

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING NOVEMBER 2, 2023**

CASE NO. 23927

CHARLES LING 136H WELL

LEA COUNTY, NEW MEXICO



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

**APPLICATION OF MRC PERMIAN COMPANY FOR
APPROVAL OF AN OVERLAPPING HORIZONTAL
WELL SPACING UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23927

**HEARING PACKAGE
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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23927	APPLICANT'S RESPONSE
Date	November 2, 2023
Applicant	MRC Permian Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company (OGRID No. 228937)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MRC PERMIAN COMPANY FOR APPROVAL OF OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	COG Operating LLC & Concho Oil & Gas LLC
Well Family	Charles Ling
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Limited in depth to the correlative stratigraphic interval from 11,915' MD as shown in the Dual Laterolog of the Stevens 11 #1 well (API No. 30-025-34246) to the base of the Bone Spring formation.
Pool Name and Pool Code:	Triple X; Bone Spring [59900] and Red Hills; Bone Spring, North [96434]
Well Location Setback Rules:	Statewide oil rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	319.85
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	Lot 3, SE4NW4, and the E2SW4 (E2W2 equivalent) of irregular Section 2, and the E2W2 of Section 11, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	Yes; limited in depth to the correlative stratigraphic interval from 11,915' MD as shown in the Dual Laterolog of the Stevens 11 #1 well (API No. 30-025-34246) to the base of the Bone Spring formation.
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A

Applicant's Ownership in Each Tract	Exhibit A-4
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Charles Ling 0211 Fed Com 136H well SHL: 350' FNL, 1,830' FWL (Lot 3) of Section 2 BHL: 60' FSL, 2,307' FWL (Unit N) of Section 11 Target: Bone Spring Orientation: North-South Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
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 A-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-6
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-5
Cost Estimate to Equip Well	Exhibit A-5
Cost Estimate for Production Facilities	Exhibit A-5
Geology	
Summary (including special considerations)	Exhibit B

Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B, B-3
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	Exhibit B; B-4
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-4
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	10/31/2023

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

**APPLICATION OF MRC PERMIAN COMPANY FOR
APPROVAL OF AN OVERLAPPING HORIZONTAL
WELL SPACING UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23927

APPLICATION

MRC Permian Company (“MRC” or “Applicant”), through undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (a) approving a standard 319.85-acre, more or less, overlapping horizontal well spacing unit in an interval of the Bone Spring formation comprised of Lot 3, SE4NW4, and the E2SW4 of Section 2, and the E2W2 of Section 11, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in the correlative stratigraphic interval from 11,915’ MD as shown in the Dual Laterolog of the Stevens 11 #1 well (API No. 30-025-34246) to the base of the Bone Spring formation. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed overlapping horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed overlapping horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced overlapping horizontal spacing unit to the proposed **Charles Ling Fed Com 136H** well, to be horizontally drilled from a surface location in the NE4NW4 (Unit C) of Section 2 to a bottom hole location in the SE4SW4 (Unit N) of Section 11.

4. This 319.85-acre horizontal well spacing unit will overlap the following existing horizontal well spacing units:

- 160-acre horizontal well spacing unit comprised of the N2N2 of Section 2 dedicated to the Macho State #1H (API: 30-025-39884);
- 160-acre horizontal well spacing unit comprised of the S2N2 of Section 2 dedicated to the Macho State #2H (API: 30-025-39885);
- 160-acre horizontal well spacing unit comprised of the N2S2 of Section 2 dedicated to the Trucker “Brk” State #1H (API: 30-025-26309);
- 160-acre horizontal well spacing unit comprised of the S2S2 of Section 2 dedicated to the Trucker “Brk” State #2H (API: 30-025-41972); and
- 160-acre horizontal well spacing unit comprised of the E2W2 of Section 11 dedicated to the Roy Batty Federal Com #2H (API: 30-025-41332).

5. 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.

6. 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 application be set for hearing before an Examiner of the Oil Conservation Division on November 2, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the overlapping horizontal well spacing unit and pooling all uncommitted interests therein;

- B. Designating Matador Production Company as operator of this overlapping horizontal spacing unit and the horizontal wells 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% penalty 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: 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
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Santa Fe, NM 87504
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505-983-6043 Facsimile
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agrarkin@hollandhart.com
pmvance@hollandhart.com

ATTORNEYS FOR MRC PERMIAN COMPANY

CASE _____ :

Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 319.85-acre, more or less, overlapping horizontal well spacing unit in an interval of the Bone Spring formation comprised of Lot 3, SE4NW4, and the E2SW4 of Section 2, and the E2W2 of Section 11, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in the correlative stratigraphic interval from 11,915' MD as shown in the Dual Laterolog of the Stevens 11 #1 well (API No. 30-025-34246) to the base of the Bone Spring formation. Said unit will be initially dedicated to the proposed **Charles Ling Fed Com 136H** well, to be horizontally drilled from a surface location in the NE4NW4 (Unit C) of Section 2 to a bottom hole location in the SE4SW4 (Unit N) of Section 11. This 319.85-acre horizontal well spacing unit will overlap This 319.85-acre horizontal well spacing unit will overlap the following existing horizontal well spacing units:

- 160-acre horizontal well spacing unit comprised of the N2N2 of Section 2 dedicated to the Macho State #1H (API: 30-025-39884);
- 160-acre horizontal well spacing unit comprised of the S2N2 of Section 2 dedicated to the Macho State #2H (API: 30-025-39885);
- 160-acre horizontal well spacing unit comprised of the N2S2 of Section 2 dedicated to the Trucker "Brk" State #1H (API: 30-025-26309);
- 160-acre horizontal well spacing unit comprised of the S2S2 of Section 2 dedicated to the Trucker "Brk" State #2H (API: 30-025-41972); and
- 160-acre horizontal well spacing unit comprised of the E2W2 of Section 11 dedicated to the Roy Batty Federal Com #2H (API: 30-025-41332).

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles northwest of Jal, New Mexico.

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

**APPLICATION OF MRC PERMIAN COMPANY FOR APPROVAL OF
OVERLAPPING HORIZONTAL WELL SPACING UNITS AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

CASE NOS. 23927

SELF-AFFIRMED STATEMENT OF NICK WEEKS, LANDMAN

1. My name is Nick Weeks. I work for MRC Energy Company, an affiliate of MRC Permian Company (“MRC”), as a Landman.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of public record.
3. I am familiar with the application filed by MRC in this case and I am familiar with the status of the lands in the subject area.
4. Under **Case 23927**, MRC seeks to an order pooling a standard 319.85-acre, more or less, overlapping horizontal well spacing unit in a limited interval of the Bone Spring formation underlying Lot 3, SE4NW4, and the E2SW4 (E2W2 equivalent) of irregular Section 2, and the E2W2 of Section 11, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico. This spacing unit will be initially dedicated to the proposed **Charles Ling Fed Com 136H**, a horizontal well to be drilled from a surface location in the NE4NW4 (Unit C) of Section 2 to a bottom hole location in the SE4SW4 (Unit N) of Section 11.
5. This proposed spacing unit is limited in depth to the correlative stratigraphic interval from 11,915’ MD as shown in the Dual Laterolog of the Stevens 11 #1 well (API No. 30-

025-34246) to the base of the Bone Spring formation. MRC has limited the pooled interval to an area of uniform ownership within Bone Spring formation. Shallower depths within the Bone Spring formation have different owners and ownership percentages created by prior conveyances in certain tracts included in the spacing unit.

6. Due to the existing development in the Bone Spring formation underlying certain portions of this acreage, MRC has provided notice of the proposed overlapping spacing unit to all affected working interest owners in the proposed and existing Bone Spring spacing units. **MRC Exhibit A-1** is a copy of this notice letter. Matador has not received any objection to the proposed development plan. Since none of the affected working interest owners have objected to the proposed development plan, the request for Division approval of the overlapping horizontal well spacing unit can be dismissed.

7. **MRC Exhibit A-2** contains a draft Form C-102 for the initial well. This form demonstrates that the completed interval will comply with statewide setbacks for oil wells. MRC understands that two Bone Spring pools cover this acreage: Section 2 is subject to the TRIPLE X;BONE SPRING [59900], while Section 11 is subject to the RED HILLS;BONE SPRING, NORTH [96434].

8. **MRC Exhibit A-3** identifies the tracts of land comprising the horizontal spacing unit. This subject area is comprised of state, federal and fee tracts.

9. **MRC Exhibit A-4** identifies the working interest owners MRC seeks to pool, the tracts in which they hold an interest, and the respective ownership interest in the proposed horizontal spacing unit. Exhibit A-4 also contains a list of the overriding royalty interest owners and a record title holder that MRC seeks to pool.

10. **MRC Exhibit A-5** contains a sample of the well proposal letter and AFE for the proposed well that was sent to the working interest owners. The costs reflected in the AFE are consistent with what MRC and other operators have incurred for drilling similar horizontal wells in the area in this formation.

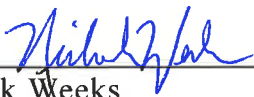
11. MRC requests that the overhead and administrative costs for drilling and producing the proposed well be set at \$8,000 per month while drilling and \$800 per month while producing. These costs are consistent with or below what other operators are charging in this area for similar wells.

12. **MRC Exhibit A-6** contains a general summary of the communications with each of the remaining uncommitted working interest owners. In addition to sending the well proposal letters, MRC has contacted each of the working interest owners that it seeks to pool and undertaken good faith efforts to reach a voluntary agreement.

