

**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 (“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 pooling a standard 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the N2 of Sections 29 & 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of its application, MRC 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 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 horizontal spacing unit to the following proposed wells:
 - **Wayne Gaylord 2930 Fed Com 201H** well to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with a first take point in the NE4NE4 (Unit A) of Section 29 and a last take point in the NW4NW4 (Unit D) of Section 30, and
 - **Wayne Gaylord 2930 Fed Com 202H** well to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with a first take point in the

SE4NE4 (Unit H) of Section 29 and a last take point in the SW4NW4 (Unit E) of Section 30.

4. The Division's district office has informed Applicant that these wells will be placed in the Burton Flats; Wolfcamp North (Gas) Pool (73520) although Applicant expects to produce oil from these wells. This application is being filed as an alternative to the simultaneously filed applications seeking to pool oil spacing units for these proposed wells.

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 in the proposed spacing unit 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 January 4, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the proposed spacing unit;
- B. Designating Matador Production Company as operator of this 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
Post Office Box 2208
Santa Fe, NM 87504
505-988-4421
505-983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com

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 a standard 640-acre, more or less, horizontal well spacing unit in the Wolfcamp formation underlying the N2 of Sections 29 & 30, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the to the following proposed wells:

- **Wayne Gaylord 2930 Fed Com 201H** well to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with a first take point in the NE4NE4 (Unit A) of Section 29 and a last take point in the NW4NW4 (Unit D) of Section 30, and
- **Wayne Gaylord 2930 Fed Com 202H** well to be horizontally drilled from a surface hole location in the NE/4 of Section. 29, with a first take point in the SE4NE4 (Unit H) of Section 29 and a last take point in the SW4NW4 (Unit E) of Section 30.

Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the wells. The subject area is located approximately 7 miles north of La Huerta, New Mexico.