX 79701.
				Your item was returned to the sender on October 27, 2021 at 4:00
				pm in SANTA FE, NM 87501 because the addressee moved and left
Dona Ana Rd SW	Deming	NM		no forwarding address.
	- 0			Your package will arrive later than expected, but is still on its way. It
W Illinois Ave	Midland	тх	79701-4882	is currently in transit to the next facility.
				Your package will arrive later than expected, but is still on its way. It
W Illinois Ave	Midland	тх		is currently in transit to the next facility.
				Your item was delivered at 3:44 pm on October 25, 2021 in
ox 1889	Midland	тх		MIDLAND, TX 79701.
				Your item was delivered at 1:04 pm on October 21, 2021 in FORT
ox 101265	Fort Worth	тх		WORTH, TX 76109.
				This is a reminder to arrange for redelivery of your item or your
2 Summercrest Dr	Fort Worth	тх		item will be returned to sender.
				Your item has been delivered to an agent for final delivery in
eenway Plz Ste 110	Houston	тх		HOUSTON, TX 77046 on October 19, 2021 at 11:13 am.
				This is a reminder to arrange for redelivery of your item or your
ox 101265	Fort Worth	тх		item will be returned to sender.
Do Do W W W So: 2 S	ona Ana Rd SW x 2818 ona Ana Rd SW / Illinois Ave / Illinois Ave x 1889 x 101265 Summercrest Dr enway Plz Ste 110	ona Ana Rd SW Deming x 2818 Midland ona Ana Rd SW Deming / Illinois Ave Midland / Illinois Ave Midland x 1889 Midland x 101265 Fort Worth Summercrest Dr Fort Worth enway Plz Ste 110 Houston	ona Ana Rd SW     Deming     NM       x 2818     Midland     TX       ona Ana Rd SW     Deming     NM       / Illinois Ave     Midland     TX       / Illinois Ave     Midland     TX       x 1889     Midland     TX       x 101265     Fort Worth     TX       Summercrest Dr     Fort Worth     TX       enway Plz Ste 110     Houston     TX	ona Ana Rd SWDemingNM88030-6728x 2818MidlandTX79702-2818ona Ana Rd SWDemingNM88030-6728( Illinois AveMidlandTX79701-4882( Illinois AveMidlandTX79701-4882( Illinois AveMidlandTX79701-4882x 1889MidlandTX79701-4882x 101265Fort WorthTX76185-1265Summercrest DrFort WorthTX76109-3421enway Plz Ste 110HoustonTX77046-0521

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. D Submitted by: Matador Production Company Hearing Date: January 19, 2023 Case Nos. 23267 & 23268

Received by OCD: 1/47/2023 5259/25PRM

Received by OCD: 1/17/2023 5:59:25 PM

## **Summary of Interests**

MRC Permian Compa	ny:	59.95017%
Compulsory Pool:		1.472973%
Voluntary Joind	er:	38.57686%
Interest Owner:	Description:	Interest:
OXY USA WTP, LLC	Uncommitted Working Interest Owner	0.841699%
Chisos, Ltd.	Uncommitted Working Interest Owner	0.631274%

Released to Imaging: 1/18/2023 8:32:19 AM

Received by OCD: 1/17/2023 5:59:25 PM

## Overriding royalty owners and non-participating royalty owners to be pooled in

### CASE NOS. 22255 and 22256

## <u>ORRI</u>

Camarie Oil & Gas, LLC

Ross Duncan Properties, LLC

Featherstone Development Corporation

Big Three Energy Group, LLC

Prospector, LLC

Xplor Resources, LLC

Cogent Energy, Inc. Profit Sharing Plan

Nestegg Energy Corporation

### <u>NPRI</u>

Hexad Oil Company	
Roger Rowland	
Manix Royalty, Ltd.	
SAC Investments I, LP	

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

## APPLICATION OF MATADOR PRODUCTION COMPANY TO AMEND ORDER NO. R-22045, EDDY COUNTY, NEW MEXICO.

CASE NO. 23267 ORDER NO. R-22045

## APPLICATION OF MATADOR PRODUCTION COMPANY TO AMEND ORDER NO. R-22046, EDDY COUNTY, NEW MEXICO.

CASE NO. 23268 ORDER NO. R-22046

## SELF-AFFIRMED STATEMENT OF PAULA M. VANCE

1. I am attorney in fact and authorized representative of Matador Production Company ("Matador"), the Applicant herein. I have personal knowledge of the matters addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced applications and notice of the hearing on these applications to amend was sent by certified mail to the affected parties on the date set forth in the letters attached hereto.