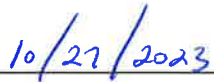
13. MRC has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that MRC seeks to pool and instructed that they be notified of this hearing. MRC has conducted a diligent search of all public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

14. **MRC Exhibits A-1 through A-6** 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.



Nick Weeks



Date

EXHIBIT A-1

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-1
Submitted by: Matador Production Company
Hearing Date: November 2, 2023
Case No. 23927**

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

**TO ALL WORKING INTEREST OWNERS IN THE AGREAGE AFFECTED BY
PROPOSED OVERLAPPING SPACING UNIT**

August 1, 2023

Re: Notice of Overlapping Spacing Unit
Matador's Charles Ling Fed Com #136H

To Whom It May Concern:

Matador Production Company has proposed the above-referenced well for the initial development of the Bone Spring formation under Lot 3, SE/4 NW/4, and the E/2 SW/4 of Section 2, and the E/2 W/2 of Section 11, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

This letter is to advise you that this proposed development plan will require the formation of the 319.85 acre, more or less, spacing unit comprised of Lot 3, SE/4 NW/4, and the E/2 SW/4 of Section 2, and the E/2 W/2 of Section 11, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico, which will initially be dedicated to:

- (i) Matador's Charles Ling Fed Com #136H well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 2, Township 24 South, Range 33 East to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 11, Township 24 South, Range 33 East. This well has an approximate TVD of 12,000'.

Matador's proposed 319.85 acre spacing unit will overlap the following existing spacing units and wells:

- a. 160-acre, more or less, horizontal well spacing unit comprised of the N/2 N/2 of Section 2, Township 24 South, Range 33 East, dedicated to COG Operating, LLC's Macho State #1H (API: 30-025-39884). This well has an approximate TVD of 11,140';
- b. 160-acre, more or less, horizontal well spacing unit comprised of the S/2 N/2 of Section 2, Township 24 South, Range 33 East, dedicated to the COG Operating, LLC's Macho State #2H (API: 30-025-39885). This well has an approximate TVD of 10,020';
- c. 160-acre, more or less, horizontal well spacing unit comprised of the N/2 S/2 of Section 2, Township 24 South, Range 33 East, dedicated to EOG Resources Inc.'s Trucker "Brk" State #1H (API: 30-025-26309). This well has an approximate TVD of 11,140';

- d. 160-acre, more or less, horizontal well spacing unit comprised of the S/2 S/2 of Section 2, Township 24 South, Range 33 East, dedicated to EOG Resources Inc's Trucker "Brk" State #2H (API: 30-025-41972). This well has an approximate TVD of 11,140'; and
- e. 160-acre, more or less, horizontal well spacing unit comprised of the W/2 W/2 of Section 11, Township 24 South, Range 33 East, dedicated to COG Operating LLC's Roy Batty Federal Com #1H (API: 30-025-41099). This well has an approximate TVD of 11,100'.

Pursuant to NMAC 19.15.16.15.B(9) and 19.15.15.12.B, you have a right to object the overlapping spacing unit by delivering a written statement of objection to our office within twenty (20) days of the mailing of this notice. If no objection is received within this 20-day period, we will proceed with obtaining any remaining regulatory approvals for the proposed spacing unit.

If you have any questions about this matter, please contact me at your convenience.

Sincerely,



Nicholas Weeks
Senior Staff Landman for Matador Production Company
972-371-5481
nweeks@matadorresources.com

EXHIBIT A-2

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-2
Submitted by: Matador Production Company
Hearing Date: November 2, 2023
Case No. 23927**

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 59900		³ Pool Name Triple X; Bone Springs	
⁴ Property Code		⁵ Property Name CHARLES LING 0211 FED COM			⁶ Well Number 136H
⁷ GRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3657'

¹⁰Surface Location

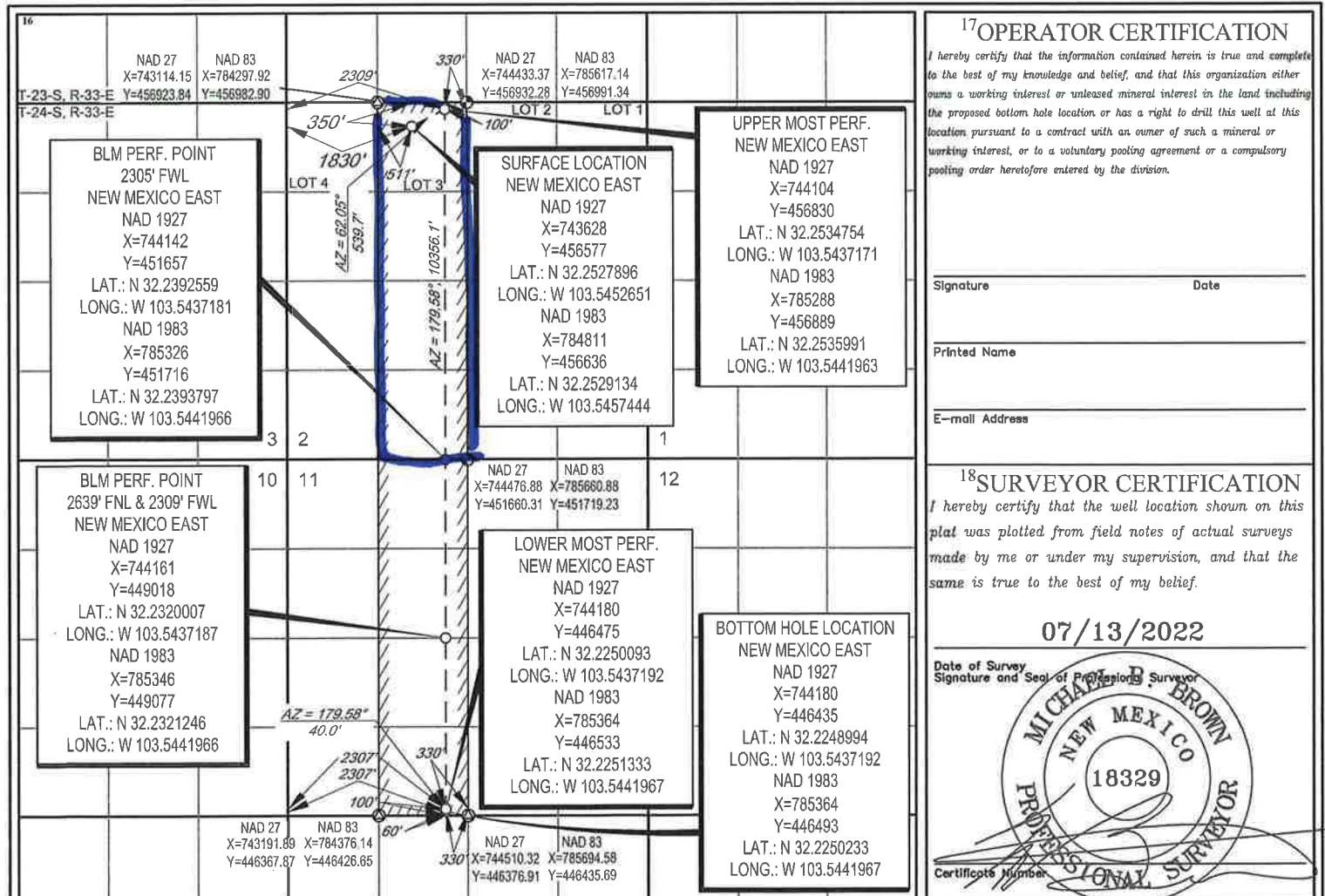
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	2	24-S	33-E	-	350'	NORTH	1830'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	11	24-S	33-E	-	60'	SOUTH	2307'	WEST	LEA

¹² Dedicated Acres 159.85	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 96434		³ Pool Name Red Hills; Bone Springs, North	
⁴ Property Code		⁵ Property Name CHARLES LING 0211 FED COM			⁶ Well Number 136H
⁷ OGRID No. 228937		⁸ Operator Name MATADOR PRODUCTION COMPANY			⁹ Elevation 3657'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	2	24-S	33-E	-	350'	NORTH	1830'	WEST	LEA

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	11	24-S	33-E	-	60'	SOUTH	2307'	WEST	LEA

