

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

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

CASE NO. _____

APPLICATION

MRC Permian Company (“MRC” or “Applicant”), through undersigned attorneys, files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling a standard 319.73-acre, more or less, horizontal well spacing unit in an interval of the Wolfcamp formation underlying Lot 2, SW4NE4, and the W2SE4 of Section 2, and the W2E2 of Section 11, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal well spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal well spacing unit.
3. Applicant seeks to pool all uncommitted mineral interests in the correlative stratigraphic interval from 12,412’ MD as shown in the Dual Laterolog of the Stevens 11 #1 well (API No. 30-025-34246) to the base of the WC-025 G-09 S243310P; Upper Wolfcamp Oil Pool [98135].
4. Applicant seeks to initially dedicate the above-referenced horizontal well spacing unit to the proposed **Charles Ling Fed Com 223H** well, to be horizontally drilled from a surface

location in the NE4NE4 equivalent (Lot 1) of Section 2 to a bottom hole location in the SW4SE4 (Unit O) of Section 11.

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 December 7, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the proposed horizontal well spacing unit;
- B. Designating Matador Production Company as operator of this horizontal wells spacing unit and the 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

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ATTORNEYS FOR MRC PERMIAN COMPANY

CASE _____:

Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 319.73-acre, more or less, horizontal well spacing unit in an interval of the Wolfcamp formation comprised of Lot 2, SW4NE4, and the W2SE4 of Section 2, and the W2E2 of Section 11, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico. Applicant seeks to pool the correlative stratigraphic interval from 12,412' MD as shown in the Dual Laterolog of the Stevens 11 #1 well (API No. 30-025-34246) to the base of the WC-025 G-09 S243310P; Upper Wolfcamp Oil Pool [98135]. Said unit will be initially dedicated to the proposed **Charles Ling Fed Com 223H** well, to be horizontally drilled from a surface location in the NE4NE4 equivalent (Lot 1) of Section 2 to a bottom hole location in the SW4SE4 (Unit O) of Section 11. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles northwest of Jal, New Mexico.