3. The spreadsheets 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 January 03 & 17, 2023.

5. I caused a notice to be published to all parties subject to these applications to amend. An affidavit of publication from the publication's legal clerk with a copy of the notice publication for each case is attached as Exhibit F.

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 these cases. This statement is made on the date next to my signature

below.

Pakh

\_\_\_\_\_ Paula M. Vance

1/17/2023 Date



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

December 16, 2022

## VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

## TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

## Re: Application of Matador Production Company to Amend Order No. R-22045, Eddy County, New Mexico: <u>Glen Spiller Fed Com #111H well</u>

Ladies & Gentlemen:

This letter is to advise you that Matador Production Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on January 5, 2023, and the status of the hearing can be monitored through the Division's website at <u>https://www.emnrd.nm.gov/ocd/</u>.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>.

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

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

Sincerely,

Paula M. Vance ATTORNEY FOR 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

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



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

December 16, 2022

## VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

## TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

## Re: Application of Matador Production Company to Amend Order No. R-22046, Eddy County, New Mexico: <u>Harrold Melton Fed Com #112H well</u>

Ladies & Gentlemen:

This letter is to advise you that Matador Production Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on January 5, 2023, and the status of the hearing can be monitored through the Division's website at <u>https://www.emnrd.nm.gov/ocd/</u>.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>.

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

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

Sincerely,

Paula M. Vance ATTORNEY FOR 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

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

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
						Your item has been delivered to an agent for final delivery in HOUSTON,
9414811898765835123263	OXY USA WTP, LLC	5 Greenway Plz Ste 110	Houston	ТΧ	77046-0521	TX 77046 on December 21, 2022 at 11:22 am.
						Your item was delivered to an individual at the address at 2:06 pm on
9414811898765835123225	Nestegg Energy Corporation	2308 Sierra Vista Rd	Artesia	NM	88210-9409	December 23, 2022 in ARTESIA, NM 88210.
9414811898765835123201	Hexad Oil Company	203 W Wall St Ste 1001	Midland	тх		Your item was returned to the sender on December 29, 2022 at 2:13 pm in SANTA FE, NM 87501 because it could not be delivered as addressed.
						Your item departed our OKLAHOMA CITY OK DISTRIBUTION CENTER
						destination facility on January 2, 2023 at 1:59 pm. The item is currently in
9414811898765835123287	Roger Rowland	6100 N Western Ave	Oklahoma City	ОК	73118-1044	transit to the destination.
						This is a reminder to pick up your item before January 4, 2023 or your
						item will be returned on January 5, 2023. Please pick up the item at the
9414811898765835123270	Manix Royalty, Ltd.	PO Box 2818	Midland	ТΧ	79702-2818	MIDLAND, TX 79702 Post Office.
						Your item departed our ALBUQUERQUE, NM 87101 destination facility on
						January 2, 2023 at 3:04 am. The item is currently in transit to the
9414811898765835123812	SAC Investments I, LP	670 Dona Ana Rd SW	Deming	NM	88030-6728	destination.