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

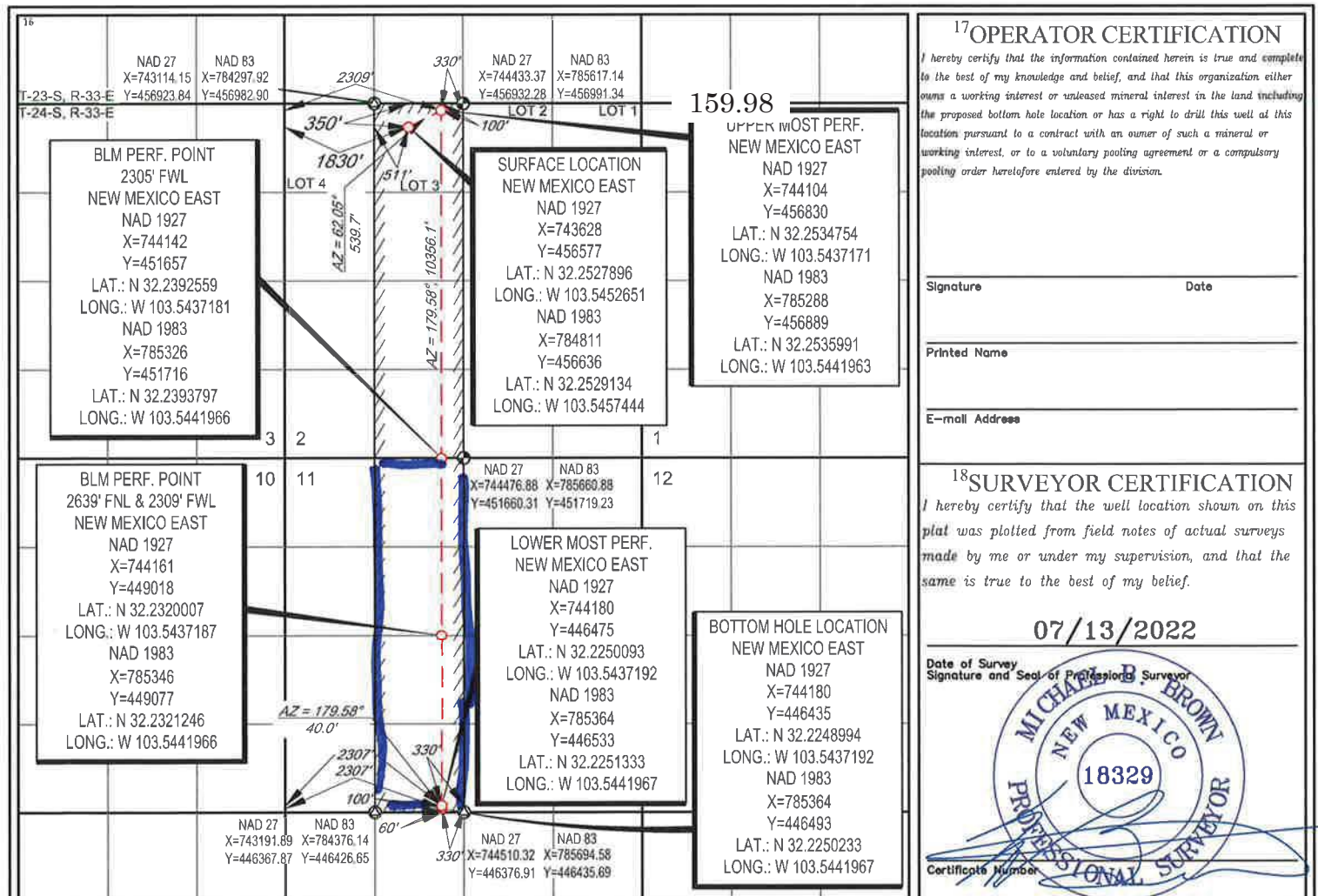
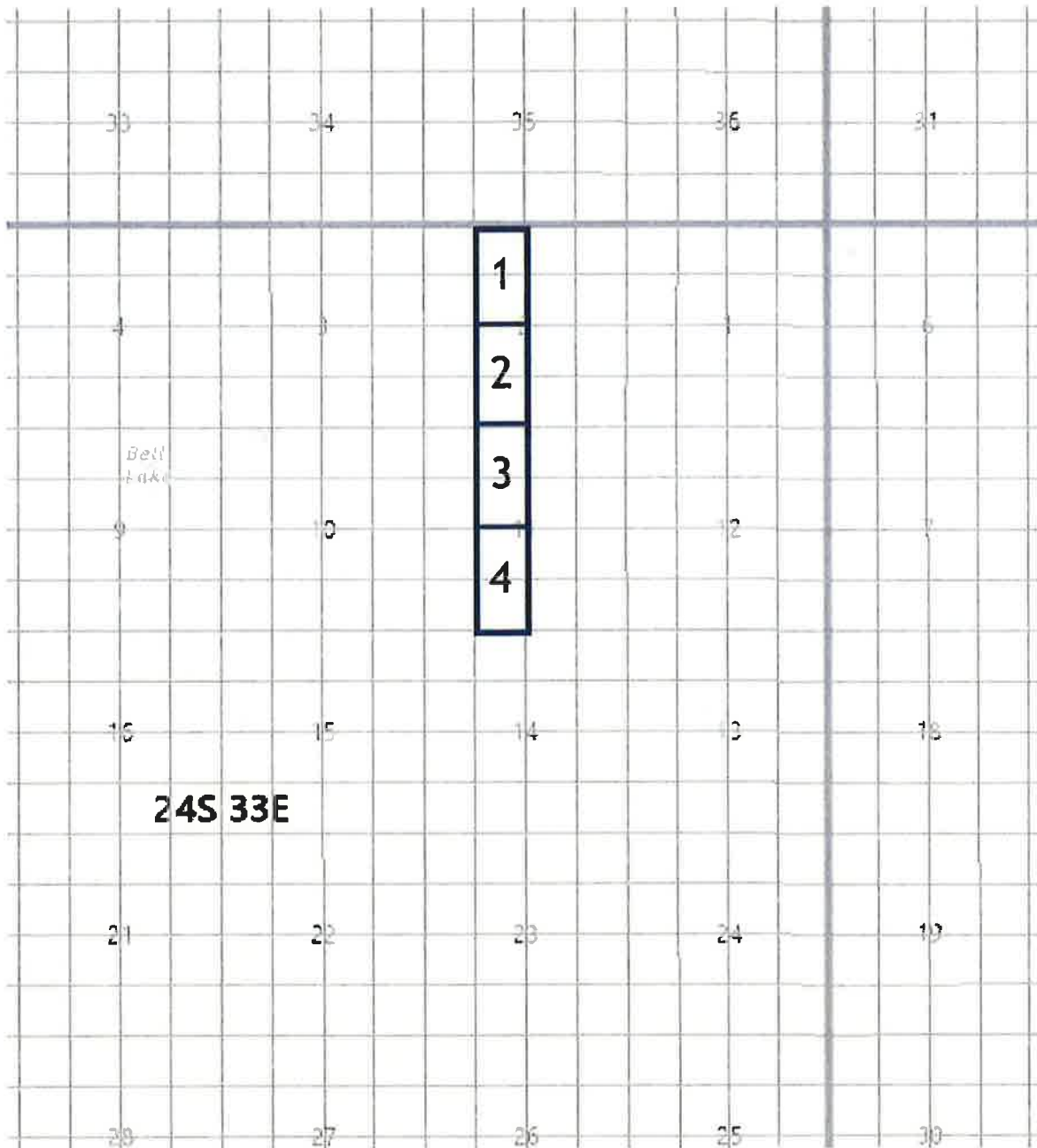


EXHIBIT A-3

Charles Ling 0211 Fed Com 136H & 222H

T24S-R33E, Lea County, NM



Tract 1: 79.85 acs – Sec. 2: Lot 3, NE/4NW/4 (State – VB-1814)

Tract 2: 80.00 acs – Sec. 2: E/2SW/4 (State – VB-1819)

Tract 3: 80.00 acs – Sec. 11: E/2NW/4 (Federal – NMLC-063798)

Tract 4: 80.00 acs – Sec. 11: E/2SW/4 (Fee)

EXHIBIT A-4

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-4
Submitted by: Matador Production Company
Hearing Date: November 2, 2023
Case No. 23927



Summary of Interests

MRC Permian Company:				35.113946%
Voluntary Joinder:				22.094156%
Compulsory Pool:				42.791898%
Interest Owner:	Description:	Tract:	Interest:	
COG Operating LLC	Working Interest	1, 3	30.293302%	
The Allar Company	Working Interest	1	6.241207%	
Oxy Y-1 Company	Working Interest	2	5.002345%	
Concho Oil & Gas LLC	Working Interest	1	0.936181%	
Murchison Oil and Gas, LLC	Working Interest	3	0.318863%	



Summary of Interests

Interest Owner:	Description:	Tract:
820MT I BPEOR NM, LLC	Overriding Royalty	3
820MT II BPEOR NM, LLC	Overriding Royalty	3
Betsy Bond	Overriding Royalty	3
CCJR Properties, LLC	Overriding Royalty	3
Claire Chilton Lopez	Overriding Royalty	3
COG Operating LLC	Overriding Royalty	3
Concho Oil & Gas LLC	Overriding Royalty	3
Devon Energy Production Company, L.P.	Overriding Royalty / Record Title	3
Dragon Creek Minerals, LLC	Overriding Royalty	4, 5
Ewell H. Muse, III	Overriding Royalty	3
Fine Line BPEOR NM, LLC	Overriding Royalty	3
Fortis Minerals II, LLC	Overriding Royalty	3
J. D. Murchison Interests, Inc.	Overriding Royalty	3
Jamie E. Jennings and George J, Lee, Trustees of the Jennings-Lee Trust	Overriding Royalty	3
Joe John Bond	Overriding Royalty	3
John C. Ryan, IV	Overriding Royalty	3
John C. Thomas	Overriding Royalty	3
John Lawrence Chilton	Overriding Royalty	3
Katherine K. McIntyre	Overriding Royalty	3
Keystone (RMB) BPEOR NM, LLC	Overriding Royalty	3
Keystone O&G Multi-State, LLC	Overriding Royalty	3



