

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

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

CASE NO. _____

APPLICATION

MRC Permian Company, through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 360-acre, more or less, horizontal well spacing unit comprised of the N/2SE/4 of Section 3, the N/2S/2 of Section 2, and the N/2SW/4 and NW/4SE/4 of Section 1, Township 19 South, Range 31 East, Eddy County, New Mexico. In support of its application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to designate an affiliated entity, 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 horizontal spacing unit to the proposed **Jimmy Anderson 0301 Fed Com 123H** well to be drilled from a surface location in the SW/4SE/4 of Section 3 (Unit O) to a bottom hole location in the NW/4SE/4 (Unit J) of Section 1.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject spacing unit.

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

WHEREFORE, Applicant requests that this matter be set for hearing on March 2, 2023, before an Examiner of the Oil Conservation Division, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the proposed horizontal well spacing unit and approving the initial well thereon;
- B. Designating Matador Production Company as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing 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,

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ATTORNEYS FOR MRC PERMIAN COMPANY

CASE _____: Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 360-acre, more or less, horizontal well spacing unit comprised of the N/2SE/4 of Section 3, the N/2S/2 of Section 2, and the N/2SW/4 and NW/4SE/4 of Section 1, Township 19 South, Range 31 East, Eddy County, New Mexico. This unit will be initially dedicated to the proposed **Jimmy Anderson 0301 Fed Com 123H** well to be drilled from a surface location in the SW/4SE/4 of Section 3 (Unit O) to a bottom hole location in the NW/4SE/4 (Unit J) of Section 1. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof, operating costs and charges for supervision, the designation of Matador Production Company as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is approximately 11 miles Northwest of Halfway, New Mexico.