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## MRC\_Harrold Melton 112H Order R-22046 ext Case No 23268 Postal Deilver Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
						Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on
9414811898765835123850	OXY USA WTP, LLC	5 Greenway Plz Ste 110	Houston	ΤХ	77046-0521	December 20, 2022 at 11:09 am.
						Your package will arrive later than expected, but is still on its way. It is currently in transit
9414811898765835123867	Camarie Oil & Gas, LLC	2502 Camarie Ave	Midland	ТΧ	79705-6309	to the next facility.
						Your item was picked up at the post office at 11:00 am on December 22, 2022 in
9414811898765835123829	Ross Duncan Properties, LLC	PO Box 647	Artesia	NM	88211-0647	ARTESIA, NM 88210.
						Your item was picked up at the post office at 8:57 am on December 27, 2022 in
9414811898765835123805	Featherstone Development Corporation	PO Box 429	Roswell	NM	88202-0429	ROSWELL, NM 88201.
						Your item was picked up at the post office at 8:57 am on December 27, 2022 in
9414811898765835123898	Big Three Energy Group, LLC	PO Box 429	Roswell	NM	88202-0429	ROSWELL, NM 88201.
						Your item was delivered to an individual at the address at 2:47 pm on December 22,
9414811898765835123843	Xplor Resources, LLC	1104 North Shore Dr	Carlsbad	NM	88220-4638	2022 in CARLSBAD, NM 88220.
						Your item was picked up at the post office at 2:13 pm on December 23, 2022 in
9414811898765835123881	Cogent Energy, Inc. Profit Sharing Plan	PO Box 8329	Horseshoe Bay	ΤХ	78657-8329	HORSESHOE BAY, TX 78657.
						Your item was delivered to an individual at the address at 2:06 pm on December 23,
9414811898765835123836	Nestegg Energy Corporation	2308 Sierra Vista Rd	Artesia	NM	88210-9409	2022 in ARTESIA, NM 88210.
						Your item was returned to the sender on December 29, 2022 at 2:14 pm in SANTA FE,
9414811898765835123874	Hexad Oil Company	203 W Wall St Ste 1001	Midland	ΤХ	79701-4525	NM 87501 because it could not be delivered as addressed.
						Your item departed our OKLAHOMA CITY OK DISTRIBUTION CENTER destination facility
9414811898765835123713	Roger Rowland	6100 N Western Ave	Oklahoma City	ОК	73118-1044	on January 2, 2023 at 1:59 pm. The item is currently in transit to the destination.
						This is a reminder to pick up your item before January 4, 2023 or your item will be
						returned on January 5, 2023. Please pick up the item at the MIDLAND, TX 79702 Post
9414811898765835123751	Manix Royalty, Ltd.	PO Box 2818	Midland	ТΧ	79702-2818	Office.
						Your item was returned to the sender on December 29, 2022 at 2:17 pm in SANTA FE,
9414811898765835123768	SAC Investments I, LP	670 Dona Ana Rd SW	Deming	NM	88030-6728	NM 87501 because it could not be delivered as addressed.

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## MRC\_Glen Spiller 111H Order R-22045 ext Harrold Melton 112H Order R-22046 ext Case Nos 23267 23268 Postal Deilver Report - add'l notice

Tracking Number 9214890194038399588242 Class: First Class Services: CM RR Recipient PROSPECTOR LLC PO BOX 429 ROSWELL NM 88202-0429 Status Delivered Signature Received POD Viewed



Mailer: Holland & Hart LLP (1)

Date Produced: 01/09/2023

ConnectSuite Inc.:

The following is the delivery information for Certified Mail<sup>™</sup>/RRE item number 9214 8901 9403 8399 5882 42. Our records indicate that this item was delivered on 01/03/2023 at 11:21 a.m. in ROSWELL, NM 88201. The scanned image of the recipient information is provided below.

Signature of Recipient :

Address of Recipient :

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely, United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

PROSPECTOR LLC PO BOX 429 ROSWELL NM 88202-0429

Page 38 of 39

## Carlsbad Current Argus.

RECEIVED

DFC 29 2022

## Holland & Hart LLP

Affidavit of Publication Ad # 0005526928 This is not an invoice

HOLLAND AND HART **POBOX 2208** 

SANTA FE, NM 87504

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

12/18/2022

Legal Clerk

Subscribed and sworn before me this December 18,

2022 State of WI, County of

NOTARY PUBLIC

My commission expires

VICKY FELTY Notary Public State of Wisconsin

Ad # 0005526928 PO # Case No. 23267 # of Affidavits 1

This is not an invoice

**BEFORE THE OIL CONSERVATION DIVISION** Santa Fe, New Mexico Exhibit No. F **Submitted by: Matador Production Company** Hearing Date: January 19, 2023 Released to Imaging: 1/18/2028. 2325.7 & 23268

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

The State of New Mexico, Energy Minerals and Natural Re-sources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearsources bepartner, on conservation bristian of bubic hear-ings before a hearing examiner on the following case. Dur-ing the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be con-ducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on Thursday, January 5, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the in-structions posted below. The docket may be viewed at https: //www.emnrd.nm.gov/ocd/hearing-info/ or obtained from Marlene Salvidrez, at Marlene.Salvidrez@emnrd.nm.gov. Documents filed in the case may be viewed at https://ocdima ge.emnrd.nm.gov/Imaging/Default.aspx. If you are an indi-vidual with a disability who needs a reader, amplifier, quali-fied sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Mar-lene Salvidrez at Marlene.Salvidrez@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than December 25, 2022

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

https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m70857 b43582c30c1009e8e4c5f5461e7 Webinar number: : 2499 289 7870 Panelist password: AvxgVmMe829 (28948663 from phones and video systems)

Join by video: 24992897870@nmemnrd.webex.com You can also dial 173.243.2.68 and enter your webinar number

Join by phone: 1-844-992-4726 United States Toll Free +1-408-418-9388 United States Toll Access code: 2499 289 7870

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

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

To: All interest owners subject to pooling proceedings, in-cluding: OXY USA WTP, LLC; Nestegg Energy Corporation; Hexad Oil Company; Roger Rowland, his heirs and devisees; Manix Royalty, Ltd.; and SAC Investments I, LP.