Summary of Interests

Interest Owner:	Description:	Tract:
KWCL Properties	Overriding Royalty	3
LMBI O&G Multi-State, L.L.C.	Overriding Royalty	3
McMullen Minerals, LLC	Overriding Royalty	4
MEC Petroleum Corp.	Overriding Royalty	3
Nestegg Energy	Overriding Royalty	1
Pegasus Resources NM, LLC	Overriding Royalty	4
Pegasus Resources, LLC	Overriding Royalty	4
Richard Royall Ryan	Overriding Royalty	3
RMB BPEOR NM, LLC	Overriding Royalty	3
Roger John Allen and Nancy Edge Jennings Allen, Trustees of the Allen Family Revocable Trust	Overriding Royalty	3
Santa Elena Minerals IV, LP	Overriding Royalty	3
Sharbro Energy, LLC	Overriding Royalty	2
SRBI O&G Multi-State, L.L.C.	Overriding Royalty	3
SRBMT I BPEOR NM, LLC	Overriding Royalty	3
SRBMT II BPEOR NM, LLC	Overriding Royalty	3
Susan J. Croft	Overriding Royalty	3
Susan Ryan	Overriding Royalty	3
Tap Rock Minerals LP	Overriding Royalty	3
TD Minerals LLC	Overriding Royalty	3
The Allar Company	Overriding Royalty	1
Thru Line O&G Multi-State, L.L.C.	Overriding Royalty	3

EXHIBIT A-5

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-5
Submitted by: Matador Production Company
Hearing Date: November 2, 2023
Case No. 23927**

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5236 • Fax 214.866.4946
jdurham@matadorresources.com

John Durham
Area Land Manager

May 25, 2022

VIA CERTIFIED RETURN RECEIPT MAIL

EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706

Re: Charles Ling Fed Com #135H, #136H, #137H, & #138H (the "Wells")
Participation Proposal
All of Sections 2 & 11, E2E2 of Section 14, Township 24 South, Range 33 East
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's Charles Ling Fed Com #135H, Charles Ling Fed Com #136H, Charles Ling Fed Com #137H, and Charles Ling Fed Com #138H wells, located in All of Sections 2 & 11, E2E2 of Section 14, Township 24 South, Range 33 East, Lea County, New Mexico, to the Bone Spring formation.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the four (4) enclosed Authority for Expenditures ("AFE") both dated April 12, 2022.
- **Charles Ling Fed Com #135H:** to be drilled from a legal location with a proposed surface hole location in the NW/4NW/4 of Section 2-24S-33E and a proposed bottom hole location in the SW/4SW/4 of Section 11-24S-33E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~12,000' TVD) to a Measured Depth of approximately 22,267'.
- **Charles Ling Fed Com #136H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NW/4 of Section 2-24S-33E and a proposed bottom hole location in the SE/4SW/4 of Section 11-24S-33E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~12,000' TVD) to a Measured Depth of approximately 22,267'.
- **Charles Ling Fed Com #137H:** to be drilled from a legal location with a proposed surface hole location in the NW/4NE/4 of Section 2-24S-33E and a proposed bottom hole location in the SW/4SE/4 of Section 11-24S-33E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~12,000' TVD) to a Measured Depth of approximately 22,267'.

- **Charles Ling Fed Com #138H:** to be drilled from a legal location with a proposed surface hole location in the NE/4NE/4 of Section 2-24S-33E and a proposed bottom hole location in the SE/4SE/4 of Section 14-24S-33E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~12,000' TVD) to a Measured Depth of approximately 27,570'.

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.

EOG Resources, Inc. will own an approximate working interest shown below in each Well, subject to title verification.

MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement dated May 1, 2022, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators covering All of Sections 2 & 11, and the E2E2 of Section 14, Township 24 South, Range 33 East, Lea County, New Mexico, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- Matador Production Company named as Operator

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFE(s) within thirty (30) days of receipt of this notice. Additionally, if your election is to participate, please accept this letter as an invoice notice and request for payment. Please remit payment for your proportionate share of costs to Matador Production Company on or before thirty (30) days after receipt of this estimate and invoice. Please be aware that the enclosed AFE(s) are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

MRC PERMIAN COMPANY



John Durham

EOG Resources, Inc. hereby elects to:

_____ Participate with its approximate working interest of 0.133333333 in Matador Production Company's **Charles Ling Fed Com #135H** well, in the estimated amount of **\$554,493.60**.

_____ Not to participate in the **Charles Ling Fed Com #135H**

_____ Participate with its approximate working interest of 0.133333333 in Matador Production Company's **Charles Ling Fed Com #136H** well, in the estimated amount of **\$554,493.60**.

_____ Not to participate in the **Charles Ling Fed Com #136H**

_____ Participate with its approximate working interest of 0.133333333 in Matador Production Company's **Charles Ling Fed Com #137H** well, in the estimated amount of **\$554,493.60**.

_____ Not to participate in the **Charles Ling Fed Com #137H**

_____ Participate with its approximate working interest of 0.088888889 in Matador Production Company's **Charles Ling Fed Com #138H** well, in the estimated amount of **\$456,293.60**.

_____ Not to participate in the **Charles Ling Fed Com #138H**

EOG Resources, Inc.

By: _____

Title: _____

Date: _____

Contact Number: _____

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240
 Phone (972) 371-6200 • Fax (972) 371-6201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	April 14, 2022	AFE NO.:	
WELL NAME:	Charles Ling Fed Com 138H	FIELD:	
LOCATION:	Sections 2&11-24S-33E	MD/TVD:	22267/12000'
COUNTY/STATE:	Lea, NM	LATERAL LENGTH:	10.000
MRC WI:			
GEOLOGIC TARGET:	Third Bone Spring Sand		
REMARKS:	Drill and complete a horizontal 2 mile long Third Bone Spring sand target with about 46 frac stages		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Land / Legal / Regulatory	\$ 58,000	\$ -	\$ 10,000	\$ 10,000	\$ 78,000
Location, Surveys & Damages	156,333	13,000	15,000	12,500	196,833
Drilling	782,845	-	-	-	782,845
Cementing & Float Equip	202,000	-	-	-	202,000
Logging / Formation Evaluation	-	3,780	3,000	-	6,780
Flowback - Labor	-	-	19,360	-	19,360
Flowback - Surface Rentals	-	-	121,250	-	121,250
Flowback - Rental Living Quarters	-	-	-	-	-
Mud Logging	18,750	-	-	-	18,750
Mud Circulation System	47,400	-	-	-	47,400
Mud & Chemicals	355,000	53,900	21,500	-	430,400
Mud / Wastewater Disposal	150,000	-	2,000	1,000	153,000
Freight / Transportation	12,750	41,800	3,000	-	57,550
Rig Supervision / Engineering	120,000	101,420	10,000	1,800	233,220
Drill Bits	95,700	-	-	-	95,700
Fuel & Power	156,250	527,283	2,000	-	685,533
Water	35,000	693,000	2,000	1,000	731,000
Rig & Completion Overhead	10,000	-	-	-	10,000
Plugging & Abandonment	-	-	-	-	-
Directional Drilling, Surveys	253,804	-	-	-	253,804
Completion Unit, Swab, CTU	-	154,000	8,000	-	162,000
Perforating, Wireline, Slickline	-	188,070	7,000	-	195,070
High Pressure Pump Truck	-	60,000	5,000	-	65,000
Stimulation	-	2,111,048	-	-	2,111,048
Stimulation Flowback & Diap	-	17,050	195,000	-	212,050
Insurance	17,814	-	-	-	17,814
Labor	149,500	65,550	10,000	5,000	230,050
Rental - Surface Equipment	80,560	315,161	30,000	5,000	430,721
Rental - Downhole Equipment	90,625	94,600	-	-	185,225
Rental - Living Quarters	47,400	45,881	-	5,000	98,281
Contingency	86,126	244,653	48,571	4,130	381,480
Operations Center	24,150	-	-	-	24,150
TOTAL INTANGIBLES >	2,957,007	4,731,256	512,281	45,430	8,245,974

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	FACILITY COSTS	TOTAL COSTS
Surface Casing	\$ 85,000	\$ -	\$ -	\$ -	\$ 85,000
Intermediate Casing	425,230	-	-	-	425,230
Drilling Liner	-	-	-	-	-
Production Casing	618,376	-	-	-	618,376
Production Liner	-	-	-	-	-
Tubing	-	-	177,000	-	177,000
Wellhead	73,000	-	25,000	-	98,000
Peckers, Liner Hangers	-	67,344	8,000	-	75,344
Tanks	-	-	-	67,500	67,500
Production Vessels	-	-	-	136,383	136,383
Flow Lines	-	-	-	120,000	120,000
Rod string	-	-	-	-	-
Artificial Lift Equipment	-	-	25,000	-	25,000
Compressor	-	-	-	11,250	11,250
Installation Costs	-	-	-	48,000	48,000
Surface Pumps	-	-	5,000	14,375	19,375
Non-controllable Surface	-	-	-	2,000	2,000
Non-controllable Downhole	-	-	-	-	-
Downhole Pumps	-	-	-	-	-
Measurement & Meter Installation	-	-	11,000	57,500	68,500
Gas Conditioning / Dehydration	-	-	-	-	-
Interconnecting Facility Piping	-	-	-	58,250	58,250
Gathering / Bulk Lines	-	-	-	-	-
Valves, Dumps, Controllers	-	-	2,000	-	2,000
Tank / Facility Containment	-	-	-	8,875	8,875
Flare Stack	-	-	-	20,625	20,625
Electrical / Grounding	-	-	2,000	42,500	44,500
Communications / SCADA	-	-	5,000	5,000	10,000
Instrumentation / Safety	-	-	-	31,375	31,375
TOTAL TANGIBLES >	1,201,895	67,344	258,000	619,613	2,146,852
TOTAL COSTS >	4,158,702	4,798,600	770,281	665,043	10,392,626

PREPARED BY MATADOR PRODUCTION COMPANY:

Drilling Engineer:	Billy Bell	Team Lead - WTX/NM	
Completions Engineer:	Garrett Hunt		CSC
Production Engineer:	Jan Fredrik Moanes		

MATADOR RESOURCES COMPANY APPROVAL:

Executive VP, COO/CFO	DEL	EVP COO- Drilling, Completion and Production	BC
Executive VP, Legal	CA	SVP Geoscience	FIF
President	MVH		

NON OPERATING PARTNER APPROVAL:

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

The well and the AFE are collectively and may be referred to as the "Project". This document is prepared for the use of the well owner and is not intended to be used for any other purpose. The well owner agrees to indemnify and hold the well operator harmless for any and all claims, damages, losses, and expenses, including reasonable attorneys' fees, arising out of or from the use of this document, including the well owner's use of this document for any purpose other than that intended by the well owner. This document is prepared for the use of the well owner and is not intended to be used for any other purpose. The well owner agrees to indemnify and hold the well operator harmless for any and all claims, damages, losses, and expenses, including reasonable attorneys' fees, arising out of or from the use of this document, including the well owner's use of this document for any purpose other than that intended by the well owner.

EXHIBIT A-6

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-6
Submitted by: Matador Production Company
Hearing Date: November 2, 2023
Case No. 23927**

Charles Ling 0211 Fed Com 135H, Charles Ling 0211 Fed Com 136H, Charles Ling 0211 Fed Com 137H, Charles Ling 0214 Fed Com 138H, Charles Ling 0211 Fed Com 221H, Charles Ling 0211 Fed Com 222H, Charles Ling 0211 Fed Com 223H, Charles Ling 0214 Fed Com 224H

Summary of Communication

COG Operating LLC

- 5/26/2022: Proposals mailed via certified mail.
- 6/1/2022: Proposals delivered. (Received signed return receipt)
- 6/1/2022 – 9/26/2023: sent JOA, responded to inquiries.

Oxy Y-1 Company

- 5/26/2022: Proposals mailed via certified mail.
- 6/1/2022: Proposals delivered. Received signed return receipt.
- 6/1/2022 – 9/26/2023: sent JOA, responded to inquiries.

Concho Oil & Gas LLC

- 5/26/2022: Proposals mailed via certified mail.
- 6/1/2022: Proposals delivered. Received signed return receipt.
- 6/1/2022 – 9/26/2023: sent JOA, responded to inquiries.

Murchison Oil and Gas LLC

- 5/26/2022: Proposals mailed via certified mail.
- 5/31/2022: Proposals delivered. Received signed return receipt.
- 5/31/2022 – 9/26/2023: sent JOA, received elections, responded to inquiries.

The Allar Company

- 8/29/2023: Proposals mailed via certified mail.
- 8/30/2023: sent JOA and proposals electronically.
- 9/5/2023: Proposals delivered to Agent per USPS website.
- 9/5/2023 - 9/26/2023: sent JOA, responded to inquiries.

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

APPLICATION OF MRC PERMIAN COMPANY FOR APPROVAL OF
OVERLAPPING HORIZONTAL WELL SPACING UNITS AND FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 23926, 23927, 23929, 23930

SELF-AFFIRMED STATEMENT OF LIZ OLSON

My name is Liz Olson and I am employed by MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a Senior Geologist.

1. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. I am familiar with the applications filed by Matador in these consolidated cases and have conducted a geologic study of the lands in the subject area.

2. Under these consolidated cases, MRC seeks orders pooling four standard overlapping horizontal well spacing units in a limited interval of the Bone Spring formation underlying certain portions of Sections 2, 11, and 14, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

3. **Matador Exhibit B-1** is a locator map outlining the subject area with a black box shaded in yellow.

4. The target interval for the initial wells in the proposed spacing units is the Third Bone Spring interval of the Bone Spring formation.

5. **Matador Exhibit B-2** is a subsea structure map that I prepared for the top of the Bone Spring formation. The contour interval is 50 feet. The structure map shows the Bone Spring formation dipping to the southwest. The structure appears consistent across the proposed spacing

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Matador Production Company
Hearing Date: November 2, 2023
Case No. 23927

units and I do not observe any faulting, pinch outs, or other geologic impediments to horizontal drilling.

6. Also included on Matador Exhibit B-2 is a line of cross section from A to A'.

7. **Matador Exhibit B-3** is a structural cross-section that I prepared displaying open-hole logs run over the Bone Spring formation from the three representative wells denoted from A to A'. For each well in the cross-section, the following logs are included, when available: gamma ray, caliper, resistivity, and porosity. The target interval of the proposed wells is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted interval, within the Bone Spring formation, is consistent in thickness across the entirety of the proposed spacing units.

8. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells within the Bone Spring formation underlying the area comprising the proposed spacing units.

9. In my opinion, each quarter-quarter section will be productive and contribute more-or-less equally to production from the horizontal spacing units.

10. The proposed spacing units are limited in depth to the correlative stratigraphic interval from 11,915' MD as shown in the Dual Laterolog of the Stevens 11 #1 well (API No. 30-025-34246) to the base of the Bone Spring formation.

11. **Matador Exhibit B-4** is a type log of the Stevens 11 #1 well (API No. 30-025-34246). I have bracketed on this type log the pooled interval, which includes the target interval for the initial wells.

12. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery.

13. In my opinion, the standup orientation is the preferred orientation for development in this area for the target interval of this well because the maximum horizontal stress is east-west in this area.

14. Approving Matador's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

15. **Matador Exhibits B-1 through B-4** were either prepared by me or compiled under my direction and supervision.