Case No. 23267: Application of Matador Production Com-pany to Amend Order No. R-22045, Eddy County, New Mexico. Applicant in the above-styled cause seeks a year ex-tension of time for drilling the well under Order No. R-22045. The Unit is comprised of the N/2 N/2 of Section 13, Township 24 South, Range 28 East, and the N/2 N/2 of Sec-tion 18, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. Order No. R-22045 pooled the uncom-mitted interests in the Bone Spring formation and dedicated the Unit to the proposed initial Glen Spiller Fed Com #111H well, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, Township 24 South, Range 28 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 18, Township 24 South, Range 29 East. Said area is located 12 miles west of Malaga, New Mexico. #5526928, Current Argus, December 18, 2022

## **Carlsbad Current Argus.**

Affidavit of Publication Ad # 0005526997 This is not an invoice

HOLLAND AND HART **POBOX 2208** 

SANTA FE, NM 87504

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

12/18/2022

Legal Clerk

Subscribed and sworn before me this December 18,

2022 State of WI County of NOTARY PUBLIC

My commission expires

VICKY FELTY Notary Public State of Wisconsin

Ad # 0005526997 PO #: Case No. 23268 # of Affidavits: 1

This is not an invoice

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

The State of New Mexico, Energy Minerals and Natural Re-sources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. Dur-ing the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conare closed to the public and Division hearings will be con-ducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on Thursday, January 5, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the in-structions posted below. The docket may be viewed at https ://www.emnrd.nm.gov/ocd/hearing-info/ or obtained from Marlene Salvidrez, at Marlene.Salvidrez@emnrd.nm.gov. Documents filed in the case may be viewed at https://ocdima ge.emnrd.nm.gov/Imaging/Default.aspx. If you are an indi-vidual with a disability who needs a reader, amplifier, quali-fied sign language interpreter, or other form of auxiliary aid fied sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Mar-lene Salvidrez at Marlene.Salvidrez@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than December 25, 2022.

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

https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m70857 b43582c30c1009e8e4c5f5461e7 Webinar number: : 2499 289 7870 Panelist password: AvxgVmMe829 (28948663 from phones and video systems)

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Join by phone: 1-844-992-4726 United States Toll Free +1-408-418-9388 United States Toll Access code: 2499 289 7870

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

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

To: All interest owners subject to pooling proceedings, in-cluding: OXY USA WTP, LLC; Camarie Oil & Gas, LLC; Ross Duncan Properties, LLC; Featherstone Development Corpo-ration; Big Three Energy Group, LLC; Prospector, LLC; Xplor Resources, LLC; Cogent Energy, Inc. Profit Sharing Plan; Nestegg Energy Corporation; Hexad Oil Company; Roger Rowland, his heirs and devisees; Manix Royalty, Ltd.; and SAC Investments I, LP.

Case No. 23268: Application of Matador Production Com-pany to Amend Order No. R-22046, Eddy County, New Mexico. Applicant in the above-styled cause seeks a year ex-tension of time for drilling the well under Order No. R-22046. The Unit is comprised of the S/2 N/2 of Section 13, Township 24 South, Range 28 East, and the S/2 N/2 of Section 13, Township 24 South, Range 28 East, and the S/2 N/2 of Section 13, Township 24 South, Range 28 East, MPM, Eddy County, New Mexico. Order No. R-22046 pooled the uncom-mitted interests in the Bone Spring formation and dedicated the Unit to the proposed initial Harrold Melton Fed Com #112H well, to be horizontally drilled from a surface loca-tion in the SE/4 NE/4 (Unit H) of Section 14, Township 24 South, Range 28 East, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 18, Township 24 South, Range 29 East. Said area is located 12 miles west of Malaga, New Mexico

Mexico #5526997, Current Argus, December 18, 2022