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



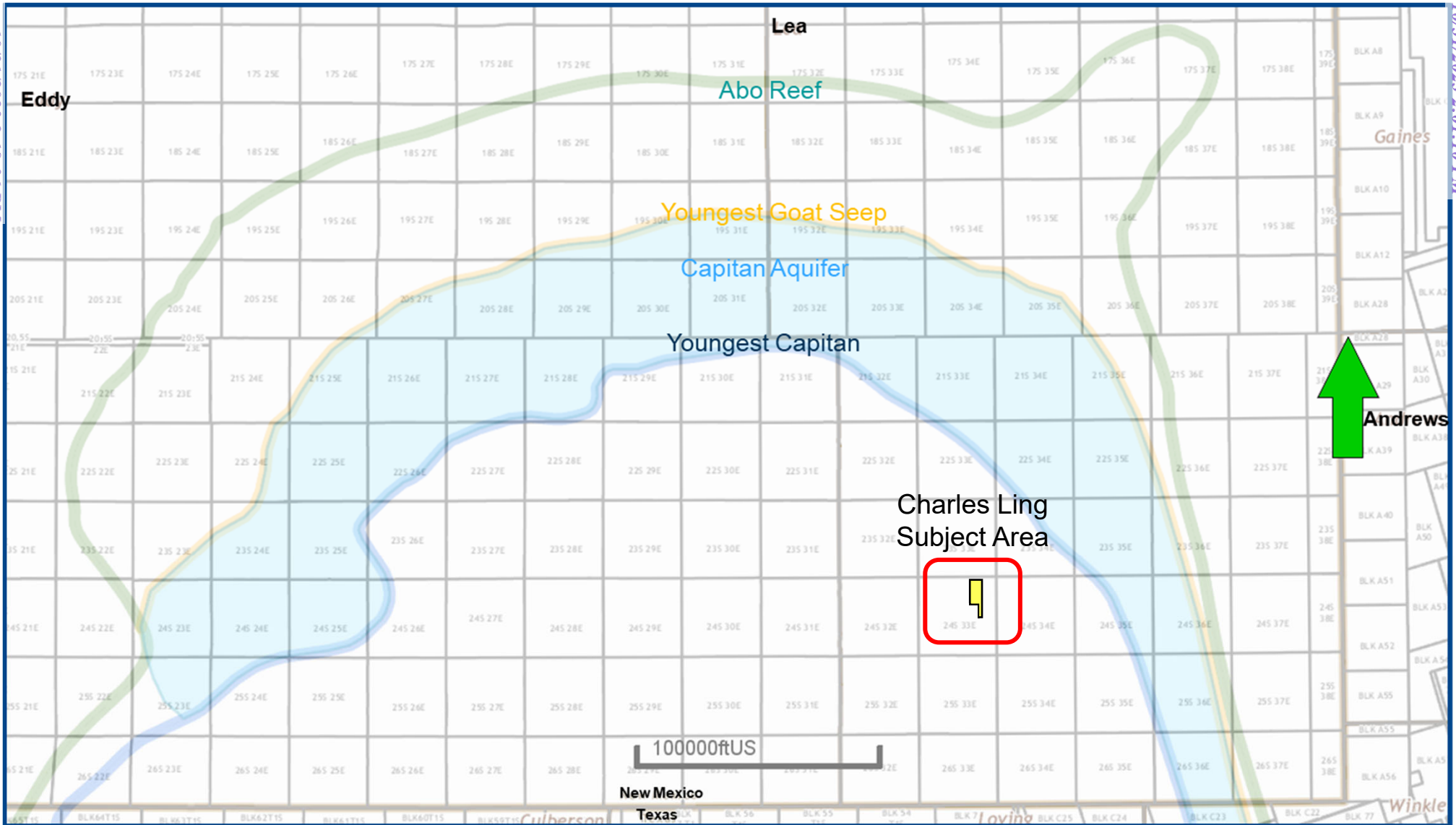
Liz Olson

10/26/2023
Date

Locator Map

Released to Imaging: 10/31/2023 2:18:36 PM

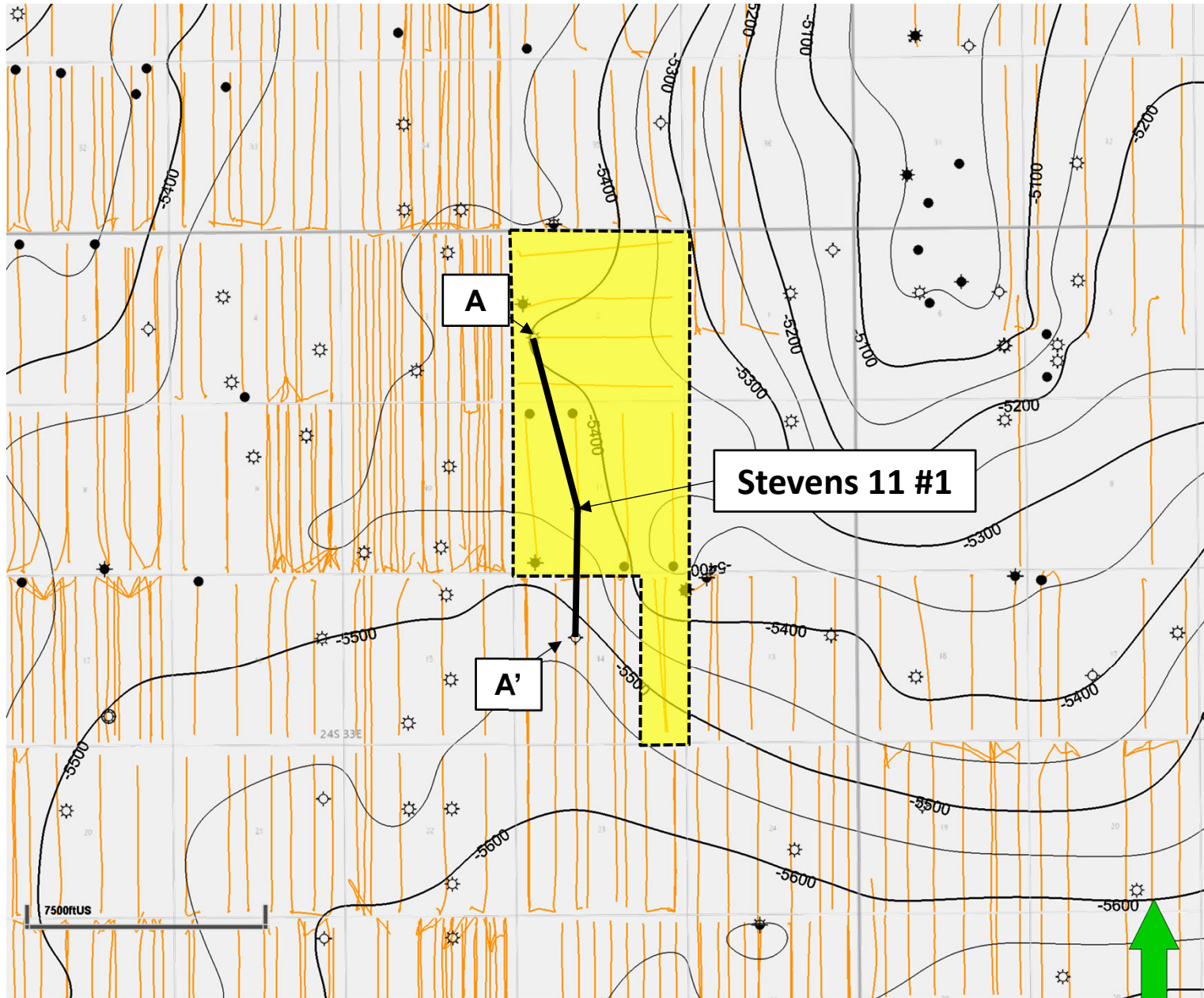
Received by OCD: 10/31/2023 2:01:10 PM



TRIPLE X; BONE SPRING (Pool Code 59900)

RED HILLS; BONE SPRING, NORTH (Pool Code 96434)

Structure Map (Top Bone Spring Subsea) A – A' Reference Line



Map Legend

Bone Spring Wells



Subject Area



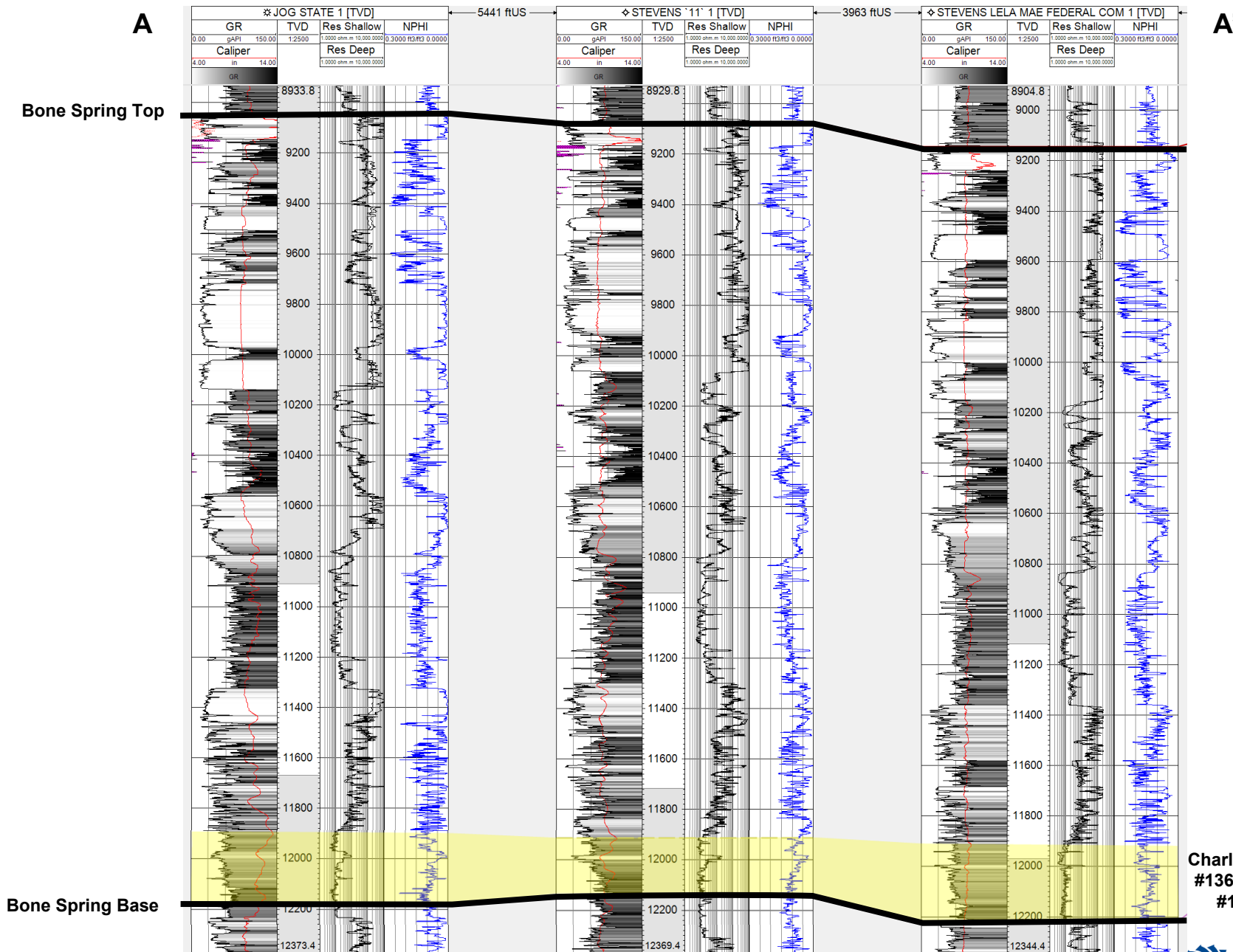
C. I. = 50'

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B-2
 Submitted by: Matador Production Company
 Hearing Date: November 2, 2023
 Case No. 23927

TRIPLE X; BONE SPRING (Pool Code 59900) RED HILLS; BONE SPRING, NORTH (Pool Code 96434) Structural Cross Section A – A'

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B-3
Submitted by: Matador Production Company
Hearing Date: November 2, 2023
Case No. 23927

Exhibit B-3

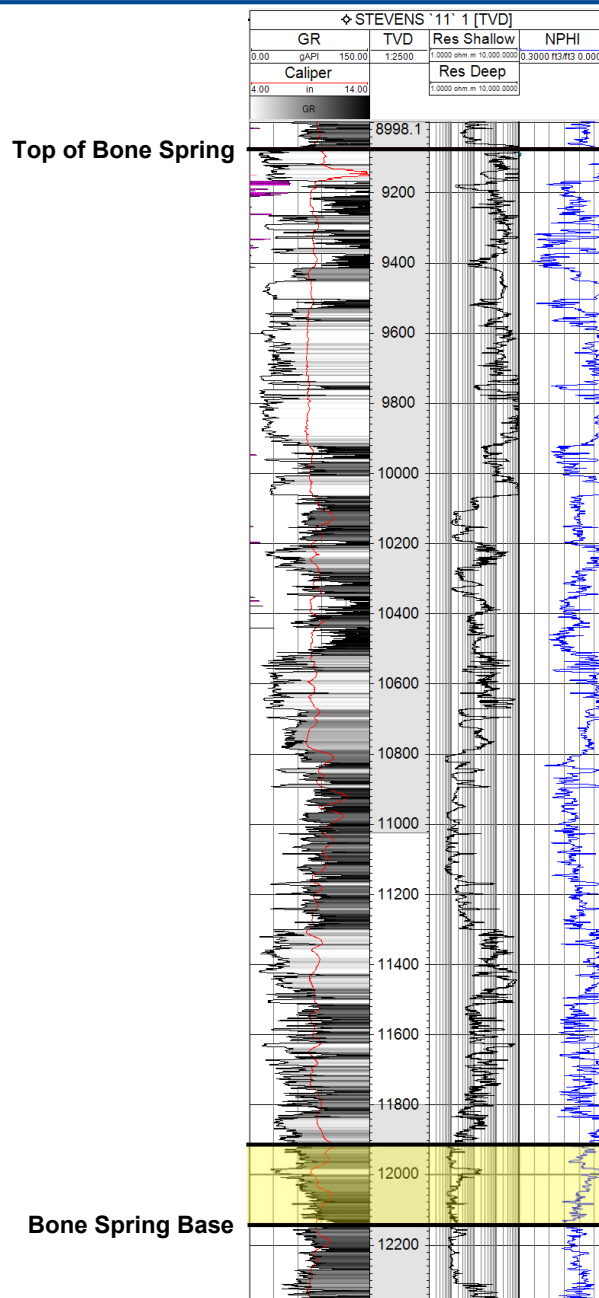


Charles Ling #135H, #136H, #137H and #138H Target



TRIPLE X; BONE SPRING (Pool Code 59900) RED HILLS; BONE SPRING, NORTH (Pool Code 96434) Pool Type Well: Stevens 11 #1 (API No. 30-025-34246)

Exhibit B-4



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B-4
 Submitted by: Matador Production Company
 Hearing Date: November 2, 2023
 Case No. 23927

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

**APPLICATION OF MRC PERMIAN COMPANY FOR
APPROVAL OF AN OVERLAPPING HORIZONTAL
WELL SPACING UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23927

**SELF-AFFIRMED STATEMENT OF
MICHAEL H. FELDEWERT**

1. I am attorney in fact and authorized representative of MRC Permian Company (“MRC”), 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 application and notice of the hearing on this application was sent by certified mail to the 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 October 30, 2022.
5. I caused a notice to be published to all parties subject to these compulsory pooling proceedings on October 17, 2022. An affidavit of publication from the publication’s legal clerk with a copy of the notice publication is attached as Exhibit D.
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. C
Submitted by: Matador Production Company
Hearing Date: November 2, 2023
Case No. 23927**



Michael H. Feldewert

10/31/23

Date



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

October 13, 2023

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS AND ALL WORKING INTEREST OWNERS AFFECTED BY THE PROPOSED OVERLAPPING SPACING UNIT

Re: Application of MRC Permian Company for Approval of an Overlapping Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico: *Charles Ling Fed Com 136H 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 2, 2023, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

Due to the remodeling of the state building where the New Mexico Oil Conservation Division is located, 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: <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 Nicholas Weeks at (972) 371-5481 or nweeks@matadorresources.com.

Sincerely,

Michael H. Feldewert
ATTORNEY FOR MRC PERMIAN COMPANY

Location
110 North Guadalupe, Suite 1
Santa Fe, NM 87501-1849

Mailing Address
P.O. Box 2208
Santa Fe, NM 87504-2208

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

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

MRC - Charles Ling 136H well - Case no. 23927
Postal Delivery Report

9414811898765492400325	820MT I BPEOR NM, LLC	201 Main St Ste 2700	Fort Worth	TX	76102-3131	Your item was delivered to an individual at the address at 10:15 am on October 17, 2023 in FORT WORTH, TX 76102.
9414811898765492400066	EOG Resources, Inc.	5509 Champions Dr	Midland	TX	79706-2843	Your item was delivered to the front desk, reception area, or mail room at 8:18 am on October 16, 2023 in MIDLAND, TX 79701.
9414811898765492400004	Ewell H. Muse, III	5802 Kentucky Derby	Austin	TX	78746-1140	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765492400097	Fine Line BPEOR NM, LLC	201 Main St Ste 2700	Fort Worth	TX	76102-3131	Your item was delivered to an individual at the address at 10:15 am on October 17, 2023 in FORT WORTH, TX 76102.
9414811898765492400073	Fortis Minerals II, LLC	1111 Bagby St Ste 2150	Houston	TX	77002-2626	Your item arrived at our NORTH HOUSTON TX DISTRIBUTION CENTER destination facility on October 28, 2023 at 3:16 pm. The item is currently in transit to the destination.
9414811898765492400417	J. D. Murchison Interests, Inc.	7250 Dallas Pkwy Ste 1400	Plano	TX	75024-5002	Your item was delivered to the front desk, reception area, or mail room at 1:28 pm on October 16, 2023 in PLANO, TX 75024.
9414811898765492400455	Jamie E. Jennings and George J, Lee, Trustees Of The Jennings-Lee Trust	PO Box 670326	Dallas	TX	75367-0326	This is a reminder to pick up your item before October 30, 2023 or your item will be returned on October 31, 2023. Please pick up the item at the DALLAS, TX 75367 Post Office.
9414811898765492400462	Joe John Bond	1159 Oak Forest Dr	Fort Worth	TX	76114-4549	Your item was delivered to an individual at the address at 3:10 pm on October 18, 2023 in FORT WORTH, TX 76114.
9414811898765492400424	John C. Ryan, IV	6229 Genoa Rd	Fort Worth	TX	76116-2025	Your item was delivered to an individual at the address at 11:02 am on October 17, 2023 in FORT WORTH, TX 76116.
9414811898765492400400	John C. Thomas	PO Box 6881	San Antonio	TX	78209-0881	Your item was picked up at the post office at 1:41 pm on October 20, 2023 in SAN
9414811898765492400493	John Lawrence Chilton	4949 Corriente Ln	Fort Worth	TX	76126-1853	Your item was delivered to an individual at the address at 10:22 am on October 21, 2023 in FORT WORTH, TX 76126.
9414811898765492400301	820MT II BPEOR NM, LLC	201 Main St Ste 2700	Fort Worth	TX	76102-3131	Your item was delivered to an individual at the address at 10:15 am on October 17, 2023 in FORT WORTH, TX 76102.
9414811898765492400448	Katherine K. McIntyre	512 Thunder Crest Ln	El Paso	TX	79912-4251	Your item has been delivered to an agent for final delivery in EL PASO, TX 79912 on October 16, 2023 at 2:38 pm.

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9414811898765492400486	Keystone RMB BPEOR NM, LLC	201 Main St Ste 2700	Fort Worth	TX	76102-3131	Your item was delivered to an individual at the address at 10:15 am on October 17, 2023 in FORT WORTH, TX 76102.
9414811898765492400431	Keystone O&G Multi-State, LLC	201 Main St Ste 2700	Fort Worth	TX	76102-3131	Your item was delivered to an individual at the address at 10:15 am on October 17, 2023 in FORT WORTH, TX 76102.
9414811898765492400516	KWCL Properties	307 W 7th St Ste 1705	Fort Worth	TX	76102-5103	Your item was returned to the sender at 8:28 am on October 16, 2023 in FORT WORTH, TX 76102 because the forwarding order for this address is no longer valid.
9414811898765492400554	LMBI O&G Multi-State, L.L.C.	201 Main St Ste 2700	Fort Worth	TX	76102-3131	Your item was delivered to an individual at the address at 10:15 am on October 17, 2023 in FORT WORTH, TX 76102.
9414811898765492400561	McMullen Minerals, LLC	2821 W 7th St Ste 515	Fort Worth	TX	76107-8912	Your item was delivered to an individual at the address at 1:08 pm on October 16, 2023 in FORT WORTH, TX 76107.
9414811898765492400523	MEC Petroleum Corp.	414 W Texas Ave Ste 410	Midland	TX	79701-4415	Your item was delivered to an individual at the address at 1:38 pm on October 16, 2023 in MIDLAND, TX 79701.
9414811898765492400509	Murchison Oil and Gas, LLC	7250 Dallas Pkwy Ste 1400	Plano	TX	75024-5002	Your item was delivered to the front desk, reception area, or mail room at 1:28 pm on October 16, 2023 in PLANO, TX 75024.
9414811898765492400592	Nestegg Energy	2308 Sierra Vista Rd	Artesia	NM	88210-9409	Your item was delivered to an individual at the address at 12:28 pm on October 18, 2023 in ARTESIA, NM 88210.
9414811898765492400585	Oxy Y-1 Company	5 Greenway Plz	Houston	TX	77046-0526	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on October 18, 2023 at 11:34 am.
9414811898765492400394	Betsy Bond	4310 48th Ave Apt 3U	Woodside	NY	11377-6202	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765492400578	Pegasus Resources NM, LLC	PO Box 470698	Fort Worth	TX	76147-0698	Your item was delivered at 9:03 am on October 16, 2023 in FORT WORTH, TX 76147.
9414811898765492408215	Pegasus Resources, LLC	PO Box 470698	Fort Worth	TX	76147-0698	Your item was delivered at 9:03 am on October 16, 2023 in FORT WORTH, TX 76147.
9414811898765492408253	Richard Royall Ryan	14011 Bluff Park Dr	San Antonio	TX	78216-7926	Your item arrived at the SANTA FE, NM 87501 post office at 9:14 am on October 27, 2023 and is ready for pickup.
9414811898765492408260	RMB BPEOR NM, LLC	201 Main St Ste 2700	Fort Worth	TX	76102-3131	Your item was delivered to an individual at the address at 10:15 am on October 17, 2023 in FORT WORTH, TX 76102.

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9414811898765492408208	Roger John Allen and Nancy Edge Jennings Allen Trustees Of The Allen Family Revocable Trust	3623 Overbrook Dr	Dallas	TX	75205-4326	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765492408246	Santa Elena Minerals IV, LP	PO Box 2063	Midland	TX	79702-2063	Your item was delivered to the front desk, reception area, or mail room at 11:50 am on October 19, 2023 in MIDLAND, TX 79701.
9414811898765492408239	Sharbro Energy, LLC	PO Box 840	Artesia	NM	88211-0840	Your item was picked up at the post office at 11:26 am on October 18, 2023 in ARTESIA,
9414811898765492408277	SRBI O&G Multi-State, L.L.C.	201 Main St Ste 2700	Fort Worth	TX	76102-3131	Your item was delivered to an individual at the address at 10:16 am on October 17, 2023 in FORT WORTH, TX 76102.
9414811898765492408857	SRBMT I BPEOR NM, LLC	201 Main St Ste 2700	Fort Worth	TX	76102-3131	Your item was delivered to an individual at the address at 10:15 am on October 17, 2023 in FORT WORTH, TX 76102.
9414811898765492408826	SRBMT II BPEOR NM, LLC	201 Main St Ste 2700	Fort Worth	TX	76102-3131	Your item was delivered to an individual at the address at 10:15 am on October 17, 2023 in FORT WORTH, TX 76102.
9414811898765492400349	CCJR Properties, LLC	PO Box 1451	Keller	TX	76244-1451	Your item was picked up at the post office at 12:41 pm on October 16, 2023 in KELLER, TX
9414811898765492408802	Susan J. Croft	6713 Deep Valley Ln	Fort Worth	TX	76132-1121	Your item was delivered to an individual at the address at 10:17 am on October 20, 2023 in FORT WORTH, TX 76132.
9414811898765492408888	Susan Ryan	2208 Mistletoe Blvd	Fort Worth	TX	76110-1130	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765492408833	Tap Rock Excluded Minerals, LLC	523 Park Point Dr Ste 200	Golden	CO	80401-9387	Your item was delivered to the front desk, reception area, or mail room at 11:38 am on October 16, 2023 in GOLDEN, CO 80401.
9414811898765492408871	Tap Rock Resources, LLC	523 Park Point Dr Ste 200	Golden	CO	80401-9387	Your item was delivered to the front desk, reception area, or mail room at 11:38 am on October 16, 2023 in GOLDEN, CO 80401.
9414811898765492408758	TD Minerals LLC	8111 Westchester Dr Ste 900	Dallas	TX	75225-6146	Your item was delivered to the front desk, reception area, or mail room at 12:55 pm on October 16, 2023 in DALLAS, TX 75225.
9414811898765492408765	The Allar Company	PO Box 1567	Graham	TX	76450-7567	Your item was delivered to an individual at the address at 10:20 am on October 16, 2023 in GRAHAM, TX 76450.
9414811898765492408727	Thru Line O&G Multi-State, L.L.C.	201 Main St Ste 2700	Fort Worth	TX	76102-3131	Your item was delivered to an individual at the address at 10:15 am on October 17, 2023 in FORT WORTH, TX 76102.

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9414811898765492400387	Claire Chilton Lopez	620 Rockledge Dr	Saginaw	TX	76179-1840	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765492400332	COG Operating LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was delivered to the front desk, reception area, or mail room at 8:03 am on October 17, 2023 in MIDLAND, TX 79701.
9414811898765492400370	Concho Oil & Gas LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was delivered to the front desk, reception area, or mail room at 8:03 am on October 17, 2023 in MIDLAND, TX 79701.
9414811898765492400011	Devon Energy Production Company, L.P.	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your item was picked up at a postal facility at 10:18 am on October 16, 2023 in OKLAHOMA CITY, OK 73102.
9414811898765492400059	Dragoon Creek Minerals, LLC	2821 W 7th St Ste 515	Fort Worth	TX	76107-8912	Your item was delivered to an individual at the address at 12:17 pm on October 24, 2023 in FORT WORTH, TX 76107.

Affidavit of Publication

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

STATE OF NEW MEXICO
COUNTY OF LEA

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following cases. The hearings will be conducted remotely on Thursday, November 2, 2023, beginning at 8:15 a.m. To participate in the hearings, see the instructions 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 these cases may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than October 22, 2023.

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).

Persons may view and participate in the hearings through the following link: <https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m2782857f226867528004f8664692193a>
Webinar number: 2480 928 8744

Join by video system: 24809288744@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: 2480 928 8744
Panelist password: gVU2PbUBJ68 (48827282 from phones and video systems)

Beginning with the issue dated
October 17, 2023
and ending with the issue dated
October 17, 2023.

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 affected interest owners, including: 820MT I BPEOR NM, LLC; 820MT II BPEOR NM, LLC; Betsy Bond, her heirs and devisees; CCJR Properties, LLC; Claire Chilton Lopez, her heirs and devisees; COG Operating LLC; Concho Oil & Gas LLC; Devon Energy Production Company, L.P.; Dragoon Creek Minerals, LLC; EOG Resources, Inc.; Ewell H. Muse, III, his or her heirs and devisees; Fine Line BPEOR NM, LLC; Fortis Minerals II, LLC; J. D. Murchison Interests, Inc.; Jamie E. Jennings and George J. Lee, Trustees of the Jennings-Lee Trust; Joe John Bond, his heirs and devisees; John C. Ryan, IV, his heirs and devisees; John C. Thomas, his heirs and devisees; John Lawrence Chilton, his heirs and devisees; Katherine K. McIntyre, her heirs and devisees; Keystone (RMB) BPEOR NM, LLC; Keystone O&G Multi-State, LLC; KWCL Properties; LMBI O&G Multi-State, L.L.C.; McMullen Minerals, LLC; MEC Petroleum Corp.; Murchison Oil and Gas, LLC; Nestegg Energy; Oxy Y-1 Company; Pegasus Resources NM, LLC; Pegasus Resources, LLC; Richard Royall Ryan, his heirs and devisees; RMB BPEOR NM, LLC; Roger John Allen and Nancy Edge Jennings Allen, Trustees of the Allen Family Revocable Trust; Santa Elena Minerals IV, LP; Sharbro Energy, LLC; SRBI O&G Multi-State, L.L.C.; SRBMT I BPEOR NM, LLC; SRBMT II BPEOR NM, LLC; Susan J. Croft, her heirs and devisees; Susan Ryan, her heirs and devisees; Tap Rock Excluded Minerals, LLC; Tap Rock Resources, LLC; TD Minerals LLC; The Allar Company; and Thru Line O&G Multi-State, L.L.C.



Publisher

Sworn and subscribed to before me this
17th day of October 2023.

Case No. 23927: Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 319.85-acre, more or less, overlapping horizontal well spacing unit in an interval of the Bone Spring formation comprised of Lot 3, SE4NW4, and the E2SW4 of Section 2, and the E2W2 of Section 11, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in the correlative stratigraphic interval from 11,915' MD as shown in the Dual Laterolog of the Stevens 11 #1 well (API No. 30-025-34246) to the base of the Bone Spring formation. Said unit will be initially dedicated to the proposed Charles Ling Fed Com 136H well, to be horizontally drilled from a surface location in the NE4NW4 (Unit C) of Section 2 to a bottom hole location in the SE4SW4 (Unit N) of Section 11. This 319.85-acre horizontal well spacing unit will overlap This 319.85-acre horizontal well spacing unit will overlap the following existing horizontal well spacing units:
• 160-acre horizontal well spacing unit comprised of the N2N2 of Section 2 dedicated to the Macho State #1H (API: 30-025-39884);
• 160-acre horizontal well spacing unit comprised of the S2N2 of Section 2 dedicated to the Macho State #2H (API: 30-025-39885);
• 160-acre horizontal well spacing unit comprised of the N2S2 of Section 2 dedicated to the Trucker "Brk" State #1H (API: 30-025-26309);
• 160-acre horizontal well spacing unit comprised of the S2S2 of Section 2 dedicated to the Trucker "Brk" State #2H (API: 30-025-41972); and
• 160-acre horizontal well spacing unit comprised of the E2W2 of Section 11 dedicated to the Roy Batty Federal Com #2H (API: 30-025-41332).



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.

HOLLAND & COMPANY
PO BOX 2208
SANTA FE, NM 87504-2208

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Matador Production Company
Hearing Date: November 2, 2023
Case No. 23927**